



## The Staggering Cost of Building New Gas Plants in Maryland

*Proposed legislation (SB0937/HB1035) could cost up to \$3 billion, will trigger more fracking, will spawn methane leakage, and will harm the climate and public health*

There are many ways to address rising electricity usage and ratepayer bills in Maryland. These include investing in more solar power and utility-scale battery storage and improved efficiency. We also need to manage data center growth and reform the flawed management practices of the regional grid operator PJM. Meanwhile, a HARMFUL step legislators can take – harmful to ratepayers’ pocketbooks and the rapidly warming planet -- is to pass SB937/HB1035. This bill will fast track construction of up to 3.1 gigawatts of new gas-fired power plants in the state. Here’s how much that will cost the state:

**COST OF CONSTRUCTION: Over \$3 billion.** The bill “approves” a type of electricity generation that only gas can provide and that is equal to the peak capacity of the 20 existing coal- and oil-fired power plants that are close to retirement in the state. Together those plants equal 3.109 gigawatts of power or 3,109,000 kilowatts. A recent study commissioned by the US Department of Energy found that a modern combined cycle plant of the type this bill envisions now costs [nearly \\$1000 per kilowatt](#) to build. That comes out to over \$3 billion. Meanwhile, a recent Brattle Group [study shows gas as more expensive](#) than battery storage and efficiency.

**SOCIAL COST OF CARBON: \$425 million per year.** Assuming these new gas plants run up to the 1500 hours per year (the ceiling for most peaker plants), that would come out to 4,663,500,000 kilowatt hour (kWh) of gas-fired electricity generated per year. The US Energy Information Agency estimates that one such kilowatt hour generates .96 pounds of carbon dioxide. That converts to up to 2,238,480 U.S. tons of CO2 annually from these plants. The US Environmental Protection Agency’s most recent “social cost of carbon” estimate – the combined cost of climate change, public health, and other impacts – is [\\$190 per ton](#). That equals \$425 million in social cost per year.

**ADDITIONAL COSTS: Methane leakage and impacted communities from fracking.** These numbers do not include the social cohesion impacts on communities where fracking for gas occurs in communities like Pennsylvania or the impact of leaking methane from fracking drilling itself and leakage in pipelines and compressor stations as the gas travels to the Maryland power plants.

**CARBON CAPTURE AND STORAGE: Adds hundreds of millions of dollars per year.** This technology, proposed by some as something that could be added to the gas plants later, would easily add hundreds of millions of dollars *per year* in additional costs.

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