

Testimony_HB818_Community Solar Consolidated Billi

Uploaded by: Alfred Bartlett, MD

Position: FAV

Committee: Finance

Testimony on: HB818 “Electricity – Community Solar Energy Generation – Consolidated Billing”

Position: Favorable

Hearing Date: March 30, 2022

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of HB818 – now before the Senate Finance Committee – which will remove a key barrier to low-income household participation in the legislatively established Community Solar Pilot Program by allowing Community Solar projects to participate in the same Utility Consolidated Billing mechanism already used by third-party electricity providers.

Since 2016, CPSR has been an active participant in the Public Services Commission’s (PSC’s) Net Metering Working Group (NMWG), which was created to develop regulations and oversee implementation of the Community Solar Pilot Program. Within the NMWG, we are also active participants in the “Low- and Moderate-Income Sub-Group,” which is focused on supporting low- and moderate-income household participation in the program.

The legislature clearly intends the Community Solar program to include low-income households. This intention is set forth in the introductory section of the law¹ establishing the Community Solar Pilot Program:

(b) Legislative findings – The General Assembly finds that:

(2) it is in the public interest that the State enable the development and deployment of energy generation from community solar energy generating systems in order to:

(i) allow renters and low-income and moderate-income retail electric customers to own an interest in a community solar energy generating system;

(ii) facilitate market entry for all potential subscribers while giving priority to subscribers who are the most sensitive to market barriers; and

(iii) encourage developers to promote participation by renters and low-income and moderate-income retail electric customers.

During the more than 5 years since the program was established, the PSC and the NMWG have worked to implement this legislative intention. The pilot program regulations require that 30 percent of total program capacity be reserved for projects that have at least 30 percent of their capacity serving low- and moderate-income (LMI) households, with 10 percent required to be low-income.

LMI Community Solar project development has lagged behind.

Developers have worked to achieve these targets, including offering substantial discounts (generally 20-25 percent below utility standard offer service – SOS – rates). However, LMI project development has lagged: latest reporting (January, 2022) by BGE shows that in the first four years of the program, 99.9 percent of total “Open” category capacity had been committed to projects, versus less than half (49 percent) of LMI capacity; in the Pepco area (latest reporting, as of August, 2021), 95.4 percent of total “Open” capacity had been committed, versus only 38.3 percent of LMI project capacity.

¹ Maryland Code - Public Utilities Division I, Title 7, Subtitle 3, § 7-306.2. Community Solar Energy Generating Systems Pilot Program, (b); [MD. Public Utilities Code Ann. § 7-306.2 \(2020\)](#)

Dual Billing has proven to be a major barrier to low-income participation.

The existing Pilot Program regulations require Community Solar projects to bill their subscribers separately from the subscriber's utility. Under this "Dual Billing," the utility will still bill the subscriber for distribution and transmission and other fixed costs, as well as any electricity they provide that is not provided by Community Solar; the subscriber receives a credit on their utility bill for the amount of electricity received from Community Solar. The Community Solar provider bills the subscriber separately, at a rate discounted from the utility's SOS rate.

While this complex Dual Billing mechanism is an inconvenience for many Community Solar customers, it has proven to be a significant barrier to participation in Community Solar for many lowest income families – those who could benefit the most. This barrier occurs in several ways:

- **Many low-income families can only pay their utility bills in cash.** They can do this at multiple locations, including supermarkets, pharmacies, and banks, as well as local utility branch offices. This gives them flexibility to pay when they can (balancing energy cost with other household expenses). Many do not have or use credit cards or bank withdrawals to pay their utility bills.

However, credit cards or bank accounts are required under Dual Billing with Community Solar providers. Being far smaller than utilities, without large-scale billing systems, these providers can only receive payment by direct charge to a credit card or direct withdrawal from a bank account.

In practice, this Dual Billing requirement to have a credit card or bank account for automatic payment has proven to be a reason why low-income families can't sign up for Community Solar.

Under Utility Consolidated Billing, as permitted under HB818, low-income families will be able to pay their solar bill with their utility bill, in cash, at multiple locations, as can families getting electricity through third-party suppliers.

- **Dual Billing means low-income families on Energy Assistance and Community Solar lose part or most of their assistance benefit.** Energy Assistance payments are made to the customer's utility, and (as confirmed by the Office of Home Energy Programs, OHEP) part of these payments cannot be transferred to a Community Solar provider organization or to a low-income subscriber themselves, to cover the part of a subscriber's electricity cost that comes from Community Solar.

The result – for a low-income household that now (or at some future time) receives EUSP and MEAP electricity assistance – is that when their amount owed to the utility itself for non-solar energy and fixed charges becomes less than their Energy Assistance amount, the balance of that assistance funding unused by the utility cannot be applied to their Community Solar bill.

Effectively, if a household subscribes for more than a small fraction of their electricity from Community Solar, a substantial part of their Energy Assistance payment remains stranded with the utility, while they pay full cost of their solar, thus losing a substantial part of their Energy Assistance benefit.

Calculations by the Maryland Energy Administration (MEA) found that, over the course of a year, a low-income household who subscribes to a majority share of their electricity from Community Solar – despite their Energy Assistance benefit with the utility, and even with a substantial solar discount from SOS – would pay a total amount (combining utility and solar cost) greater than if they stayed on utility SOS alone.

This incompatibility of Energy Assistance with Community Solar under Dual Billing has turned out to be an obstacle to participation of lowest income households in Community Solar.

