

# The Energy Industry and Revitalization Working Group Meeting Minutes

Tuesday, May 21, 2024, 1:00pm-2:30pm E.T.

Meeting Location: Online via Google Video

#### **Attendees**

Member Names	Affiliation	Present
Sen. Malcolm Augustine	Maryland Senate	X
Del. Lily Qi	Maryland House of Delegates	X
Andrew Place	Maryland Department of the Environment	X
Heather Gramm	Secretary of Commerce	X (designee)
Stephanie Kane	Old Dominion Electric Cooperative	X
Jennifer Smith-Funn	Maryland Small Business Development Center	
Nancy Sopko	US Wind	X
Charles Washington	BGE	X (designee)
Sarah E. Battisti	NRG Energy	

#### Non-members

Stephanie Vo, Cindy Osorto, Kathleen Kennedy, Rory Murray, Ryan Powell (Commerce), Garrett Beloff, Chris Beck, Zach Mitchell (BGE), Kasey Vangelov, Fred Hoover, Kirk Johnson, Hannah Allen



# Introductions and Overview of of the MCCC and Working Group Charge

- Introductions were made by members
  - Ryan Powell, Energy Program Manager at Maryland Department of Commerce; background in academic and scientist by training - molecular biology biotechnology with focus on bioenergy.
  - Stephanie Kane, Director of Government Relations and External Affairs at Old Dominion Electric Cooperative (ODEC), a generation and transmission coop that provides power to Choptank Electric on the Eastern Shore. ODEC has a generating facility in Cecil County.
  - Nancy Sopko, Head of External Affairs, offshore wind developer in Baltimore
  - Zach Mitchell, Baltimore Gas and Electric (BGE).
  - Del. Lily Qi: Representing District 15 in Montgomery County, serves on the Economic Matters Committee and Chairs the Business Regulations Subcommittee, working on clean energy related issues.
- EIRWG meetings will be held every four weeks.
- Maryland Commission on Climate Change (MCCC) Working Groups
  - Originally only four working groups, but MCCC added four new working groups due to the CSNA of 2022, including the Energy Industry Revitalization WG.
  - There is a mandated study.
  - Draft recommendations by August 15 meeting, so that the Commission will be able to take it up in their September meeting.

## Overview of Maryland's Climate Pollution Reduction Plan

- <u>Climate Pollution Reduction Plan</u> (CPRP) released by MDE in December 2023.
- Plan provides pathways to achieve Maryland's climate goals of gross 60% reduction of emissions based on 2006 levels by 2031 and net-zero emissions by 2045.
  - Will create net economic benefits for MD which is required by law
  - Most ambitious climate goals of any US State.
- Includes 42 policies (current and planned)
  - Collaboration between agencies and sectors.
  - Pathways exist to achieve goals, but goals not possible with only current policies.
- Majority of emissions reductions will come from Electricity and Transportation sectors, but this is an economy-wide effort, so MD needs all sectors to participate.
- Maryland has come a long way over the decades.
  - Maryland used to have the worst air quality in the eastern half of the US.
  - There were 8 coal fired power plants in 2006, but now MD only has two.
  - Air quality is a public health issue, so it is important MD continues to make progress with climate pollution reduction goals.
- Maryland is a leader in climate change.
  - Maryland went from having the dirtiest air quality to some of the cleanest.
  - o In 2022, Maryland met all national air quality standards since the Clean Air Act was enacted over 50 years ago.
- The greatest improvements have come from the electricity sector.
  - Looking at gas, coal and imported energy there have been significant emissions reductions since 2006 - two-thirds of statewide emissions reductions were from the electricity sector.
  - Across the country we are seeing efforts from businesses and government, but we also need individual investments to get us to our goals, such as investing in heat pumps and energy efficiency technologies.



