



INVEST IN CLEAN ENERGY AND SAVE RATEPAYERS MONEY THROUGH LONG-TERM CONTRACTS

Senate Bill ## | House Bill ##



DID YOU KNOW?

Maryland can significantly increase clean energy development and simultaneously better protect ratepayers by purchasing a portion of our electricity through long-term contracts for wind and solar energy.

Long-term contracts support the financing needed for new wind and solar facilities by establishing a reliable revenue stream. This enhances opportunities for more facilities to be built, and the new facilities can pass on their savings in financing costs to ratepayers.

Ratepayers can benefit from the over 60% drop in wind prices in the past seven years through long-term contracts. These prices are at their lowest levels ever, often as low as or even lower than fossil fuel prices. Clean energy like wind and solar rely on free “fuel” – meaning they are not subject to volatile fossil fuel market fluctuations that can negatively impact customers’ wallets.

Massachusetts and Connecticut recently committed to purchasing energy through long-term contracts, and are projecting hundreds of millions of dollars of savings. Many large businesses, including Walmart, Google, and General Motors, also are obtaining cheaper energy by signing long-term contracts for clean energy.

In 2019, the General Assembly should make smart, long-term energy investment a part of Maryland’s clean energy program.

WHAT IS THE STATUS OF CLEAN ENERGY IN MARYLAND?

Maryland has taken important steps to advance clean energy, including approving the first major offshore wind farms in the U.S., and steadily increasing the Renewable Portfolio Standard (RPS) to grow Maryland's in-state solar industry and support onshore wind from out of state.

Unfortunately, only about 5% of in-state generated electricity now comes from wind and solar. Most still comes from environmentally harmful sources – coal, gas, and nuclear. The RPS also supports several carbon-emitting sources, including burning trash and burning wood and wood products.

WHAT SHOULD THE GENERAL ASSEMBLY DO IN 2019?

- Put Maryland on the path to 100% clean energy by 2040 by enacting two companion clean energy bills – a bill to provide for long-term energy contracts, and a strengthened Clean Energy Jobs Act (CEJA).
- Significantly enhance Maryland's long-term investment in clean energy, and save ratepayers money, by shifting a portion of our electricity purchases to long-term clean energy contracts. These contracts also will allow Maryland to increase our share of clean energy by combining the purchase of electricity and the purchase of renewable energy credits.
- Provide an extra layer of customer protection with long-term contracts by requiring the Public Service Commission to monitor and evaluate the procurement process.
- The Maryland Sierra Club supports enacting CEJA with strengthening amendments. An amended bill should require: a "100% by 2040 plan" within five years; a RPS target of 60% by 2030; ending the RPS subsidy for trash incineration, and removing or limiting the subsidy for burning wood and wood products; and ambitious targets to incentivize continued growth of offshore wind and in-state solar. (The amendments add to the significant provisions of the as-introduced bill by increasing the 2030 RPS target from the proposed 50%, and by addressing the wood-burning subsidy.)

WANT TO KNOW MORE?

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