Understanding of this negative impact has led some Community Solar providers to avoid

Physicians for Social Responsibility is a national organization of doctors and other health professionals dedicated to averting two overarching threats to human health and well-being: nuclear weapons and climate change. PSR is a component of International Physicians for the Prevention of Nuclear War, which received the 1985 Nobel Peace Prize.

households receiving Energy Assistance when offering participation in LMI projects. Other providers have tried to compensate by offering only small amounts of Community Solar to Energy Assistance recipients who might otherwise qualify – however, given the extra complexity and small benefit, this has not been a widely successful approach to achieving low-income participation.

Resolution of this issue is especially important since the Community Solar Pilot Program regulations themselves make “*participation in the Maryland Office of Home Energy Programs’ assistance programs*” the sole specified means of establishing low-income subscriber status.²

Under Utility Consolidated Billing, as permitted by HB818, a customer’s Energy Assistance benefit will be able to be applied to the utility’s bill, with the remainder applied to the subscriber’s Community Solar payment.

These barriers can be removed with an existing billing mechanism - but it requires HB818.

The conflict of Energy Assistance payment and Community Solar participation was recognized during the PSC’s Rulemaking session in March of 2021. Since then, at the Commission’s direction, the NMWG has held discussions to further define the problem and seek remedies. These discussions have included Commission staff, the utilities, the Director of OHEP, and representatives of MEA and the Office of People’s Counsel. After almost a year of deliberation, no utility-implemented, administrative, or regulatory mechanism has been identified that can resolve this issue.

Utility Consolidated Billing with Purchase of Receivables is a well-established mechanism in Maryland – it is the mechanism by which the substantial number of third-party electricity suppliers are billed and paid through a single utility bill. Allowing Community Solar providers to use this same mechanism will be no more complicated than adding new third-party suppliers.

However, only legislative action – specifically HB818 – can and will allow removal of the critical obstacle that Dual billing represents to low-income participation in Community Solar.

We therefore strongly urge a favorable report by the Committee on HB818 – a simple solution to a difficult problem affecting our most vulnerable families.

Respectfully,

Alfred Bartlett, M.D., F.A.A.P.
Board Member and Energy Policy Lead
Chesapeake Physicians for Social Responsibility
alfredbartlett@msn.com
240-383-9109

² COMAR20.62.03.03(D)(1)

HB818 senate.pdf

Uploaded by: Cindy Carter

Position: FAV



Cancer Support Foundation, Inc.
8268 Academy Road
Ellicott City, Maryland 21043
Phone: 410.964.9563
Email: info@cancersupportfoundation.org
www.cancersupportfoundation.org

Finance Committee

HB818 heard in Senate Finance

Support

March 30, 2022

Cindy Carter
Cancer Support Foundation, inc.

Good afternoon chairman Wilson and committee. I am Cindy Carter Co-Founder of the Critical Medical Needs Program and Executive Director of Cancer Support Foundation. I am here today in favor of HB 818.

The billing system of utility companies already have the billing system in place to bill clients for third party chargers of electric and gas commodity. It has been there for years.

The Community Solar Program has carved out a segment for those who are low-income residents These same customers may also be eligible for the several energy assistance grants to help with their energy costs on their household.

The solar part of your monthly cost, is not on your utility bill as it would be if you were working with a third-party supplier. Your energy assistance grants that are available each year, then cannot be applied towards those costs.

Forty one percent of those who are eligible for these energy assistance grants are seniors. If we are trying to keep our seniors safely aging in place by helping with controlling or reducing their energy burden, then not being able to use these grants each year seems very counterproductive.



Cancer Support Foundation, Inc.
8268 Academy Road
Ellicott City, Maryland 21043

Phone: 410.964.9563
Email: info@cancersupportfoundation.org

www.cancersupportfoundation.org

If a senior was using a third-party supplier, they would be able to use the grants. If that same senior got involved in the Community Solar Program, they would lose the grants to help reduce their energy costs. This practice is harming our low-income seniors as well as others.

Many of our low-income families are seniors. They could benefit from all programs that could help reduce their energy burden. A billing system already exists to include other vendors bills so why not help our seniors age safely in place by allowing the billing for Community Solar to be included on the bill and allowing the energy assistance grants be applied towards that cost.

I am asking for a favorable report on HB 818.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Carter". The signature is fluid and cursive.

Cindy Carter
Co-Founder Critical medical Needs Program
Executive Director Cancer Support Foundation, Inc.

Copy of HB818-Community Solar Consolidated Billing

Uploaded by: Diana Younts

Position: FAV



Committee: Finance

Testimony on: HB818 - Electricity - Community Solar Energy Generation - Consolidated Billing

Organization: MLC Climate Justice Wing

Submitting: Diana Younts, Co-Chair

Position: Favorable

Hearing Date: March 30, 2022

Dear M. Chair and Committee Members:

Thank you for allowing our testimony today in support of HB818. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on HB818.

The Problem

This bill fixes a critical problem for low income families who need energy assistance. Currently, because of arcane rules governing utility billings, low income families cannot apply the energy assistance to any electricity they receive from Community Solar and instead of their energy assistance going to paying for their electricity bills, those payments remain stranded with the utility company.

What is Community Solar?

Community solar projects are solar farms to which surrounding community members can subscribe to receive their electricity. This makes solar energy available as an option for families even if they are renters, cannot afford to install solar, or simply do not have a suitable roof for solar. They thus have the effect of increasing the amount of solar energy on the grid.

Community Solar Projects Designed for Low Income Families

Many community solar projects are designed to provide electricity to low income families at 20 - 25% less than the cost of electricity offered by the utility companies.

But low income families who need energy assistance are effectively precluded from taking advantage of these electricity cost savings because of the existing arcane utility billing rules.

