

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1276  
Economic Matters

(Delegates Clippinger and Stein)

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**Electric Universal Service Program - Solar Procurement Study**

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This bill requires the Public Service Commission (PSC) to study and make recommendations about the advisability of establishing a requirement for procuring a portion of the electricity supply for participants in the Electric Universal Service Program (EUSP) from affordable solar photovoltaic sources and other carbon-free or low-carbon renewable sources. PSC must convene one or more workgroups to assist in conducting the study and developing recommendations. By July 1, 2017, PSC must report its findings and recommendations to the Senate Finance Committee and the House Economic Matters Committee. PSC may provide one or more interim reports as needed or otherwise appropriate to the committees.

The bill takes effect June 1, 2016, and terminates June 30, 2017.

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**Fiscal Summary**

**State Effect:** PSC can conduct the study and create the required report with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** The study must include exploration and evaluation of options concerning:

- the needs and locations of program participants;
- siting appropriate solar and other renewable generation equipment most conveniently and efficiently for distribution to program participants, including establishment of community generation facilities as may be appropriate, and other engineering and technical aspects of siting and deploying the facilities;
- methods for financing the acquisition, installation, and use of appropriate solar and other renewable sources to provide electricity for program participants;
- the availability of federal and State tax credits and similar incentives to minimize the overall cost and rate impact of solar and other renewable generation equipment options for program participants;
- the means to integrate procurement of electricity from solar and other renewable sources for program participants, whether through the standard offer service procurement process, alternative blended supply contracts, aggregation of electricity demand by program participants, governmental aggregation, or any other appropriate means;
- the use of innovative power purchase agreements to procure electricity for program participants so as to maximize the use and availability of solar and other carbon-free or low-carbon renewable sources of electric generation to serve program participants;
- the impact of the procurement on other electric ratepayers in the State and means to minimize any adverse effect on their electricity supply costs;
- the potential of aggregated demand for solar and other carbon-free or low-carbon renewable sources to increase the attractiveness of the State to developers and manufacturers of renewable energy generation equipment and related industries; and
- the appropriate structure of governmental oversight and procedures to make electricity generated by solar and other renewable sources available and affordable for program participants, including identification of State and local agencies that would be charged with implementing and being responsible for the administration

of a program of affordable electricity from solar and other renewable sources for program participants.

**Current Law/Background:** EUSP was created in 1999 and is administered by the Office of Home Energy Programs in the Department of Human Resources. EUSP assists electric customers with annual incomes at or below 175% of the federal poverty level. The components of the program include bill assistance, low-income residential weatherization, and retirement of arrearages under specified circumstances. The estimated average bill payment assistance is \$390 in fiscal 2016.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission, Maryland Energy Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - March 1, 2016  
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