- Electrification is needed to achieve climate goals, relying on technologies like heat pumps, electric vehicles, and electric appliances that are powered by clean energy.
  - These technologies are becoming increasingly accessible and affordable, with federal and state incentives being available.
- Can the grid handle it?
  - Some MD residents are concerned about grid safety and reliability.
  - A <u>2023 Public Service Commission (PSC)</u> study found the grid can handle the anticipated load. Readiness will require grid investments, but it can be done affordably and reliably.
- Transportation emits the most of any sector in Maryland.
  - Plan includes decarbonizing this sector across public and private vehicle fleets through electrification and by reducing vehicle miles traveled (VMT).
  - Advanced Clean Cars II and Advanced Clean Trucks policies require new cars and trucks sold in MD to be zero-emission vehicles (ZEVs) by certain years.
  - MD's EV charging network is ready for more growth.
    - MD is building a reliable charging network. Over 1500 public chargers have been installed in MD already.
    - Having access to charging stations is a concern for EV owners and will be addressed (i.e. range anxiety).
    - We are working to leverage both state and federal funding to increase investments into charging infrastructure.
    - Maryland Clean Energy Center has been investing in new clean energy infrastructure.

# Building sectors

- Plan includes ambitious policies regarding buildings: Building Energy Performance Standards (BEPS). Over time, certain large buildings will need to decrease emissions and achieve net-zero emissions by 2040.
- Other policies include Zero-Emission Heating Equipment Standards (ZEHES) and Clean Heat Standards (CHS): the goal of these policies is to require appliances to be cleaner and work with laws and programs to decarbonize the building sector.
- What does this mean for the economy and workforce?
  - The CPRP modeled the economic impacts, and found that it will have a net positive impact on the MD economy.
  - 27,000 jobs will be created, including jobs for HVAC technicians, electricians, and contractors.
  - The JTWG will contribute to the creation of these new jobs and will help ensure that those jobs will reach historically marginalized populations.
- Benefits will also reach individual consumers
  - The average MD household will be able to save \$2,600 which will increase over time. This means we'll be putting back money into Marylander's pockets.
  - MD wants to help households to afford these upgrades, so MD will pursue offering additional state incentives in addition to federal incentives.
- Incentive examples
  - Home energy audits, solar panel incentives, rebates for heat pumps, appliance upgrades, electrical wiring, etc.
  - Driven by the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) there are federal incentives to help with the transition.
  - All of these will be available for low- to moderate-income (LMI) households.
- Potential funding sources
  - Plan includes some examples:
    - Federal grants and loans



- Green revenue bonds
- Cap and Invest or other carbon pricing models
- CPRP calls for \$1B per year in funding to reach goals.
  - Need for funding means MD will need creative solutions and leverage engagement from different sectors and agencies to achieve climate goals.
  - Need to heed Governor Moore's call to Leave No Marylander Behind.
- Workforce development is a priority for MDE and the State as a whole.
- There are many economic benefits.
  - \$1B price tag is large, but it is worth remembering that public health benefits, a cleaner environment, and healthier economy will be the result.
    - 27,000 new jobs
    - \$2.5B increase in person income
    - GDP increase by \$5.3B
    - The economic costs if MD fails to act will be substantially higher, investment now means greater savings later and a more resilient economy.

#### • Health Benefits

- Benefits will be observed by all communities, but especially those that have been historically underserved; for example, there will be fewer asthma cases, increased life expectancy, fewer cancer cases, etc.
- A cleaner environment not only benefits public health, but also increases the opportunity for MD residents to enjoy outdoor recreation.

#### • Global benefits

 Maryland is small and just one state – but it is worth remembering that emissions reductions are not just local. Maryland is already a global leader and can set an example for other states and the world.

## Next Steps

- MDE will continue to work with partners across the state.
- MDE will maximize <u>federal funding opportunities</u>, will launch regulatory priorities, continue to engage with the MCCC, and evaluate new funding mechanisms.