The Environmental *Injustice*

This results in a substantial environmental *injustice*. Because energy is a regressive cost,

low-income households in Maryland dedicate 13% of their annual incomes to energy costs and pay 550% more as a percent of income than non low-income households. The majority of these (55%) are Black, Hispanic, or Asian households. Providing low cost solar energy to these families helps to redress this problem. Equitable and just deployment of renewable energy is critical to expanding our clean energy economy and addressing environmental injustice.

And of course, lack of access to community solar means that the state also pays more in providing energy assistance for these families than it otherwise would need to.

What is That Arcane Billing Rule?

Usually, when you receive your monthly utility bill, that is the only utility bill you receive for electricity (and for some Marylanders also for gas), even if you receive your electricity from a third party retail supplier. This is called consolidated billing. However, under current rules, Community Solar cannot be on the same bill as your utility bill. It is a separate bill. *And because State energy assistance is paid directly to the utility company none of it can be applied to community solar.*

A further difficulty – because there is no consolidated billing – is that community solar requires that you have a bank account or a credit card from which payments can be withdrawn. Many low income families have neither and even if they did, they risk being overdrawn on their accounts when payments are automatically withdrawn before they have the money to cover those costs.

HB818 Fixes the Problem

HB818 provides a straightforward fix. It allows Community Solar electricity charges to be consolidated onto your utility bill. Thus, energy assistance payments for low income families can also cover Community Solar. This will result in lower energy costs for low income families.

For these reasons, we urge a favorable report for HB818.

MLC Climate Justice Wing:

Assateague Coastal Trust
Maryland Legislative Coalition
MD Campaign for Environmental Human Rights
Chesapeake Climate Action Network
WISE
Frack Free Frostburg

Mountain Maryland Movement
Clean Water Action
Howard County Indivisible
Howard County Sierra Club
Columbia Association Climate Change and Sustainability Advisory Committee
HoCo Climate Action

CHEER
Climate XChange - Maryland
Mid-Atlantic Field Representative/
National Parks Conservation Association
350 Montgomery County
Glen Echo Heights Mobilization
The Climate Mobilization Montgomery
County
Montgomery County Faith Alliance for
Climate Solutions
Montgomery Countryside Alliance
Takoma Park Mobilization Environment
Committee
Audubon Naturalist Society
Cedar Lane Unitarian Universalist Church
Environmental Justice Ministry
Coalition For Smarter Growth
DoTheMostGood Montgomery County
MCPS Clean Energy Campaign
MoCo DCC
Potomac Conservancy
Casa de Maryland
Nuclear Information & Resource Service
Clean Air Prince Georges
Laurel Resist
Greenbelt Climate Action Network
Maryland League of Conservation Voters
Unitarian Universalist Legislative
Ministry of Maryland
Concerned Citizens Against Industrial CAFOs
Wicomico NAACP
Chesapeake Physicians for Social
Responsibility
Chispa MD
Climate Law & Policy Project
Maryland Poor People's Campaign
Labor Network for Sustainability
The Nature Conservancy
Clean Air Prince Georges

350 Baltimore
Maryland Environmental Health Network
Climate Stewards of Greater Annapolis
Talbot Rising
Adat Shalom Climate Action
Mid-Atlantic Earth Holders
Climate Parents of Prince Georges
Echotopia
Maryland NAACP State Conference,
Environmental Justice Committee

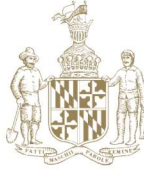
HB818_Clippinger Testimony.pdf

Uploaded by: Dylan Goldberg

Position: FAV

LUKE CLIPPINGER
Legislative District 46
Baltimore City

Chair
Judiciary Committee
Rules and Executive
Nominations Committee



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 101
Annapolis, Maryland 21401
410-841-3488 · 301-858-3488
800-492-7122 Ext. 3488
Luke.Clippinger@house.state.md.us

District Office
3323 Eastern Avenue
Suite 200
Baltimore, Maryland 21224

Testimony in Support of House Bill 818

Electricity – Community Solar Energy Generation – Consolidated Billing

Chair Kelley and Members of the Senate Finance Committee:

I write to urge your support for House Bill 818.

The Community Solar Pilot Program allows all Marylanders to participate in the generation of solar power. Community Solar enables Marylanders to purchase solar generation from a solar panel at a place other than their home and credit the generated electricity against their electric bill through net metering. This allows people who live in places where solar generation is impossible to participate – apartment or condo dwellers, or people with homes unable to support a solar array.

Low and moderate income Marylanders have struggled to participate in community solar because those costs are encumbered on a second bill – a bill that requires a new credit check on a debit or credit card. Community Solar is designed to allow greater access to net metering and solar generation – particularly for low and moderate income Marylanders.

HB818 will help solve this problem by allowing community solar costs and generation to be included on one consolidated bill. This single consolidated bill will help low and moderate income Marylanders avoid credit and payment issues, and will help them, if necessary, receive support from the Office of Home Energy Programs.

For those reasons, I request a favorable report of House Bill 818.

Respectfully submitted,

A handwritten signature in cursive script that reads "Luke Clippinger".

Luke Clippinger

HB818 OPC Support.pdf

Uploaded by: Endia Montgomery

Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JOSEPH G. CLEAVER
DEPUTY PEOPLE'S COUNSEL

— OPC —
OFFICE OF PEOPLE'S COUNSEL
State of Maryland

6 ST. PAUL STREET, SUITE 2102
BALTIMORE, MARYLAND 21202
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

BILL NO.: House Bill 818
Electricity - Community Solar Energy Generation -
Consolidated Billing

COMMITTEE: Finance

HEARING DATE: March 30, 2022

SPONSOR: Delegate Clippinger

POSITION: Support

The Office of People's Counsel supports House Bill 818 as amended in the House of Delegates.

