



June 23, 2024

Hon. Greg Vitali  
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Hon. Martin T. Causer  
Republican Chair, ERE Committee  
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## **MAREC Action comments in support of HB 2277: Pennsylvania Reliable Energy Sustainability Standard (PRESS)**

Chairman Vitali and Republican Chair Causer,

MAREC Action (informally, “Mid-Atlantic Renewable Energy Coalition”) is a non-profit coalition of utility-scale solar, wind, and battery storage developers, wind turbine and solar panel manufacturers, and public interest organizations dedicated to promoting the growth and development of renewable energy in Pennsylvania and in nine other states across the PJM electric grid.

On behalf of MAREC Action and our member companies, I’m writing in support of HB2277. This legislation would codify Governor Shapiro’s Pennsylvania Reliable Energy Sustainability Standard (PRESS). Through passage of this legislation, Pennsylvania can secure new investment in clean and reliable energy sources needed to power the Commonwealth through the 21<sup>st</sup> century.

Large-scale clean energy project developers see HB2277 as a major opportunity to expand investment and job creation in Pennsylvania. From a regional standpoint, HB2277 arguably represents the single largest new market opportunity for energy investment currently under consideration by any state legislature. Pennsylvania’s Alternative Energy Portfolio Standard (AEPS) was achieved and subsequently flatlined several years ago, resulting in slowed installations during subsequent years.

The sluggish market for new clean energy facilities would change with the passage of HB2277. [Earlier this year, MAREC Action, Advance Energy United, and the American Clean Power Association commissioned a study](#) from respected analysis firm Gable Associates looking at the economic benefits of Pennsylvania attaining 30 percent renewable energy by 2030. Our report found such a policy would result in more than \$13.1 billion invested in Pennsylvania over the next seven years and could sustain 129,000 additional job-years between 2024 and 2031. HB2277 does not align exactly with the earlier HB1467 (which formed the basis for our study), but we believe it is reasonable to conclude that PRESS/HB2277 would result in similarly impressive benefits.

One particularly innovative aspect of HB2277 is the focus on energy storage, including long-duration storage. PJM Interconnection, the entity that manages Pennsylvania’s electric grid, is projecting 40,000 megawatts (MW) in load growth by 2039 and the loss of 40,000 MW of generation through retirements by 2030. PJM’s existing resource mix is heavily reliant on thermal energy sources, including natural gas, nuclear, and coal. Through HB2277, Pennsylvania has an opportunity to diversify its electricity mix, including with new, dispatchable energy storage projects



paired with wind or solar. We are strongly supportive of the inclusion of energy storage in tier 2 under HB2277. Storage and renewable energy will help make Pennsylvania's electricity supply less vulnerable to gas and coal fuel shortages or unexpected power plant shutdowns during peak demand periods.

As introduced, HB2277 only incentivizes energy storage projects in tier 2 if they are paired with clean energy sources. We encourage the legislature to consider adding incentives for stand-alone storage projects to maximize market flexibility. Storage projects facilitate a clean, reliable and cost-effective grid, whether or not they are paired directly with renewables at the same facility.

Overall, MAREC Action views HB2277 as a strong piece of legislation. However, pending further analysis, we do have some concerns about strict limitations placed on regional market participants. HB2277, as introduced, prohibits any clean energy projects larger than 150 MW from being eligible to produce Reliable Energy Credits (RECs) and begins to ratchet up an in-state requirement on smaller projects starting in the 2030s.

We respect that the intent of HB2277 is, in part, to promote job creation and investment in the Commonwealth. That said, we urge the legislature to consider allowing some access to regional resources for the duration of this policy. One of the key advantages of Pennsylvania being part of PJM Interconnection is to allow consumer-friendly competition over a broad region. Allowing some portion of the RECs required by HB2277 to be sourced competitively across the region will provide consumers with the best possible price for clean energy. Allowing some participation from the regional projects (of any size) in PJM will be advantageous for consumers without threatening economic development in the Commonwealth. Our previously referenced study found \$13.1 billion would be invested in Pennsylvania under the HB1467 framework—which did not disqualify large-scale projects sited within the PJM region.

On a final note, we support efforts by organizations representing small-scale solar projects to find a pathway to continued deployment of all sectors of the solar industry—even though this does not directly impact MAREC Action's market segment of transmission-connected clean energy project developers.

In closing, MAREC Action and our member companies in the large-scale clean energy industry welcome the introduction of this legislation and stand ready to invest and create clean energy jobs in the Commonwealth. We look forward to continued engagement with the legislature and Governor Shapiro's administration as this policy is refined through the legislative process.

Best regards,

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