# Discussion on Energy Industry Revitalization Study and Work Plan

- Andrew: I have the privilege as the chair to take an expansive view—I think the legislative intent was for the transition to decarbonize the economy, so nuclear, or any other zero-carbon technology that comes to bear is within the purview of this, not simply the narrow renewable piece. With that, I would like to introduce Dr. Kathleen Kennedy from the University of Maryland and her team. We have brought them on to do this study and she will present how we have scoped it to-date. I want this in front of working group members for discussion on whether this is the scope it should be on or whether there should be additions or subtractions. Please advise if you'd like something different but my expectation is that Dr. Kennedy will present updates on this work every other meeting.
- Energy Industry Revitalization Required Study
  - Kathleen Kennedy, Assistant Research Professor and Maryland Program Director at the University of Maryland Center for Global Sustainability (CGS)
  - Statutory requirements under the CSNA
    - Two main parts of analysis
      - Energy generation facilities: Facility closures due to energy transition and the impacts of that including timing, layoffs, and impacts on businesses and communities.
      - Small businesses: How many small businesses will be impacted by the transition and what will those impacts be?



- o Background for CGS's work, CGS provided modeling for the CPRP.
  - Current policies: everything that is on the books for Maryland, as well as federal policies.
  - Current + planned policies: all policies proposed in the climate pollution reduction plan, including proposed policies.
  - The modeling gives a good starting point to see across sectors.
    - Using this study we can see what measures need to be taken and how that might impact those that work in those sectors. We can use this to inform things like the small business analysis to know what happens under each sector under this plan.
  - Electricity sector emissions reductions
    - Emissions need to drop off quite quickly to meet goals.
    - Policies include RPS, planned coal retirements, renewal of nuclear licenses at Calvert Cliffs, IRA tax credits.
    - Additional policies include 100% clean electricity by 2035 within the state and RGGI. This means that renewable energy will grow.
- Proposed approach for energy facilities
  - Leverage plan analysis to estimate facility closure timelines through 2035.
  - Gather publicly available data on facilities and can reach out to facilities.
  - Report to provide number of employees at each facility, plans for facility repurposing, secondary impacts from facility closures.
  - Recommendations for leveraging policies to support impacted communities, methods for incentivizing transition to renewables.
- Proposed approach for small business
  - Report to provide number of small business and employees per sector, distribution of activities, impacted areas of activity, and estimated costs to the extent possible.
  - Recommendations for leveraging policy to support small businesses and policy approaches to ensure small businesses can expect benefits.
- Discussion and input
  - What are your *priorities* for the study?
  - Specific *challenges* for small businesses or energy facilities?
  - Do you have specific *resources* on these topics?
  - Examples of *successful approaches*?
- <u>Stephanie Kane</u>: There was a bullet about an assumption of RGGI having a 2035 goal, which I think it doesn't currently have and would require the other 10 states and DC to act on and I'm wondering about including this assumption as a baseline in this study. If you could speak a little more to that please.
  - <u>Kathleen</u>: MDE has started pushing this as part of the RGGI consortium. It is part of Maryland's goal now to have all of those states agree to it. But you're right that is something that can't be guaranteed solely based on Maryland actions. So that would just impact the imported electricity within the model. So if RGGI does not choose to set those goals, then the imported electricity coming from outside of Maryland might have higher emissions. So there are other methods of potentially dealing with that, such as time-matched renewable energy certificates where the state could ensure that even though all of the electricity outside of Maryland isn't clean that Maryland is only using clean electricity. So there are other possibilities besides just RGGI going to zero that could still support this kind of scenario.
  - Stephanie Kane: Thank you, I appreciate that. I think it's relevant that the baseline of the study being things in the current law rather than desired policies as far as what the state has control over. And I think RGGI is very tied to the cap and invest



program because it's a similar duplicate payment for the same emissions that would be happening with in-state generation facilities. So I think it is a relevant cost to include when looking at economic benefits and disadvantages that would befall the economy with and without RGGI. So I will just add that it probably should be included where it is as far as having the study done.