HB 818 would permit community solar organizations to utilize the billing systems of local utilities. Many customers who may wish to subscribe to community solar lack access to conventional banking and credit services. If the community solar organization only accepts payment from a credit card, many low-income customers will be prevented from subscribing to the community solar program, inhibiting the General Assembly's goals in adopting the program.

HB 818 allows community solar organizations to utilize the billing system of the local utilities to charge customers for the output of their solar systems. HB 818 retains the Commission's ability to review utility consolidated billing practices and the allocation of costs for providing the service. That Commission review helps ensure that the goals of the bill are met in a manner that is beneficial to all customers.

Recommendation: OPC requests a favorable report from the Finance Committee to HB 818 as amended by the House of Delegates.

Testimony HB 0818 CS Utility Consolidated Billing

Uploaded by: Gary Skulnik

Position: FAV



8455 Colesville Rd., Suite 1025 – Silver Spring, MD 20910

Testimony on HB 0818

Position: Favorable

Submitted by:

Gary Skulnik
CEO
Neighborhood Sun Benefit Corp
8455 Colesville Rd., Suite 1025
Silver Spring, MD 20910
240-284-6245
gary@neighborhoodsun.solar
www.neighborhoodsun.solar

Submitted to: Senate Finance Committee

March 29, 2022

On behalf of Neighborhood Sun, a Silver Spring Maryland based community solar company, I ask for you to give HB 0818 a favorable report. As one of the only Maryland companies that is exclusively focused on community solar, we can tell you that our experience these last few years leads us to strongly support the need for low income residents to access community solar through utility consolidated billing (UCB). While the legislature, the state and the PSC have all done an admirable job in crafting our community solar program in such a way that it is meant to benefit low income Marylanders, the truth is that there is a market problem that goes beyond the program structure. Under the current program, low income residents, just like everyone else, are required to pay for their community solar shares via a separate payment mechanism, apart from their utility bill unless they sign away a power of attorney to their provider. Unfortunately, many of the low income residents we've approached do not have usable credit cards or bank accounts, and thus they are prevented from joining the program.

Additionally, when we do enroll low income residents, we give them smaller shares than they might otherwise get in order to accommodate the OHEP program. If their community solar charges were part of the electric bill, this issue would go away.

We are a company committed to bringing the promise of solar to everyone, not just the select few, so for us, ensuring that Maryland's low income residents can participate in community solar is paramount. We have been actively working in the market for almost four years and we've had some success in bringing in low income residents, but not nearly enough. Passing HB 0818 will finally make the program work for low income Marylanders just as well as it works for everyone else. Please support this bill.



8455 Colesville Rd., Suite 1025 – Silver Spring, MD 20910

About Neighborhood Sun

We are a Maryland based clean energy social enterprise with a mission to bring the promise of solar energy to everyone, not just the select few. From our headquarters in Silver Spring, we've helped expand community solar to all over Maryland, DC, New York, Colorado, and many other states. Our Sun Engine advanced software platform allows thousands of subscribers connect to community solar projects while giving the project owners unprecedented control over the administration of the projects. For more information, go to www.neighborhoodsun.solar

HB818-FAVORABLE-PELTIER SF.pdf

Uploaded by: Laurel Peltier

Position: FAV

Written testimony FAVORABLE HB818

Electricity - Community Solar Energy Generation - Consolidated Billing

Hearing: March 30, 2022, Senate Finance

Laurel Peltier, Chair, Maryland Energy Advocates

It's a pleasure to send in written testimony in favor of HB818, a tactical piece of legislation that will improve Community Solar's adoption by low-income families. Thank you for considering this legislation in the Senate.

Low-income home energy issues are my primary focus. I Chair Energy Advocates, a coalition of groups that is working to reduce energy burdens for low-income utility bills. I volunteer weekly at GEDCO CARES, a community center that helps people apply for OHEP energy assistance and Fuel Fund. I work to reform Retail Choice. And I am a member of Maryland's low-income utility working group developed through last year's HB606 bill.

A strategic reason to ensure that Community Solar works for Maryland's 400,000 low-income families is that our clean energy transition will only be realized if the low-income segment participates. Community Solar make emission-free energy possible. And as important, makes home energy affordable with its deep potential rate discounts.

Maryland's Community Solar 2015 legislation was designed with low-income families and environmental justice in mind. **Community Solar is environmental justice in action.**

The product, when implemented correctly, will allow low-income families to access clean energy at lower rates than regulated utilities.

As many have written and will testify, there's an implementation fix needed to make Community Solar accessible and working for low-income families. The banking needs and the Office of Home Energy (OHEP) regulations and billing issues mean a scant number of low-income households have enrolled today.

Community Solar can also play a pivotal role in reducing sky-high energy burdens. Today's low-income segment energy burden, the percent of income spent on a utility bill, is 13%. It should be 6%.

Some Maryland low-income home energy stats:

- About 400,000 Maryland households qualify as low-income (at or below 175% federal poverty level). There are 2.3 million home energy utility accounts in total.
- Forty-one percent are seniors 60 years old.
- About 85,000 families (20% eligible families) access OHEP energy assistance. This number has been steadily declining since 2012.
- The average OHEP yearly household income is \$16,000, per OHEP reporting.
- Seventy percent of OHEP households are renters.
- The average low-income BGE, Pepco or other utility bill is about \$2,000 per year.
- The American Council for an Energy Efficient Economy (ACEEE) ranked Baltimore-area #1 for country's highest energy burdens for the bottom 50% of this low-income target group. That is not a ranking Maryland wants to win.

