



Maryland

Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment and Transportation Committee
FROM: MEA
SUBJECT: HB 970 - Renewable Energy Portfolio Standard - Nuclear Energy and Renaming
DATE: February 24, 2025

MEA Position: LETTER OF CONCERN

The Maryland Energy Administration respectfully submits this letter of concern for House Bill 970.

House Bill 970 would (1) rename Maryland's Renewable Energy Portfolio Standard to Clean Energy Portfolio Standard, (2) rename Renewable Energy Credits (RECs) as Clean Energy Credits, and (3) expand the definition of a Tier 2 renewable source to include power generated by a nuclear energy generating station, including small modular reactors, connected with the electric distribution system serving the State.

MEA's primary concern is that House 970 would make existing nuclear generation eligible to generate Tier 2 compliance credits under Maryland's portfolio standard, creating a new, ratepayer-funded subsidy stream without demonstrating additional clean energy deployment or emissions reductions attributable to the bill. In practice, this change would allow facilities such as Calvert Cliffs Nuclear Power Plant to generate Tier 2 credits for electricity already being produced today and receive new credit revenue as a result of a statutory reclassification, rather than due to new generation, new investment, or incremental clean energy outcomes.

While HB 970 does not increase the percentage requirements, compliance with the portfolio standard is financed through credit purchases and alternative compliance payments that electricity suppliers recover from customers through rates. As a result, adding nuclear generation as an eligible Tier 2 source would direct additional ratepayer-supported credit value to nuclear generation, at a time when Maryland policymakers are appropriately focused on protecting ratepayers and containing bill impacts.

Additionally, by expanding the supply of eligible credits, the bill risks changing market dynamics in ways that could dilute the policy signal intended to support emerging clean energy resources and associated in-state economic development.

For these reasons, MEA urges the Committee to consider these concerns before issuing a report on House Bill 970.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy Manager, at megan.outten@maryland.gov or 443.842.780.