



February 25, 2026

MAREC ACTION TESTIMONY SB841: FAVORABLE

Chair Feldman, Vice Chair Kagan, members of the Education, Energy, and the Environment Committee,

MAREC Action (informally, “Mid-Atlantic Renewable Energy Coalition”) writes in support of SB841, Renewable Energy Generation Projects - Alternative Compliance Fee Auctions. MAREC Action is a Maryland-based coalition of over 50 utility-scale solar, wind, and battery storage developers and manufacturers dedicated to the growth and development of renewable energy across the PJM grid region.

SB841 redirects Alternative Compliance Payments (ACPs), which are generated when there is a shortfall in renewable energy production to meet the state’s RPS, to a reverse auction program that would support new renewable energy development in Maryland. The Maryland Energy Administration (MEA) would administer the competitive auction program, in consultation with the Public Service Commission, through annual solicitations to fund least-cost bids for development of in-state renewable energy projects.

We appreciate the effort of the sponsors to deploy more clean, reliable, renewable energy onto the grid as soon as possible. An annual competitive auction process, as contemplated by this legislation, would identify targeted and cost competitive projects to receive incentives needed to start construction. By putting Alternative Compliance Funds to work, this bill would help realize the goals of the RPS and greater energy independence for Maryland. These funds could work, in addition to existing REC programs, to provide make-or-break support to bring new electric generation online in the current market where demand is far outstripping supply.

We know energy affordability is a key concern for Marylanders. A regional imbalance electricity supply and demand is driving up the wholesale cost of electricity. As a result, the best way to stabilize rising wholesale energy prices is to add zero fuel cost resources like solar and wind to the grid. Because solar and wind have no fuel cost, they will support stability in consumer bills, effectively diversify the electricity supply, and reduce costly periods of peak demand that strain fuel supplies during cold winters like this one.

Building a new power plant (renewable or otherwise) is comparatively expensive in Maryland, due to a lack of transmission infrastructure, high land prices, and existing incentive levels that are lower than neighboring states. These challenges are not unique to renewable energy, and we anticipate that any new power plant (including new natural gas) will need incentives to build. Utility-scale solar’s low cost, relative to other sources, enhances the value and timeliness of the auctions proposed in SB841.



As an annual program, the ACP auctions would provide a measure of predictability for projects at various stages of development. There are utility-scale solar projects in Maryland with a combined capacity of 230 megawatts that have late-stage PJM queue positions and would be best positioned to receive support in the near-term, but this program's annual nature would create opportunities for earlier stage development projects in years to come. If structured as a one-time payment, incentives would need to be sized appropriately to ensure the program's effectiveness in attracting investment away from other states with more robust long-term incentives. It is encouraging to see that the program could be stood up and begin accepting applications as early as January 2027, helping to ensure its effectiveness as a bridge policy for near-term projects that may have lost federal tax incentives to be able to come online.

MAREC Action looks forward to working with the sponsors to refine this proposal in the context of other legislation proposed this session looking to modernize Maryland's renewable energy incentive structure. It is vital to the utility-scale solar industry that reforms occur this year to ensure near term projects can come online and to spur a stronger development pipeline for future projects.

We thank the Committee for your close consideration and ask that you take a favorable position on this legislation to allow refinements to continue throughout the session.

Thank you,

Evan Vaughan
Executive Director
MAREC Action
PO Box 3335
Silver Spring, MD 20918