Why are Maryland energy burdens so high? A collision of policies is hitting utility bills while beneficial programs are not hitting utility bills

1. Many rental properties, many are older housing stock, are not energy efficient which leads to higher usage per square foot of living space. Empower Maryland funds are not reaching this segment.
2. A significant portion of low-income families are paying more for Retail Energy Choice. In 2020, families not on Constellation – this supplier doesn't target low-income- paid 48% more for retail electricity than regulated rates. A one-time data pull suggested about 30% of low-income families are on Retail Choice because that's where door-to-door sale agents target.

3. Natural gas supply prices are up 30% post-pandemic. A double-whammy, utility distribution rates have increased due to STRIDE natural gas infrastructure projects hitting the rate base.
4. Lastly, electricity rates increased by about 15% post-pandemic because natural gas supplies are lower, prices are up, and power plants use more natural gas to generate electricity.

Community Solar can, and should be, a widely used product for as many low-income families as possible. As our state looks to more comprehensive and wholistic ways to tackle these energy burdens, a major tool can be Community Solar.

Maryland should consider automatic enrollment of Community Solar low-income accounts. Lower utility bills lead to lower past-due arrearages, which leads to lower terminations and defaults, and reduces the chaos and stress faced by hundreds of thousands of families to pay an essential bill – electricity and gas.

Community Solar discounts can be up to 25% off the entire electricity bill (delivery and supply). Retail Choice potential discounts are only off the supply portion of the bill.

The 5-year pilot program has been a success. Any new product has areas that need to be tweaked and fixed to make the product work as intended. As Community Solar hopefully moves to the product phase, it is essential that Community Solar charges are included on the utility consolidated bills, just like Retail Choice.

That utility consolidated bill with Community Solar credits bill can be paid at local stores with cash. The Maryland energy assistance credits can legally be applied to a utility bill. It's by far a more consumer-friendly product – if you really want to drive yourself crazy, try selling Community Solar and explain how today's dual billing works.

Most importantly, it affords a simple way for lower-income communities, often of color, to participate in Maryland's clean energy transition.

As Maryland works to significantly reduce greenhouse gas emissions and build out clean energy infrastructure, it seems unrealistic that this clean energy transition will be realized if 20% of the state's households don't participate. Literally are left behind.

Community Solar is an important tool to increase accessibility for low-income households. And HB818 is vitally important to pass for more low-income households to participate.

HB818 Favorable Testimony- CCSA (2).pdf

Uploaded by: Leslie Elder

Position: FAV



Before the General Assembly of the State of Maryland

Senate Finance Committee

March 30, 2022

Testimony of Leslie Ann Elder
Mid-Atlantic Regional Director
Coalition for Community Solar Access

**HB818: “Electricity - Community Solar Energy Generating Systems - Consolidated Billing”
FAVORABLE**

Thank you for the opportunity to provide testimony on Community Solar Energy Generating Systems (CSEGS) Consolidated Billing. The Coalition for Community Solar Access (CCSA) submits testimony in strong support of Delegate Clippinger’s HB818.

CCSA is a national coalition of businesses and nonprofits working together to implement best practices for all community solar markets. Our mission is to empower all Maryland households and businesses that seek home grown energy sources through community solar. We work with customers, utilities, local stakeholders, allies and policymakers to develop and implement best practices that ensure community solar programs provide a win-win-win solution. Our members are solar industry leaders and are engaged at every step of development, ensuring these best practices are not theoretical but are applied and practiced. We represent over 80 member companies, some who are headquartered in Maryland and others who are investing here.

CCSA and our members are active participants in the community solar pilot program (CSEGs) and are thankful for the opportunity to use the few remaining years of the pilot program to test out solutions to achieve the policy objectives of the state and local jurisdictions. HB818 proposes to make participation in Community Solar easier by allowing for a one electric bill, with a net credit, for the utility’s electric customers who purchase all or a portion of their electric supply from a subscriber organization .

CCSA is supportive of implementing utility consolidated billing (UCB) as an option for Community Solar Subscriber Organizations. Specifically, we are supportive of implementing the option for consolidated billing for community solar to enhance participation and decrease market risks. If implemented properly with a reasonable fee structure and in a transparent, easy-to understand customer interface, net crediting can provide direct benefits to Maryland community solar customers—including low- to moderate-income (“LMI”) subscribers---and help Maryland achieve its clean energy and equity goals by enabling greater access to community solar development at lower cost.

Across the nation, billing systems have been frequently cited as an impediment to increasing participation in community solar programs. An option for consolidated billing would remove billing and collection barriers to community solar, particularly for LMI subscribers. Under this proposal, the utility would manage the allocation of credits to customers and developers and remove the need of a community solar customer receiving two bills from a subscriber organization and the utility. Instead,



community solar subscribers can receive a Community Solar Savings Rate on their utility bill. In other states, utility consolidated billing is structured so that the utility will allocate a net credit to the subscriber and the remaining credit to the Subscriber Organization, minus a utility administration fee of no more than 1%. The customer experience is dramatically simplified, enabling the Subscriber Organization to serve more households without the need to collect sensitive payment information. Under a net crediting program, the subscriber only receives a credit on their bill without having to worry about additional fees.

Utility consolidated billing policy goals should include:

- Reduce project costs
- Increase participant benefits
- Promote clarity and simplicity for customers
- Meet clean energy goals

Under this mechanism, rather than receiving two bills from the community solar organization and the utility, respectively, community solar subscribers can instead receive a Community Solar Savings Rate on their utility bill. The utility allocates a monetary payment to community solar organizations, reflecting the remaining credit of the project.

Delegate Clippinger's HB818 is simple and allows for a more effective way to serve community solar customers and especially those who need to lower their energy burdens the most. Thank you for your time and consideration for HB818 and CCSA hopes we can count on your support.