- <u>Cindy</u>: Kathleen just mentioned an alternative, and I'm wondering if you have any ideas or if that was along the lines of what you were thinking, some type of alternative policy?
- Stephanie Kane: I don't have something to suggest unfortunately. I think that the issues of leakage from power outside of Maryland might in fact go in the other direction as we see data centers, which are very high energy users, locating in the Mid-Atlantic region in particular. So I just think as far as a realistic-if we're talking economic and numbers that we should use current law to be as accurate as possible. I'm sorry I don't have another proposal other than using what the current law is.
- <u>Kathleen</u>: We do of course have the current policies scenario, which is just what is currently on the books, so we can use that scenario in the modeling to provide a comparison point if that's something you think would be useful.
- Stephanie Kane: I think it would; exactly, as a comparison point, for an as things stand today benchmark.
- <u>Sen. Malcolm Augustine</u>: On the graph that spoke to the imported fuel sources, what is producing the imported electricity?
  - <u>Kathleen</u>: The model does include that but it's actually something that Maryland's GHG inventory does not differentiate on. So the GHG inventory just has the average emissions of the Pennsylvania-New Jersey-Maryland Interconnection (PJM) grid as the intensity of imported emissions. I mentioned renewable energy certificates which could be an important part of this, where you can time match and say we know for sure that the electricity used for this hour of the day came from a solar farm. This can provide detail about where the imported electricity is coming from. But at the moment there isn't any usage of that kind of thing.
  - Sen. Augustine: I think that's important given how aggressive you're showing this plan here, which is very aggressive given what our experience has been thus far. That we may depend more on reaching-some of what we're trying to accomplish-on imports. Obviously, there will be a certain cost associated with that, if we were to do that from a policy standpoint. The second thing that I'll put out there is how are we using the grid planning from PJM as it pertains to Maryland-is this a part of what you are planning for or looking at?
    - <u>Kathleen</u>: First I want to mention that the 100% clean energy by 2035 is also something that the Biden Administration put out as a goal, so this is not necessarily out of step with the rest of the county. So that's important to note when we think about the imported electricity that other states are likely going to feel some pressure to do this as well. As far as PJM, we haven't gotten in touch with them about this and as I mentioned as part of the study we'll probably be reaching out to specific facilities, so we could also potentially reach out to PJM or others that could inform the study as well.
    - <u>Sen. Augustine</u>: The reason why I think that's important is because PJM has responsibility for grid reliability; and so while it's important for us to plan and do the things that we do, they have the jurisdiction on the grid reliability.
    - Andrew: Energy Resilience and Efficiency WG is working directly on the topic of grid reliability, and that topic is front and center in that working group. I encourage you to participate in those calls or to watch the progress, and the next meeting will be on these global questions about resiliency.



- <u>Kathleen</u>: We are also in touch with the research team at Johns Hopkins that is doing the study for that working group so to the extent possible we can coordinate with them and take into account their findings as well.
- <u>Andrew</u>: I want to keep us focused on that this working group should really be thinking through the lens on impacts on small businesses because that's our directive and it's very important that we get these baseline analyses correct so we know what the costs and impacts would be.
- <u>Cindy</u>: We're talking about two main deliverables, one is the study that Dr. Kennedy is leading and separately, the other main deliverable that Andrew mentioned is recommendations to the Commission. There is an opportunity to think about challenges but also opportunities for small businesses to contribute to a cleaner and more reliable grid.
- <u>Sen. Augustine</u>: Just to bring me back where we're supposed to be, you're saying that it's gonna look at both opportunities and potential risk/loss/expense through the lens of small business in Maryland?
  - o Andrew: Yes.
  - Sen. Augustine: Ok that makes sense. But it's going to be done based on some assumptions about how far along we believe electrification will be over the course of this time frame?
  - Andrew: Yes. Of course, every scenario we present is going to be wrong the moment it's put on paper. But unless we have some picture of what this system might look like at certain dates in the future, then we can't say anything of value on the impacts and opportunities for small businesses.
  - o Sen. Augustine: Thank you. Makes sense.
- <u>Cindy</u>: Dr. Kennedy, could you pull up the small business slide please. So these are the data points that we are proposing and the recommendations would be to leverage policy (including electrification, clean energy, etc.) to support small businesses. Also making sure that small businesses get benefits, so that's one thing that we can come out of this meeting with, is just thinking more about what that could look like in Maryland.
- <u>Del. Qi</u>: I appreciate this discussion very much in terms of business participation in this process, which is critical. Because so much emphasis is on small businesses, I wonder if we actually mean businesses, period. Because Maryland doesn't have a lot of large businesses or corporations and it's important that we keep them and help them with the transition, whether they are headquartered here or not. So we already have tax disadvantages compared to neighboring states when it comes to energy transition. Some of the businesses happen to be, let's say biotech, which is our flagship industry in Maryland and they consume a tremendous amount of energy. And another critical industry sector is healthcare, hospitals and a whole cluster of research companies. They have heavy dependence on energy reliability. So I think this is an important conversation to have but it is also important to keep in mind that different sized businesses may have different needs.
  - O Andrew: Yes, certainly. Very informative to keep in mind as well. Dr. Kennedy, to that point is it fundamental to think about that, sort of pull back from this narrow lens-granted the statute says "small businesses" but if we take a more expansive view on the legislative intent-I don't want to speak for the legislature but my working assumption is that they wanted this working group to be focused on the small business piece. But, I think to Del. Qi's point, it can be valuable to have an illustrative piece about what those impacts would be on the economy at large.
  - <u>Kathleen</u>: I think that is a question on availability and time to complete the study. We have to complete the study by the end of the year. It is going to be best to keep the analytical portion focused on small businesses specifically, to ensure we meet the requirements. But we could perhaps speak more narratively or illustratively of what that means beyond small businesses to provide a more complete picture.



