



Pass the Abundant, Affordable, Clean, Energy (AACE) Act HB 398 / SB 316

The Abundant, Affordable Clean, Energy (AACE) Act, HB 398/ SB 316, will help increase Maryland energy production in ways that keep rates affordable and benefit the environment. Without action, Maryland will fall short of its clean energy goals and ratepayers will face increased costs for electricity.

We Can Have Abundant, Affordable, Clean Energy and a Stable Electricity Grid.

To meet our state's climate and clean energy goals, Maryland needs to support increased clean energy and battery storage deployment. Clean energy will help maintain and improve the health of Marylanders by reducing pollution from ozone and particulate matter. It will help us reduce climate pollution including methane from natural gas and it will support electrification of homes and transportation.

Maryland has the goal of transitioning to clean renewable energy while ensuring a reliable electricity grid and affordable rates for our residents. While the state has made progress, it is not on track to meet its goals and further action is needed.

Demand is growing. Over the next 10 years, Maryland anticipates significant growth from energy demand from new industries like AI. While a bold energy efficiency strategy can temper demand, all scenarios assume some level of growth in demand.

Renewable energy is growing but not fast enough. Maryland has established goals of producing 50% of its electricity from renewables by 2030 through the Renewable Portfolio Standard (RPS) and 100% by 2035. According to the Energy Information Administration, renewable energy supplied just 12% of Maryland's total electricity consumption in 2022, while nuclear represented 39% of Maryland's energy generation.



Photo 1: Image of Solar Panel by Heather Moyer

Maryland can make a difference! Maryland is part of PJM Interconnection (PJM), a shared grid which approves new power energy sources that connect to the transmission system for Maryland, twelve other states, and the District of Columbia. It has poorly managed the approval process for renewable energy, delaying the development of new generation. While Maryland does not have the control the regional grid operator does, there are many steps Maryland can take to accelerate renewable energy and storage, target projects to better serve grid needs, and keep rates down.

With the AACE Act, we have the opportunity to meet this rising demand with clean energy in a way that protects and creates family-supporting local jobs, builds health and wealth across the state, and incorporates labor standards and supplier diversity into all projects.

The AACE Act takes a no regrets approach to addressing Maryland's energy needs. The Act will better position Maryland to meet the climate crisis by creating a framework for the quicker adoption of clean energy technologies, promoting affordability and reliability in our energy system.

Abundant Energy

The AACE Act will increase energy generation in Maryland and the storage capacity of Maryland's energy grid, which will decrease capacity prices and reduce the likelihood of outages, by:

- Boosting in-state storage to meet peak capacity needs of the distribution and transmission networks by creating a market for battery storage projects. These steps would help Maryland meet its legislated goal for storage capacity.
- Minimizing the risk of new fossil generation by providing funding equivalent to the current federal production tax credit, if necessary, to support the potential relicensing of the Calvert Cliffs Nuclear Facility in 2034 and 2036.¹

Affordable Energy

The AACE Act will protect ratepayers, make procurement for clean energy more competitive and efficient, and avoid expensive energy solutions by:

- Amending the Alternative Compliance Payment mechanism and applying 75% of energy sales and franchise taxes from data centers to reduce electric rates.
- Creating a 5% cap for the cumulative impact to ratepayers for net-metered solar.

Clean Energy

The AACE Act will bring more solar and wind projects online in Maryland, improving our grid's capacity and reliability and helping to achieve Maryland's near-term goals for clean energy generation, by:

- Updating incentives for small solar projects.
- Establishing competitive purchasing processes for utility-scale solar projects, land-based wind, and small hydro projects that protect ratepayers and create certainty for renewable developers.
- Ensuring that transmission for offshore wind projects prioritizes serving Maryland load.

Maryland Sierra Club
P.O. Box 278
Riverdale, MD 20738
(301) 277-7111

sierraclub.org/maryland
facebook.com/SierraClubMaryland
twitter.com/sierraclubmd
Email: legislation@mdsierra.org



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¹ Sierra Club policy guidance allows for extension of existing nuclear facilities when retirement of the facilities would likely lead to new fossil generation.