Respectfully,

Leslie Ann Elder, Mid-Atlantic Director
Coalition for Community Solar Access

HB818 Letter of Support in Senate Finance. Climate

Uploaded by: Lynn Heller

Position: FAV



March 30, 2022

**House Bill 818 before the Senate Finance Committee:
Electricity – Community Solar Energy Generation – Consolidated Billing
LETTER OF SUPPORT**

Chair Kelley and Members of the Senate Finance Committee:

I am the founder and CEO of the Climate Access Fund, a statewide nonprofit Green Bank that (1) offers financial incentives to solar developers to encourage more low-income community solar, (2) directly develops projects located in over-burdened communities, and (3) advocates for policies to encourage low-income access as part of the MD Public Service Commission's Net Metering Working Group. For the record, I am also honored to serve a Board Chair of the Maryland League of Conservation Voters.

The Climate Access Fund supports HB 818 because the lack of utility consolidated billing is a significant barrier to low-income household participation in the community solar pilot program.

The intent behind the original community solar legislation was to offer Maryland residents who could not access solar power the opportunity to do so by accessing that power virtually. The way it works is that an interested household signs up for a portion of the power generated by a solar array that is located somewhere other than on the household's rooftop. The solar power is generated and sent to the grid by the provider, and the household uses the solar electricity it paid for.

As the original legislation acknowledged, community solar can be especially beneficial for low-income households who either rent their homes or cannot afford the upfront costs of solar installation and thus cannot benefit from rooftop solar power. Participation in community solar can save low-income households 25% on their corresponding utility bill; in Baltimore this means \$200 per year per household, or \$35,000 over the life of a solar project (estimated).

Yet as we have learned over the first four years of program implementation, most community solar programs currently in operation or in development do not serve low-income households. This is because it is generally more labor-intensive (and thus more expensive) for solar developers to market to low-income households who may or may not have internet access, and low-income households face substantial barriers to participation such as the lack of utility consolidated billing.

Utility consolidated billing is the mechanism by which households only have to pay one bill to their utility for their energy use, regardless of who generates the power, rather than two bills. Marylanders can choose who they want generating their power, and the utility



sends that power through its wires. As it stands now, consumers who choose to have their electricity generated through certain types of energy, such as wind, only have to pay one bill to their utility. The utility then pays the wind supplier. This is utility consolidated billing for third-party suppliers.

But the generators or suppliers of community solar are not considered “third-party suppliers”, so utility consolidated billing is currently not allowed in community solar. Community solar customers have to pay two separate bills – one to the utility and one to the community solar supplier.

While this system of having to pay two bills is a nuisance for many, it is prohibitive for some. Low-income households who do not have bank accounts or credit cards currently cannot participate in community solar because the small companies that handle the billing for community solar suppliers simply don’t have the capacity to accept payments by check or cash. Utilities, by contrast, are well-established, well-financed, and have the capacity to accept alternative forms of payment. If we had utility consolidated billing for community solar, low-income households who wished to participate could pay for their community solar power directly through the utility, by whatever means worked best for them – including in cash at their local supermarket or pharmacy -- just as they do when they choose other suppliers of their electricity.

The lack of consolidated billing in community solar also means that low-income households who are recipients of energy assistance (EUSP) cannot both be full participants in community solar and receive all of the benefits of their energy assistance. Energy assistance dollars can only go to utilities and not to community solar providers, so without utility consolidated billing, a substantial portion of a community solar customer’s energy assistance dollars simply sits and accumulates, unspent, in an energy assistance recipient’s utility account – ultimately to be returned to the state. Utility consolidated billing would allow for energy assistance dollars to be used by the utility to directly pay a household’s community solar costs, and the household would not be forced to choose between energy assistance and community solar.

In sum, opening up clean energy access to low-income households was a large part of the reason for the initial creation of Maryland’s community solar program. Yet the absence of consolidated billing has meant that many low-income households are unable to participate in the program. Utilities already offer consolidated billing to other third-party providers of energy; we simply need to extend that option to community solar.

I encourage a favorable report on HB818.

Sincerely,

Lynn Heller, CEO
Climate Access Fund

lynn@climateaccessfund.org
www.climateaccessfund.org

HB818_IndivisibleHoCoMD_FAV_RuthAuerbach.pdf

Uploaded by: Ruth Auerbach

Position: FAV



HB818 – Electricity - Community Solar Energy Generation - Consolidated Billing

Testimony before

Senate Finance Committee

March 30, 2022

Position: Favorable

Dear Finance Committee Members,

My name is Ruth Auerbach, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today to **support HB818**, to allow community solar subscriber programs to participate in consolidated billing by local electric companies.. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are grateful for the leadership of Delegate Clippinger for sponsoring this bill.

We enthusiastically support allowing community solar subscriber programs to participate in consolidated billing. I have been a community solar subscriber since this past May. The lack of consolidated billing makes it more difficult to confirm that the credits on my electricity bill match the charges I receive on a separate community solar bill. I would like to recommend this program because I believe in transitioning to solar power, and I could more firmly do so if the billing were more straight forward. I am also told that this lack of a consolidated bill is an impediment to registering low- and middle-income households too. Such households could benefit from the community solar programs that guarantee a reduction in electricity costs.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report on this bill.

Ruth Auerbach
Columbia, MD 21046

Earthjustice Support Letter HB 818 Senate Finance.

Uploaded by: Susan Miller

Position: FAV



March 29, 2022

Chair Delores G. Kelley
Members of the Finance Committee

Re: Solar Democracy and Equity Collaborative **SUPPORT** of HB 818 -
Electricity – Community Solar Energy Generation – Consolidated Billing

The Solar Democracy and Equity Collaborative (“Collaborative”) strongly supports the passage of HB 818. The Collaborative consists of several organizations, including Climate Access Fund, Earthjustice, the Institute for Energy and Environmental Research, the Montgomery County Green Bank, and Maryland Solar United Neighbors.