- o Andrew: Del. Qi is that useful? Are we in the right lane?
- Del. Qi: Yeah, I think just having that kind of awareness is important because we like to talk about small business as the go-to reference for the business community. But if you look at job creation and the tax paid and the overall contribution to the entrepreneurial ecosystem and economy of Maryland, the handful of large businesses contributed just as much as the whole cluster of small businesses, so their value should not be underestimated. We need to be extra careful if we write off certain big businesses as irrelevant to our conversation. Because whether they are big polluters or not depends on how we engage them.
- Andrew: It's an unfortunate place to ring fence the conversation, because what is a small business? You could have a franchise of a fast food restaurant, and that's still a small business constrained by its geographic locale but is not captured by the very narrow definition of small business.
- <u>Stephanie Kane</u> (comment): US Small Business Administration defines a small business at <500 employees:
  - https://advocacy.sba.gov/wp-content/uploads/2023/03/Frequently-Asked-Questions-About-Small-Business-March-2023-508c.pdf
    - <u>Kathleen</u>: We would expect to use the federal definition because most of the available data is from federal datasets, so they will be complying with that definition.
    - Del. Qi (comment): In Maryland, the vast majority of businesses are under 50.
- Stephanie Kane: I'll add that ODEC has 35 employees in Maryland, so we are a small business. And in the prompt for the workgroup while it's through the lens of small businesses, it carves out the impact of facility closures, and because we have a generation facility, we love clean jobs and there's a positive impact story to tell but I think it's important for this work group to be honest about the negative economic impacts that would come from premature facility closures. You know, that's 35 employees in Cecil County and their families and the businesses they frequent on main street everyday in Rising Sun. I want to make sure that if we're looking at numbers that we need to tell the story accurately of what the impacts are going to be. I don't want it to get swept away. We're a small business too and see the impact to us and other generators and the spillover impacts from that.
  - <u>Kathleen</u>: Absolutely and that is a focus of the energy facilities portion of the study to look very clearly at the potential impacts on communities if a facility does close.
  - Andrew: Clearly we have two obligations. One is the opportunities and one is the
    impacts; one is not subsidiary to the other. It would be a failure of us as a work
    group if we did not work to be as attentive to the negative impacts as we are to the
    positive opportunities.
- <u>Sen. Augustine</u>: How are we identifying businesses impacted by the transition to renewable energy? Or is that part of the study?
  - <u>Kathleen</u>: This is part of the study. That's where we'll be using the framing of our previous modeling work, where we can see the specific changes, often down to the technology level, for example what are the changes that the transportation sector would need to go through, what are the vehicles that need to be electrified, what are the building appliances that need to be electrified. That can give us a good sense about what are the businesses that will be impacted by those changes.
  - Sen. Augustine: Is there a second bucket with those that are specifically impacted by virtue of being part of the industry and then there are also likely some that, maybe heavy users of electricity, that the impact of the costs and energy in general is higher and matters a lot? Let's say businesses where energy is a certain percentage of their total costs of doing business or something along those lines?
    - <u>Kathleen</u>: This is a question of how much data are we able to find to get at the secondary or indirect impacts. It's definitely something of interest. We

