



February 11, 2021

The Honorable Kumar Barve  
Environment and Transportation Committee  
210 House Office Building  
Annapolis, MD 21401

Re: **Letter of Information – HB 583 – The Climate Solutions Now Act**

### Overview

Choptank Electric Cooperative and Old Dominion Electric Cooperative (ODEC) appreciate the opportunity to provide input to the Committee **on HB 583 – the Climate Solutions Now Act**. The legislation sets an ambitious goal for Maryland to become carbon neutral by 2045. While the legislation does not directly include requirements for electric utilities, the legislation and its goals will have a significant impact on electric utilities and the power generation, transmission, and distribution system owned by those utilities. As not-for-profit, consumer-owned utilities, Choptank and ODEC have a significant interest in how the legislation will impact cooperatives and the consumers who own the cooperatives.

Choptank and ODEC continue to reduce the greenhouse gas emissions from our power supply, having reduced carbon dioxide emissions by 42 percent since 2005. We are enhancing our renewable energy portfolio, evaluating, and investing in battery storage technology, and undertaking a variety of efforts to work toward a clean energy future. Please see last week's announcement by ODEC to achieve net-zero carbon emissions by 2050.

### Informational Education and Issues of Concern with HB 583

**HB 583** as written will have a significant impact on all segments of Maryland's economy, and achieving net-zero greenhouse gas emissions by 2045 will have both direct and indirect impacts on the electric power system in the state.

- **Focus on reliability of the electric power system**

In developing the plan to achieve net-zero greenhouse gas emissions by 2045, the State of Maryland should include recommendations to ensure the continued reliability of electric power. Achieving significant and sustainable GHG reductions will require dramatic advances in technology. If technology advancements do not materialize as expected, there may be a need for additional time to achieve the legislation's goals and/or there may be a need to continue to rely on current power generation resources. **HB 583** and the plan required to be developed by the Department should include a provision recognizing that maintaining electric power reliability is essential.

For example, legislation passed in Virginia in 2020 (the Virginia Clean Economy Act) included provisions to allow power plant operators to petition the Virginia State Corporation Commission to delay the closure of a

fossil-fuel power plant if the closure of that plant would result in compromising the reliability of electricity in the state. A similar provision should be included in the Climate Solutions Now Act.

- ***Modify net-zero greenhouse gas timeline***

The legislation's requirement to achieve net-zero greenhouse gas emissions by 2045 is a very ambitious goal. ODEC has recently set a strategic goal to reduce its CO<sub>2</sub> emission, achieving net zero CO<sub>2</sub> emissions by 2050, with an interim goal of a 50 percent reduction in its CO<sub>2</sub> intensity by 2030. To achieve this goal, ODEC will continue investing in renewable resources, invest in battery storage technology, and monitor advanced power generation technologies (including hydrogen, renewable natural gas, small modular reactors, and others). ODEC will also lead efforts to help strategically electrify segments of the region's economy that currently rely on fossil fuels to help the transportation, building, agriculture, and other economic sectors reduce their greenhouse gas emissions.

### **Choptank Electric Cooperative Background**

Founded in 1938, Choptank Electric Cooperative is a not-for-profit organization that exists to provide reliable and cost-effective electricity. This service improves the quality of life for our 54,350 member-owners.

Following the passage of the Rural Electrification Act in 1936, Choptank Electric Cooperative's first 78 miles of distribution lines were energized in Caroline County on Dec. 15, 1939, serving 184 members. Choptank Electric Cooperative joined [Old Dominion Electric Cooperative \(ODEC\)](#) in 1976 to obtain lower wholesale power costs.

Choptank Electric Cooperative has 10 board seats. One seat represents each county served by Choptank Electric along with one additional seat which represents the Ocean Pines District. Board members are elected on a three-year term basis at the Annual Meeting.

### **Old Dominion Electric Cooperative Background**

ODEC is a not-for-profit power supply cooperative providing electric energy, capacity, transmission, and other services to its 11 consumer-owned distribution electric cooperatives in Maryland, Delaware, and Virginia. Those cooperatives ultimately serve more than 1.5 million people in the mid-Atlantic region. ODEC is rate-regulated by the Federal Energy Regulatory Commission and a registrant with the Securities and Exchange Commission, which requires significant transparency in ODEC's operations through annual and quarterly [reports](#).

ODEC has shifted its energy resources away from coal and market purchases and toward cleaner energy sources over the past fifteen years. The cooperative plans to continue that shift, with additional solar resources being developed, investing in battery storage opportunities, and leading efforts to strategically electrify the economy to help other economic sectors benefit from ODEC's historic and future emissions reductions.