HB 818 provides that a community solar subscriber organization may participate in the utility consolidated billing provided by the electric company. Consolidated billing currently is available to electricity suppliers¹ but is not available to a community solar subscriber organization. Passage of HB 818 is vital to ensuring that Maryland residents who receive EUSP funding can participate in the community solar program.

COMMUNITY SOLAR

Community solar customers can either buy or lease a portion of the solar panels in the solar array, and they typically receive an electric bill credit for electricity generated by their share of the community solar system—similar to someone who has rooftop panels installed on their home. Unlike solar panels which are installed on the customer’s rooftop and are solely for the use of one household or customer, community solar is shared by two or more utility customers in a utility’s service territory. In Maryland, the community solar pilot project allows customers to buy a share of the electrical output of the community solar energy generating system. Community solar can be a great option for people who are unable to install solar panels on their roofs because they don’t own their homes, have insufficient solar resources or roof conditions to support a rooftop PV system due to shading, roof size, or other factors, or for financial/other reasons.

A subscriber organization is a person or entity that owns or operates a community solar energy generating system. The subscriber organization must first be granted admission to the program by the Maryland Public Service Commission (“Commission”) to operate in Maryland.

During the 2015 legislative session, the Maryland General Assembly enacted House Bill 1087, which modified Maryland’s net metering program. The new law² required the Commission

¹ Code of Maryland Regulations 20.53.05.03.

² Maryland Public Utilities Article § 7-306.2 (2015).

to establish the community solar pilot program and sets forth specified guidelines the Commission must adhere to in structuring the pilot program.

In enacting the community solar pilot program, the General Assembly expressly stated that it is in the public interest that the State enable the development and deployment of energy generation from community solar energy generating systems in order to allow low-income and moderate-income retail electric customers to own an interest in a community solar energy generating system; and encourage developers to promote participation by low-income and moderate-income retail electric customers.³

Thus, the General Assembly recognized that the community solar program is central to Maryland's goal of enabling *all* Maryland residents to receive the benefits of clean and affordable distributed solar generation.

ELECTRIC UNIVERSAL SERVICE PROGRAM

The Electric Universal Service Program ("EUSP"), enacted in the Electric Customer Choice Act of 1999 was designed by the General Assembly to assist low-income electric customers to retire utility bill arrearages, to make current bill payments, and to access home weatherization following the restructuring of Maryland's electric companies and electricity supply market.⁴ Through this legislation. The General Assembly required the Commission to establish the program, make it available to low-income electric customers statewide, and provide oversight to the Office of Home Energy Programs ("OHEP"), within the Department of Human Services, which is responsible for administering the EUSP. OHEP also administers Maryland Energy Assistance Program ("MEAP"), which is federally funded through the Low-Income Home Energy Assistance Program ("LIHEAP"). For customers who heat with electricity, EUSP and MEAP work in tandem, resulting in increased EUSP benefits for electric heating customers because MEAP funds are used to cover heating costs.

WHY CONSOLIDATED BILLING IS VITAL

Maryland's community solar pilot program is an important part of Maryland's climate solutions. The law makes access to solar a reality for everyone. Since its implementation, the pilot program has proven remarkably successful. However, despite the General Assembly's clear directive that the benefits of the program should go to low-and-moderate income Marylanders, a segment of this population is being excluded from the program.

Community solar billing doesn't work for many low-income families because it is invoiced on two separate bills, one from the utility and the other from the subscriber organization. Many low-income families can't enroll in solar projects because participation in solar project will result in a loss of some of their EUSP benefits. EUSP energy assistance benefits are only paid to the utilities. With separate billing, families receiving energy assistance who join a community solar project lose part, and sometimes most, of their energy assistance grants. The utility uses the funding to fully pay the utility portion of the consumer's bill, but even

³ Maryland Public Utility Art. § 7-306.2(b)(2)(i) and (iii).

⁴ Public Utilities Article, Annotated Code of Maryland, §7-512.1.

though the customer still has grant money remaining that grant cannot be used to pay their subscriber fees. Thus, receipt of two bills leaves EUSP funds meant for low-income households who subscribe to community solar stranded at the utility, unusable by the intended beneficiaries.

Participating in community solar costs the EUSP participant out-of-pocket money that they would not have to provide if they simply used a third-party electricity supplier. Since most EUSP beneficiaries simply do not have the funds to pay the subscriber fees on their own, these customers are effectively excluded from the community solar pilot even though their EUSP grant was not fully expended. Thus, receipt of two bills leaves EUSP funds meant for low-income households who subscribe to community solar stranded at the utility, unusable by the intended beneficiaries.

Allowing community solar charges to be billed to subscribers on *one* utility consolidated bill, for example a BGE or Pepco bill, will enable EUSP participants to reap the full benefits of their EUSP grant while participating in the community solar pilot. Importantly, utility consolidated billing is not new. Consolidated billing already is available to third-party electricity suppliers and approximately 400,000 Maryland accounts use consolidated billing today.

This Committee should also recognize that encouraging EUSP participants to participate in community solar projects will result in more affordable electricity bills and lower arrearages. This occurs because community solar projects offer income-eligible families discounts of up to 25% off their electricity bill.

Energy equity recognizes that disadvantaged communities have been historically marginalized and overburdened by pollution, underinvestment in clean energy infrastructure, and lack of access to energy-efficient housing and transportation. Achieving energy equity requires intentionally designing systems, technology, procedures, and policies that lead to the fair and just distribution of energy system benefits. The General Assembly's focus on low-and-moderate income participation in the legislation creating the community solar pilot program is designed to help remedy the energy inequities of the past. Removal of this financial barrier to low-and-moderate income residents' participation in solar projects will enhance the community solar pilot program's ability to achieve these objectives.

