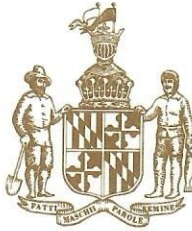


TODD B. MORGAN
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Calvert and St. Mary's Counties

Environment and Transportation
Committee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

TESTIMONY IN SUPPORT OF HOUSE BILL 97
Renewable Energy Portfolio Standard – Nuclear Energy and Renaming
House Environment and Transportation Committee
February 24, 2026

Chair Korman, Vice-Chair Guyton, and Members of the Committee:

House Bill 97 updates Maryland's Renewable Portfolio Standard (RPS) to reflect the energy realities of 2026. Specifically, it adds nuclear energy as a Tier 1 eligible source and renames the program the Clean Energy Portfolio Standard (CEPS). This legislation strengthens—not weakens—our commitment to achieving 100% clean electricity while protecting ratepayers, supporting labor standards, and ensuring grid reliability.

Maryland has already recognized nuclear power as part of its long-term energy strategy through the Next Generation Energy Act and through planning by the Maryland Energy Administration. In its 100% Clean Electricity Report, the Administration concluded that Maryland must add between 7.4 and 11.2 gigawatts of clean energy capacity to meet net-zero goals and rising electricity demand. That report also acknowledged that reliable clean resources—including nuclear—may be necessary to maintain grid stability as demand increases.

At present, Maryland's only nuclear facility, the Calvert Cliffs Nuclear Power Plant, generates approximately 40% of the State's total net electricity. It operates at a capacity factor exceeding 92%, making it the most reliable large-scale source of clean electricity available to us. Nuclear energy emits no greenhouse gases during operation and has an exceptionally small land-use footprint—approximately 0.3 square meters per megawatt-hour produced.

Yet despite providing nearly half of Maryland's electricity, nuclear is excluded from Tier 1 eligibility under the current RPS structure.

HB 97 corrects that inconsistency.

Why This Matters Now

The Public Service Commission's 2024 compliance data reveals important structural pressures in the current RPS market:

- Tier 1 Alternative Compliance Payments (ACPs) were set at \$27.50/MWh.
- The average cost of retired Tier 1 RECs was \$27.09/MWh.
- Suppliers paid approximately \$365 million in ACPs in 2024 due to Tier 1 shortfalls.

In many cases, suppliers chose to pay the ACP rather than purchase RECs because REC prices were elevated due to scarcity. In other words, Maryland's Tier 1 market in 2024 was driven by credit shortages and compliance penalties—not by abundant clean energy supply.

Adding nuclear energy as an eligible Tier 1 resource directly affects the supply side of this compliance structure. If additional clean generation can produce eligible compliance credits:

- Tier 1 REC supply increases.
- REC price pressure likely moderates.
- ACP reliance likely declines.

The result could be lower compliance costs for ratepayers and a more stable credit market.

Importantly, this bill does **not** eliminate or reduce the solar carve-out. Solar retains its dedicated requirement and pricing structure. Wind, geothermal, and other Tier 1 technologies remain eligible. This legislation simply allows nuclear to participate alongside them.

Reliability and Clean Energy Reality

Maryland faces growing electricity demand, supply chain constraints, and interconnection delays. Solar and wind are critical components of our clean energy future—but they are intermittent resources. Nuclear provides always-on, carbon-free baseload generation that complements renewables and strengthens grid resilience.

House Bill 97 also prepares Maryland for next-generation technologies such as Small Modular Reactors (SMRs), which are being evaluated nationwide as flexible, scalable clean

energy solutions. By explicitly incorporating licensed nuclear facilities—including SMRs—into Tier 1 eligibility, this bill creates a policy pathway for future investment without displacing existing renewable commitments.

Conclusion

House Bill 97 does not retreat from Maryland's climate commitments. It strengthens them.

It recognizes that achieving 100% clean electricity requires reliable, zero-emission generation operating alongside wind and solar. It modernizes the RPS into a Clean Energy Portfolio Standard that reflects the full range of carbon-free technologies available to us.

If Maryland is serious about meeting its climate goals, stabilizing energy markets, and protecting ratepayers, we must align policy with physics and market mechanics.

For these reasons, I respectfully request a favorable report on House Bill 97



HB0970/373327/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

18 FEB 26
13:02:49

BY: Delegate T. Morgan

(To be offered in the Environment and Transportation Committee)

AMENDMENTS TO HOUSE BILL 970

(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 23, strike "(x)" and substitute "(w)".

AMENDMENT NO. 2

On page 4, after line 26, insert:

"(w) "Tier 1 renewable source" means one or more of the following types of energy sources:

(1) solar energy, including energy from photovoltaic technologies and solar water heating systems;

(2) wind;

(3) qualifying biomass;

(4) methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;

(5) geothermal, including energy generated through geothermal exchange from or thermal energy avoided by, groundwater or a shallow ground source;

(6) ocean, including energy from waves, tides, currents, and thermal differences;

(7) a fuel cell that produces electricity from a Tier 1 renewable source under item (3) or (4) of this subsection;

(8) a small hydroelectric power plant of less than 30 megawatts in capacity that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;

(9) poultry litter-to-energy;

(10) thermal energy from a thermal biomass system; [and]

(11) raw or treated wastewater used as a heat source or sink for a heating or cooling system; AND

(12) POWER GENERATED BY A NUCLEAR ENERGY GENERATING STATION, INCLUDING A SMALL MODULAR REACTOR, CONNECTED WITH THE ELECTRIC DISTRIBUTION SYSTEM SERVING THE STATE.”

On pages 4 and 5, strike in their entirety the lines beginning with line 27 on page 4 through line 3 on page 5, inclusive.