

*Chesapeake Bay Foundation*

*Chesapeake Climate Action Network*

*Clean Water Action*

*Maryland League of Conservation Voters*

*Maryland PIRG*

*Patuxent Riverkeeper*

*West/Rhode Riverkeeper*

February 12, 2008

**Testimony in support of HB 375 – Renewable Portfolio Standard  
Acceleration**

**House Economic Matters Committee**

America has vast potential to generate electricity from wind, sun, crops and other renewable sources. Renewable energy sources such as wind and solar power do not produce hazardous air emissions, are not subject to unpredictable swings in fossil fuel prices, and have come down in price dramatically over the last several decades. In some cases, renewable energy is even cheaper than power from conventional sources. Moreover, renewable energy technologies have come to be seen as potent domestic job-creators.

In 1983, Iowa became the first state to require utilities to develop specific amounts of renewable energy capacity. Iowa was followed by Minnesota in 1994. In the years since, states with both restructured and traditionally regulated utilities have come to adopt renewable electricity standards as a way to ensure that their states reap the benefits of renewable energy. Today, 25 states and Washington, D.C. have RPSs or functionally similar policies on the books.

State RPS policies have helped spur the recent expansion in wind energy generation, which has increased nearly sevenfold in the United States since 1996. RPS policies were responsible, either in whole or in part, for motivating approximately half of all wind power additions between 2001 and 2006, with the percentage increasing to 60 percent in 2006.

Many RPS states are finding themselves at the center of a renewable energy boom. More than 8,500 MW of renewable generating capacity has been installed in states with RPS policies since those policies were adopted. In 2006, more than two-thirds of all new renewable electric generating capacity in the United States was built in RPS states. Moreover, of the 20 utilities with the largest purchases of wind power, 17 of them are directly affected by an RPS.

Unfortunately, Maryland's RPS law is too loosely written to achieve these types of benefits. We allow existing sources to qualify, allow resources from too large of a region, have a low alternative compliance fee, and our overall percentage requirement is low. Each of these problems should be addressed. This bill would:

- Raise the requirement to 20% by 2022.
- Reduce the geographic scope of eligible resources so that projects are closer to home but not so limited that there is not enough potential.
- Increase the alternative compliance fee to four cents per kilowatt-hour, in line with other states.

Maryland should put itself ahead of the curve on creating clean energy industries. This will make our electricity system more reliable through diversifying our energy sources, promote economic development, and clean up the environment.