

DATE: 12/8/2023

TO: Pennsylvania House of Representatives, Environmental Resources and Energy Committee

REG: House Bill 1467

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Chair Vitali and members of the Environmental Resources and Energy Committee, my name is Walker Adams. I am testifying representing both my employer Leeward Renewable Energy and MAREC Action. I am here to testify in favor of House Bill 1467 and, more broadly, AEPS expansion. Thank you for the opportunity to speak to the committee today.

Based in Dallas, Texas, LRE is a utility-scale wind, solar, and battery storage developer and long-term owner-operator of wind, solar, and battery storage. LRE operates 27 utility-scale projects across 11 states, totaling 2.7 gigawatts of utility-scale generation capacity. LRE is positioned for growth, responding to market demand for renewable energy. The company is slated to increase our investment across our generation portfolio, with more than 100 projects in development, totaling 20 gigawatts, located across 23 states.

LRE has operated utility-scale wind projects in Pennsylvania since 2006. LRE operates two wind projects in the Commonwealth: the Allegheny Ridge project in Cambria and Blair Counties, in operation since 2007, and the Bear Creek project in Luzerne County, in operation since 2006. Having been in operation for nearly two decades, these wind projects have become part of the fabric of their communities and the Commonwealth's energy supply. These projects contribute vital tax dollars to their communities and sustain long-term jobs across the industry's supply chain.

As an energy exporter, the Commonwealth's energy sector is an economic engine. From the construction of the first turbines in the state more than 20 years ago, Pennsylvania's wind industry has now grown to power nearly 350,000 homes annually<sup>1</sup>. The broader clean energy sector— including solar and storage—supports nearly 10,000 Pennsylvania jobs, \$4 billion in private capital investment, and pays \$9.5 million each year to rural landowners that host clean energy projects on their property<sup>2</sup>. Increasing the AEPS would further expand this growth by attracting additional investment in renewable energy projects. As part of our growth strategy, LRE is also targeting further investment in the Allegheny Ridge Project by repowering the site with new, state-of-the-art technology.

Recent research found raising the AEPS to 30% would increase renewables deployment in Pennsylvania 40 – 50% more by 2035<sup>3</sup>. This will translate to billions of dollars in new capital investment for the commonwealth. Consumers will also benefit from the expansion of wind and solar power through decreasing wholesale electricity costs and peak demand shaving. As PJM's Event Analysis and Recommendation Report following Winter Storm Elliott shows, wind generation met and exceeded its commitments to PJM, supporting the electric grid's stability with reliable low-cost electricity<sup>4</sup>. Further highlighting wind generation's consumer benefits, Berkeley National Laboratories concluded that wind output in the PJM region reduced wholesale prices by 24% during maximum net-load hours<sup>5</sup>.



Furthermore, PJM is forecasting a reserve margin shortfall by 2030 and has emphasized it is critical that we bring more generation facilities online to avoid future resource adequacy issues<sup>6</sup>. The vast majority of proposed power plants in Pennsylvania's PJM queue are solar, wind and storage. RECs provide market certainty for independent power producers to support additional investment in Pennsylvania. As an owner-operator of REC-producing wind farms, LRE leverages the REC market to secure both near- and long-term revenue streams. By raising the AEPS, the Commonwealth has an opportunity to encourage the further buildout of renewable energy and capitalize on a growing portion of what is estimated to be a \$26.5 billion dollar market nationally by 2030<sup>7</sup>.

By encouraging the diversification of generation resources, Pennsylvania will facilitate the continued buildout of renewable energy, decrease wholesale electricity prices, increase investment in Pennsylvania, and foster grid stability. Raising the AEPS is a win for Pennsylvania's energy producers, consumers, and the electric grid. Thank you again for the opportunity to testify today. I welcome any questions from the committee.

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