ODEC's energy portfolio has shifted away from coal and market purchases over the past 15 years. Energy from the cooperative's sole coal plant (co-owned with Dominion Energy) has decreased from 25% of its portfolio to 5%, while renewable and other non-CO<sub>2</sub> emitting resources now make up 20% of ODEC's portfolio. (Note that Renewable resources are through Purchase Power Agreements (PPAs), not direct ownership, and ODEC sells renewable energy credits related to these purchases to its members and non-members.) In 2012 ODEC canceled plans to build a new coal-based power plant in Virginia, and later decided to build a state-of-the-art combined cycle natural gas plant in Maryland, which is among the most efficient plants of its type in the country. ODEC added 300 MW of wind and solar resources to its portfolio beginning in 2008.

More information about ODEC can be found on our [website](#).

## **Conclusion**

We appreciate the opportunity to present this testimony, and look forward to working with the Committee, the bill's sponsors, and other stakeholders to help Maryland achieve its clean energy and CO2 reduction goals.

For more information, please feel free to contact:

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# NEWS RELEASE

Old Dominion Electric Cooperative  
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**EMBARGOED UNTIL 8 A.M. EST**  
February 4, 2021

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## Old Dominion Electric Cooperative Sets Net Zero CO<sub>2</sub> Emissions Goal

**Glen Allen, VA-** Old Dominion Electric Cooperative (ODEC) today announced a goal to achieve net zero carbon dioxide emissions by 2050. ODEC has also set an interim goal to reduce its carbon intensity by 50% (from 2005 levels) by 2030. ODEC will be the second generation and transmission cooperative in the country to set a net zero carbon goal.

Since 2005, ODEC has reduced CO<sub>2</sub> emissions by 46% and has reduced its carbon intensity by 44%. The 2050 goal further emphasizes the cooperative's dedication to using renewable energy sources and builds on ODEC's mission of providing affordable, reliable, and sustainable power to its 11 member distribution cooperatives.

More than 35% of ODEC's energy was generated by non-CO<sub>2</sub> emitting resources in 2020, and power from ODEC's only coal plant (Clover Power Station) has declined from 25% of its power supply in 2005 to just 5% in 2019. Currently, ODEC has 300 MW of wind, solar, and landfill gas as part of its resource mix\* and has plans to add additional renewable

resources in the future. ODEC is also investing in battery storage opportunities and is seeking proposals from several vendors to develop projects throughout its members' service territories. ODEC also works closely with its members to offer [retail consumer- members energy efficiency options](#).

"We're dedicated to expanding our carbon-free energy generation. ODEC is committed to evaluating all options and working with our Board to identify the most cost-effective alternatives to further reduce our CO<sub>2</sub> footprint while keeping electricity affordable and reliable," said Marcus Harris, president and chief executive officer of ODEC.

“ODEC plans to vigorously pursue its carbon reduction and clean energy expansion goals but will also ensure that achieving that goal will not disrupt the reliable electric service it has provided for more than 70 years,” added Harris.

ODEC recognizes the necessity of a continuous flow of electricity to power the region. Harris noted that the Virginia Clean Economy Act included a provision that would give investor-owned utilities the opportunity to petition the State Corporation Commission to keep a power plant open if closing the plant would threaten the reliability or security of electric service to customers.

John Lee, chairman of the Board of Directors of ODEC, states, “Since its inception, ODEC has been an innovative leader among cooperatives in its efforts to provide affordable and reliable electricity. Today, we very proudly announce that, once again, we’re taking an industry leadership role with our carbon reduction, and clean energy goals. We continue to be focused squarely on doing what is in the best interest of our consumer- members, and that includes being a sustainable energy leader. This net zero goal fits right into that mission. We’re committed to lead the way in exploring and adopting strategies that will mitigate the environmental impact of our efforts to provide electric service to our members.”

“I commend ODEC for being only the second power generation cooperative in the country to adopt a net zero carbon goal,” said Del. Rip Sullivan (D-Arlington). “I look forward to working with them to foster policies in the coming years that accelerate the decarbonization of our electricity sector.”

“We applaud ODEC for recognizing the need to decarbonize the power sector and look forward to working with them going forward to ensure we equitably transition to clean energy,” said Will Cleveland, senior attorney for the Southern Environmental Law Center.

“Rural electric cooperatives serve over 40 million people while selling over 10 percent of the nation’s electricity,” noted Bob Perciasepe, president of the Center for Climate and Energy Solutions and former deputy administrator of the Environmental Protection Agency. “They have unique challenges given their size and geographic distribution as

the country needs to move to net zero greenhouse gas emissions. By establishing a goal and a vision for net zero emissions in 2050, ODEC is presenting an example for other cooperatives across the country and is to be commended for this leadership.”

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#### **About ODEC:**

Headquartered in Glen Allen, Virginia, ODEC is a not-for-profit, member-owned, power supply cooperative. It supplies the wholesale power requirements of its 11 member electric distribution cooperatives, which provide reliable, affordable electricity to 1.5 million people in 70 counties in Virginia, Maryland and Delaware. Learn more at [www.odec.com](http://www.odec.com)

\*Related to our contracts from renewable facilities from which we purchase renewable energy credits. We sell these renewable energy credits to our member distribution cooperatives and non-members.

