



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

January 21, 2021

The Honorable Dereck Davis
Chair, Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

Re: Letter of Information – House Bill 298 – Utility Regulation – Consideration of Climate and Labor

Dear Chair and Committee Members,

The Maryland Department of Natural Resources respectfully provides the following information on House Bill 298. This bill seeks to require the Public Service Commission (PSC) to consider climate impacts for an application for a Certificate of Public Convenience and Necessity (CPCN), in addition to requiring the department, through the Power Plant Research Program (PPRP), to evaluate the impact of electric power plants on greenhouse gas emissions and the climate, presumably in the biannual Cumulative Environmental Impact Report.

Because the department, through PPRP, already evaluates the impact of electric power plants on greenhouse gas emissions and the climate in its biannual Cumulative Environmental Impact Report -- a report focused on fossil fuel facilities in Maryland -- HB 298 would have no direct impact on DNR or PPRP operations. The department would like to note the error in the bill's Fiscal Note. Because the analyses are to be conducted entirely by the Maryland Department of the Environment, PPRP will not bear their anticipated cost. However, the bill contains other provisions that in the department's assessment may potentially hinder grid resiliency and the growth of renewable energy generation in Maryland. Because additional and costly studies are required for each new generating station and transmission, the approval and ultimate construction of infrastructure critical to the grid will be hindered.

In terms of renewable energy generators, the requirement for an additional and costly study is redundant and not a wise use of limited taxpayer dollars. Scientists and economists widely acknowledge the extensive carbon benefit of renewable energy, including industrial scale solar facilities. The department estimates that solar generation provides the same greenhouse gas benefit as a forest and other mitigation practices -- if not much higher. While developing solar generation on forestland is the worst case scenario because of the elimination of carbon sink benefits, solar projects constructed on fallow land maximize their greenhouse benefit.

Respectfully submitted,

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