need to find the right place to draw the line because we can't do, unfortunately, an individual study of every business in Maryland–that's not practical. So we need to figure out what is the level of aggregation or granularity that makes sense to really fully elucidate all the important distinctions and who will be impacted in different ways but without going down a rabbit hole and ending up getting so granular that we're no longer seeing the big picture. So that's where this working group can provide some input about where we need to draw that line.

- Andrew: As I noted earlier, and working group please disabuse me if this is not what you'd want to include. I want to view this as focused on decarbonizing the economy, not only narrowly focused on just renewables. I see a potential future where there could be zero-carbon liquid fuels out there, as well as other considerations. I want to provide a caution that it's a miss if we think through this narrow lens of renewables only.
- <u>Cindy</u>: Dr. Kennedy, could you pull up the last slide with the questions? As an example of what we could do, we could look at biofuels. Then one of the things we could find is publicly available data sources and we could look at this as an opportunity for the small business sector and more qualitatively beyond the small business sector.
  - <u>Kathleen</u>: Right, we are trying to find the areas of potential and challenges or difficulty that could come up as part of this transition.
- <u>Iosey Schwartz</u>: I work on the Climate Change team at MDE during the day, and at night I run a small business, a small brewing company. One of the reasons that I have this small business on the side is to have a real life example to help persuade people about the benefits of really high indoor air quality and really high occupant comfort, showing people that we can have uncompromised, responsible luxuries because no one wants to talk about curtailing luxuries or giving things up. But as someone who works at MDE, sits across from MEA, knows very well about the incentives that exist, I have had to go back to go through different pages and the information is confusing. And there are things where you need an engineer to fill out this application for you, even simple things like paying for insulation upgrades. A lot of my industry friends who are opening multiple restaurants and other breweries and all types of businesses, like chocolatiers, nobody is thinking about energy like this group and if they are they are at a surface level. Just being able to reduce barriers to maximize existing resources that we have, I see that as a promising part of workgroups like this. It's not the creation of something new. People's cup of compassion overfills very quickly these days with everything going on in the world, just being able to offer people an easy solution-that would be the food for thought, just removing barriers.
  - <u>Cindy</u>: What I heard Josey say is that as a small business owner, there's a lot of
    information out there. The common thread is accessibility and consumer education,
    so that makes me think about perhaps a narrative section about accessibility and
    consumer education regarding small businesses during the transition.
  - Online Del. Qi: I agree with Josey's point, which is excellent. I think that is part of our frustration too, because as legislators we don't always work in sync in terms of who is advancing what kinds of ideas. And you kind of discover once you go into the session that there are other brilliant ideas being advanced legislatively. But on the administrative side, you have an army of people working towards the same similar kinds of goals. So as end users, whether you are a business or a resident, it can get overwhelming in terms of navigating through our system of laws passed or incentive programs or resources and who you can consult with to make certain moves and make certain investments as a business. I think there are a lot of different things we can do to leverage industry associations' input, to be more efficient in outreach. But I think one easy thing we can do at some point, that could be our recommendation, is to have a use friendly portal of some sort related to Maryland energy that is not

targeting a policy wonky person but from an end user perspective, what do I do if I want to transition to this and that; what are the rebates and incentives and who can I talk to-the real time chat feature and all that kind of thing. That is something that is very worthy of investment.

