

HB 1414 Maryland Renewable Portfolio Standard Study

Power Plant Research
Advisory Committee
Meeting
June 18, 2018



House Bill 1414



“PPRP shall conduct a study of the [Renewable Portfolio Standard] RPS... The study shall be a comprehensive review of the history, implementation, overall costs and benefits and effectiveness of the RPS in relation to the energy policies of the state.”

“The Commission, the Administration, the Department of the Environment, the Department of Natural Resources and other State and local units shall cooperate with the Program (PPRP) in the Conduct of the Study, including sharing of information, data and resources, subject to appropriate legal protection of commercially sensitive and other information.”

“The Program (PPRP) shall consult with representatives of various segments of the clean energy industry and other stakeholders.”

Study Topics



- Role & effectiveness the RPS may have in reducing the carbon content of imported electricity
- Role of in-State clean energy in achieving GHG emission reductions
- Net environmental and fiscal impacts associated with long-term contracts with clean energy projects
- Industries that may grow, and to what extent, as a result of RPS incentives
- Local job growth opportunities resulting from the RPS
- Energy Storage technologies
- Equitable distribution of public health and environmental benefits across environmental justice communities
- System flexibility requirements needed under future goals to handle peak and ramping capabilities
- Changes in SREC prices over the 24 months preceding the interim report
- The State's likelihood to meet existing goals and potential future goals with and without the inclusion of certain technology

Current Activities



- Two tasks are currently underway
 - Evaluation of whether the State is likely to meet its existing goals under the current RPS, and if the State were to increase those goals, whether electricity suppliers should expect to find an adequate supply to meet the additional demand for credits.
 - Assessment of whether the RPS is able to meet current and potential future targets without the inclusion of certain technologies.
 - Draft *Renewable Energy Inventory* report addresses both of these tasks.
- Formation of the RPS Study Working Group.
- PPRP is meeting (and plans to meet) with individual stakeholders to receive their views on the Maryland RPS and what this study should consider.

Draft Renewable Energy Inventory Report



- A draft of the third edition of the Renewable Energy Inventory report was issued this spring.
- Purpose of report is to estimate the quantity of proposed, planned and operating generation resources that are eligible for the Maryland, and to assess how much, if any, generation capacity would need to be developed to meet the requirements of the Maryland RPS and other state RPS policies.
- Draft report concluded there is, and will be, a shortage of non-carve out Tier 1 resources, but there would be sufficient Tier 2 and solar carve-out resources.

Comments on Draft Renewable Energy Inventory Report



- Comments received from PJM and MDV-SEIA.
- Questioned finding of current and projected shortages of non carve-out Tier 1 RECs.
- Several changes suggested:
 - Consider demand for and supply from RPS-eligible resources from a PJM-wide perspective, not just Maryland.
 - Include solar generation over and above what is required the solar carve-out in Tier 1.
 - Re-examine methodology of projecting the addition of new renewable energy capacity
 - Review historical and projected capacity factors for wind and solar
- New draft expected by the end of July.

RPS Study Work Group

- Throughout the process PPRP will seek input and feedback from stakeholders.
- PPRP welcomes any data or studies stakeholders may have or would like to contribute.
- Work Group webpage located at <http://dnr.maryland.gov/pprp/Pages/RPS-WorkGroup.aspx>



A screenshot of the Maryland Department of Natural Resources website. The page has a dark header with navigation links: "Maryland.gov", "Phone Directory", "State Agencies", "Online Services", and "Translate". Below the header is a banner image of a sunset over a body of water. The main content area is divided into two columns. The left column is titled "Power Plant Research Program" and contains a list of links: "Power Plant Home", "Power Plant Research Advisory Committee", "Renewable Portfolio Standard Work Group", "Energy Storage Work Group", "Power Plants in Maryland", "Power Plant Licensing", "Other Program Activities", "Projects Under Review", "Request for Proposals", "Smart Siting", and "Contact the Program". The right column is titled "Maryland Renewable Portfolio Standard (RPS) Study Work Group" and contains a paragraph of text: "The Maryland General Assembly passed legislation (HB1414) during the 2017 legislative session that directs Power Plant Research Program to conduct a study addressing the Renewable Portfolio Standard. Specifically, Power Plant Research Program is directed to conduct a comprehensive review of the history, implementation, overall costs and benefits, and effectiveness of the Maryland Renewable Portfolio Standard in relation to the energy policies of the State of Maryland, including the availability of all clean energy sources at reasonable and affordable rates, and including in-state and out-of-state renewable energy options." Below the text is a list of four expandable sections: "Work Group Members", "Study Status", "Meeting Schedules/Agendas/Presentations/Minutes", and "Contact Information and Public Comments". The footer contains contact information: "580 Taylor Ave, Annapolis MD 21401" and "(877-620-8DNR) (8367)", along with social media icons for Facebook, Twitter, Instagram, YouTube, LinkedIn, and Email.

Schedule



- Board of Public Works approved a contract with Exeter Associates Inc. on May 16, 2018.
- Interim Report due December 1, 2018.
- Final Report due December 1, 2019.
- Both reports are provided to Governor, Senate Finance Committee, and House Economic Matters Committee.

Interim Report

- The Interim Report will be provided by December 1, 2018.
- The Interim Report will include the following:
 - Status update on the Study.
 - List of options for the General Assembly to consider, with positive and negative aspects for each option.
 - List of additional topics that could be evaluated that are outside of the scope of this Study.
 - Summary of the remaining work for the Study.



How Options Will Be Addressed in Interim Report



- Each option will be assessed via a “SWOT” analysis (Strengths, Weaknesses, Opportunities, Threats).
- Strengths and Weaknesses are factors Maryland has some control over, e.g., design and implementation of the RPS.
- Opportunities and Threats are factors external to Maryland, e.g., economic competitiveness of individual renewable energy technologies as compared to natural gas.

Potential Candidates for SWOT Analysis



- Not changing the Maryland RPS at all.
- Increasing the Maryland RPS to 50 percent, with an increase in the solar carve-out.
- Increase the Maryland RPS to 100 percent, also with an increase in the solar carve-out.
- Requiring long-term contracts for renewable energy projects for standard offer service.
- Others to be developed as the study proceeds.

Questions?