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Invenergy Testimony on HB 2277: Support

Chairman Vitali, Minority Chairman Causer, and members of the House Environmental Resources & Energy Committee,

Invenergy submits the following testimony in support of HB 2277, the Pennsylvania Reliable Energy Sustainability Standard (PRESS), submitted by Representative Otten as a component of the Governor's energy plan.

As a privately held company with a 20+ year track record of responsibly developing, building, owning, and operating wind, solar, transmission, energy storage, and natural gas generation facilities, Invenergy has developed more than 200 projects and 32 GW of generating capacity in the Americas, Europe, and Asia. We are also investing in high-voltage transmission lines as they are essential to connect generation capacity and move power over long distances across regions from where it's produced to areas of high demand. Currently, 1/3 of all proposed new high-voltage direct current transmission capacity (MW-miles) in the US are Invenergy projects. Within the PJM region, Invenergy has developed over 4,500 MW of clean energy. In Pennsylvania, Invenergy's state-of-the-art Lackawanna combined-cycle natural gas project in Lackawanna County generates enough energy to power almost 1 million Pennsylvania homes while investing more than \$285 million in the local economy to date.

Invenergy supports PRESS as it creates significant demand for renewable energy, both within the Commonwealth and the broader PJM region. By encompassing a broad range of technologies, PRESS aims to keep energy generation competitive and innovative. This inclusive strategy not only promotes a diverse energy mix and continued advancements in emerging technologies, but also ensures that consumers in Pennsylvania receive the most cost-effective energy solutions.

Invenergy also submits for your consideration two proposed changes below to help further the intent of this legislation to promote a clean, reliable, and affordable power supply for the Commonwealth.

First, Invenergy asks for reconsideration of the requirement that, "an individual generating unit with a nameplate capacity over 150 megawatts must be located in this Commonwealth to be eligible for reliable energy credits" (page 29, line 11). Limiting regional procurement to smaller projects fails to capture the economies of scale that help make utility scale

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renewable energy one of the most affordable sources of energy available. Sourcing solely from smaller projects will be more expensive, increasing the cost for compliance with this bill, which will ultimately be passed on to the ratepayers. As currently written, it is also unclear if this new restriction would grandfather existing contracts or allow for projects to split their capacity and allocate a portion under 150 MW to sell to Pennsylvania customers.

Second, Invenergy asks for a technical fix to the geographic eligibility section to include energy sources that are themselves not located within PJM, but still deliver power into the PJM region via transmission. The key attribute for maintaining grid reliability is where the energy is delivered into the grid, not where it is generated. A power plant in your backyard but plugged into your neighbor's house does less for your reliability than a power plant down the road with a direct transmission connection to your home. Within the context of PJM's increasing demand forecasts, including energy sources from a large geographic area that are able to deliver power into the region will help support overall system reliability.

We propose the following addition starting on page 35, line 29: "For purposes of compliance with this act, [alternative] PRESS energy sources located in. or via transmission line delivered into the PJM Interconnection, L.L.C. regional transmission organization (PJM) or its successor service territory shall be eligible to fulfill compliance obligations of all Pennsylvania electric distribution companies and electric generation suppliers. Energy derived from [alternative] PRESS energy sources located outside the service territory of a regional transmission organization that manages the transmission system in any part of this Commonwealth shall not be eligible to meet the compliance requirements of this act, <u>unless delivered into the regional transmission organization</u>."

Invenergy looks forward to working with the Committee as you all consider this bill and appreciates your prioritization of renewable energy programs during a busy legislative session. We applaud this bill as a bold step in the right direction on energy policy and believe that, with a few minor changes, it will efficiently support a clean, reliable, and affordable power supply for the Commonwealth.

Thank you for the opportunity to provide feedback on this legislation and please feel free to reach out with any questions if we can be a resource during your deliberations.

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