- <u>Andrew</u>: That is precisely the sort of recommendation we should be putting forward or hopefully we will be putting forward.
- <u>Sen. Augustine</u>: You've mentioned a few times about decarbonization vs renewable energy. The legislative language says to transition to renewable energy. And so how is it that you move off of the actual language?
  - Andrew: My fear is that we'll end up with a work product that is incomplete if we didn't consider that there are other levers of decarbonization that could be in Maryland's future. As an example, if hydrogen would be used for home heating, and there's a propane dealer on the Eastern Shore, a small business, that is a business delivering propane, and if this analysis does not include that there could be an opportunity there for them to be delivering energy just as they are today, it's just a different molecule. It looks like we haven't thoroughly had an omnibus view of what these economic opportunities would look like. It's not that I want to disagree with what or argue with what the legislature had put in the statute. I just want to be careful that we're not missing opportunities or potential costs that could be there.
  - Sen. Augustine: That's fair. Ms. Kennedy has pushed back a couple times on the
    expansion that I have at least suggested and said that that those weren't in scope,
    similarly if it's supposed to be narrowly focused and it's supposed to touch these
    specific things and there are other workgroups that are doing other things, that
    would be my push back to you choosing what the expansion would be.
    - Andrew: I understand. My response to that would be that the dispassionate academic describes that future for us; potential future. I certainly wasn't giving the impression that I was trying to put my thumb on the scale here.
    - <u>Cindy:</u> Sen. Augustine, Dr. Kennedy was very specifically talking about the study and the study is legislatively mandated, and we have a contract that she needs to work under. But we are also talking about recommendations and having an ongoing conversation here, so that piece outside of the study is open to your ideas.
    - <u>Sen. Augustine</u>: That's fine; I understand that. I'm just saying though that the conversation right now is about expanding the study beyond what it says. If we look beyond renewable energy that is in and of itself extending beyond what it says. I'm just saying from a consistency standpoint that is the case.
    - Andrew: If we remain narrowly focused on renewable energy, including the cost of transitioning to renewables now you've just made renewables the enemy. You've drawn a connection that it's renewables that are causing these costs. But it's decarbonization at writ large that is imposing these costs. And I want to make sure that's not lost. And that makes an easy target or unfortunate target of just renewables, if we narrowly focus on that. That's my fear, that we're writing that imagery rather than saying "all right, this is about decarbonization and it can include small nuclear reactors; it might include zero-carbon fuels".
    - <u>Sen. Augustine</u>: I don't mean to disagree. I support what you're saying, but not everybody does. Not everyone supports this or is comfortable with hydrogen or the small nuclear reactors. Nuclear in general, folks don't necessarily see that as a part of the solution, necessarily. I do; I'm in agreement with you. But I'm just saying that there isn't full agreement that that is a part of that that should be a part of that solution going forward.



- Andrew: What's the sense of the group? I understand and hear Sen Augustine's thoughts and concerns about this issue. Should we address this now? Should we come back and visit this on the June 18th meeting?
- Stephanie Kane: Was the study prompt written by MDE, because I don't know if it was in the Climate Solutions Now Act? I'm just wondering if maybe that was an oversight of carbon-free generating resources. And I also know there's a reliability piece included in the Climate Solutions Now Act and I think nuclear will play a big part in that consideration, but that's not the charge of this group. But I would just raise that we need to stick to our charge, but maybe it was written this way without considering.
  - o <u>Andrew</u>: To answer your question, this is word for word from the statute.
  - o <u>Cindy</u>: And MDE did not write the statute.
  - Andrew: Again, I was viewing that as shorthand. I was viewing renewable energy as this part of the Climate Solutions Now Act taking in the consideration the context of the Climate Solutions Now Act; it was not the "Renewable Solutions Act" it was about the Climate Solutions Now Act and decarbonizing the economy by given dates, so that's how I looked on the legislative intent and thought that was intended here as a shorthand for decarbonization.
  - <u>Stephanie Kane:</u> It becomes relevant when looking at the impact of facility closures and reliability needs. I don't know if that gives us direction, but that's my two cents.
- <u>Andrew</u>: Well, we're coming up against time. Can we bring this up as the first order of business on our June 18th meeting? This looks like it's got legs for a strong conversation. Senator, is that a good way forward?
  - Sen. Augustine: Yeah, absolutely. I think that does make a lot of sense. Thank you for at least having the conversation. I appreciate that.
  - o Andrew: This is why we're here. Thank you.

## **Public Comment**

• No public comments.