



The Beacon Hill Institute
for
Public Policy Research

News Release

8 Ashburton Place
Boston, Massachusetts
02108-2770
phone: 617.573.8750
fax: 617.994.4279
email: bhi@beaconhill.org
web site:
www.beaconhill.org

For Immediate Release:

Tuesday, April 22, 2014
10:00 a.m.

Contact:

Frank Conte, Communications
617-573-8050; 8750
fconte@beaconhill.org

Study: Maryland's Renewable Energy Standard harmful to state's residents, business

(Boston, MA) Two of Maryland's Democratic candidates for governor have called for doubling the renewable energy requirements from the state's existing mandate, but a new study released today by economists at the Beacon Hill Institute at Suffolk University in Boston reveals even the current standard is hamstringing the economy.

Gov. Martin O'Malley has been a consistent supporter for the law that now demands utilities to generate 20 percent of their electricity from alternative sources such as wind and solar by the year 2022. But while he has touted the amount of jobs created by the "green" energy sector under the mandate, BHI's study shows the overall effects upon Free Staters are harmful. According to the Institute's analysis, businesses and residents will pay an additional \$3.3 billion for electricity from 2014 to 2022 because of the state's Renewable Energy Standard, which will dramatically diminish employment, disposable income and investment in the state.

"When jobs are viewed only in light of a policy that mandates their creation, of course it's going to look positive because blinders preclude you from seeing the rest of the economy," said Paul Bachman, director of research for the Beacon Hill Institute and a co-author of the report. "Unfortunately the renewable energy mandate has hindered the economic welfare of Maryland's citizens."

Other findings about the RES from BHI's study:

- Maryland's electricity prices will likely rise by nearly 6 percent by 2022
- The RPS will lower employment by 3,395 jobs
- Real disposable income will be reduced by \$518.3 million

Elected leaders are under the false impression that renewable policies produce a benefit environmentally, but there are unintended consequences to mandating the use of wind and solar. Because of their intermittency due to fluctuations in availability of wind and the sun, backup generation from fossil fuel generators such as natural gas or coal are needed, which create more pollution under sporadic use than they do when running consistently. Thus renewable energy standards are mostly a huge additional cost to consumers without improving environmental quality.

"Mandating the use of renewables only takes away from Marylanders' ability to devote financial resources to other needs," Bachman added. "If the next elected officials implement an even more onerous policy, the effects will be devastating."

See the BHI Study, ["The Economic Impact of Maryland's Renewable Energy Standard"](#) (PDF).