

50% RPS SWOT

Economic Development Focus Group Discussion

The discussion below reflects two kinds of comments. Some comments are specific strengths/weaknesses/opportunities/threats identified by a Focus Group member. Others are recommendations for how to approach a topic, e.g., considering ratepayer impacts over different time frames.

Objectives

- Consider not just environmental justice but also equal access to economic opportunities
- What is the goal of the RPS? Is it promoting new renewable energy development, renewable energy generation and/or non-polluting generation of any vintage? How do we define “new”?

Strengths

- Jobs / Economic development – 50% RPS may attract corporations with clean energy goals; new source of revenue for farmers / tax revenue for counties, primary job opportunities likely to be in PV installation
- Risk mitigation – 50% RPS may serve as a hedge against future CO₂ legislation and/or rising natural gas costs, help to increase diversity of PJM’s generation portfolio (which is becoming increasingly reliant on natural gas plants), contribute to mitigating climate change-related impacts

Weaknesses

- Jobs / Economic development – 50% RPS may deter companies due to concerns over reliability; loss of farming land could have spillover impacts on ag support industries (e.g., seeds, pesticides); PV payments wouldn’t go to farmers as often as to absentee landlords (65% of farmland in Eastern Shore is rented)
- Ratepayer impacts – it would be best to present a range of impacts; consider over multiple time frames (historically rising RPS goals have corresponded with innovation/falling renewable energy costs); real-world data on U.S.-based off-shore wind costs should become available soon
- Land use – distinguish between impacts of wind and solar (wind has smaller footprint than solar); distinguish between different kinds of ag land (e.g., pasture, cultivated, hillsides, prime, preserved); consider whether there is a threat to forested lands in Maryland (current regulations may deter such projects in the State)

Opportunities

- Grid infrastructure / controls – new renewable energy may avoid the need for new transmission investments
- Jobs / Economic development – new carve-outs (e.g., for biomass) and incentives for deployments on brownfields, rooftops, parking lots could increase in-State benefits, including benefits to historically underserved communities
- Resource eligibility – expanding eligibility (e.g., large scale hydro, non-emitting resources) could mitigate costs

Threats

- Grid infrastructure / controls – Renewable energy may lead to the stranding of traditional generation assets, need for new transmission (e.g., PJM study of new transmission needed with closure of OH nuclear plants), new distributed energy resource (DER) control systems;
- Emissions – transportation and out-of-state generators are major sources of urban pollution that the RPS cannot impact
- Public backlash – need to do a better job of working with communities facing utility-scale projects
- Grid reliability / stability – concerns should be mentioned but cannot be evaluated in this context