Utility consolidated billing has an added advantage for low-income households. Many low-income households do not have bank accounts or credit cards. Thus, these households generally cannot sign up with a community solar project because these projects often require a credit card or bank account for billing purposes. However, these same low-income households often go to check-cashing or other services where they pay their utility bills with cash for a small service fee. Thus, the community solar bill was included on the utility bill, the low-income subscriber could pay their subscriber fees without needing a bank account or credit card.

The solution to this problem is to have community solar subscriber organizations be included in utility consolidated billing. HB 818 paves the way for all Marylanders, including EUSP fund recipients to participate in community solar.

Finally, the Collaborative thanks Delegate Clippinger for his leadership on this important issue.

The Collaborative strongly urges a favorable report for HB 818.

Thank you in advance for your support. Should you have any questions, please contact me at smiller@earthjustice.org.

Respectfully submitted,

A handwritten signature in blue ink that reads "Susan Stevens Miller". The signature is written in a cursive style.

Susan Stevens Miller

Senior Attorney, Clean Energy Program

Earthjustice

smiller@earthjustice.org

***On Behalf of the Solar Democracy and Equity
Collaborative***

NRG Comments on HB 818 Community Solar Consolidate

Uploaded by: John Fiastro

Position: FWA



HOUSE BILL 818 – ELECTRICITY – COMMUNITY SOLAR ENERGY GENERATION – CONSOLIDATED BILLING

FAVORABLE with AMENDMENT

SENATE FINANCE COMMITTEE

March 30, 2022

NRG Energy, Inc. (“NRG”) submits these comments in **support of HB 818 – Electricity – Community Solar Energy Generation – Consolidated Billing.**

NRG is the leading integrated energy and home services company powered by its customer-focused strategy, strong balance sheet, and comprehensive sustainability framework. A Fortune 500 company, NRG brings the power of energy to millions of North American customers. Our family of brands help people, organizations and businesses achieve their goals by leveraging decades of market expertise to deliver tailored solutions. Our retail brands serve more than six million customers across North America, including here in Maryland, where NRG owns seven companies that are licensed by the Public Service Commission to serve retail customers.

The NRG retail companies are committed to delivering value added products and services – including access to community solar subscriptions – to our customers. HB 818 will make that easier by enabling customers receive a single bill that includes both their community solar subscription charges and solar energy credits, as well as their electricity supply and delivery charges, from the regulated utility.

NRG supports HB 818 because it ensures that customers have the best experience possible when exercising their right to choose their energy supply services, including community solar. NRG has long advocated for policies that enable customers to receive a single bill from their energy supplier. In fact, in response to a request from NRG and other suppliers, the PSC recently took action to make Supplier Consolidate Billing (SCB) a reality by the end of 2023. Under SCB, suppliers will gain the ability to offer a consolidated bill that includes not only their supply charges, but also the regulated utilities’ delivery charges, and other value-added service charges – including community solar fees and credits – if they so choose. Consolidated bills are essential to meeting customers’ expectations. Customers prefer a single bill for both its convenience and because it enables them to understand their energy purchasing decisions more easily.

While HB 818 will ensure that customers receiving utility consolidated bills enjoy the convenience of a single bill that they demand, NRG offers the below amendment. It is aimed at ensuring that collection of electricity supply and delivery services charges are not impacted by the addition of subscription fees to the utility bill.

Thank you for the opportunity to share our perspective on HB 818 and for the above reasons NRG urges the Committee to amend the bill and give it a **favorable** report.

Proposed Amendment:

7-306.2 (D)

(6) (i) A SUBSCRIBER ORGANIZATION MAY, IN CONJUNCTION WITH THE ELECTRIC COMPANY SERVING THE TERRITORY OF THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM, PARTICIPATE IN UTILITY CONSOLIDATED BILLING PROVIDED BY THE ELECTRIC COMPANY.

(ii) THE ELECTRIC COMPANY SHALL NOT PURCHASE THE ACCOUNTS RECEIVABLE OF A SUBSCRIBER ORGANIZATION.

NRG Energy, Inc. Contact Information

Sarah Battisti, Director Government Affairs, NRG Energy, Inc., 804 Carnegie Center, Princeton, NJ 08540, 717-418-7290, sarah.battisti@nrg.com

Leah Gibbons, Senior Director Regulatory Affairs, NRG Energy, Inc., 3711 Market Street, Suite 1000, Philadelphia, PA 19104, 301-509-1508, lgibbons@nrg.com

BGE - HB 818 - Electricity - Community Solar Energ

Uploaded by: John Quinn

Position: UNF

OPPOSE
Senate Finance
March 30, 2022

House Bill 818 Electricity – Community Solar Energy Generation – Consolidated Billing

Baltimore Gas and Electric Company (BGE) opposes *House Bill 818 - Electricity – Community Solar Energy Generation – Consolidated Billing*. House Bill 818 authorizes a subscriber organization for a community solar energy generating system (CESGS) to participate in utility consolidated billing provided by the electric company serving the territory of the community solar energy generating system. The effective date of the legislation is July 1, 2023. This legislation presents a very aggressive schedule to implement a complex change to the current pilot program which would be implemented with less than two years left in the pilot. Conceptually, BGE does not necessarily oppose the participation of subscriber organizations in utility consolidated billing but has some concern that the schedule provided is insufficient to accomplish the complex tasks required.

Subscriber organizations currently bill subscriber charges in parallel to the BGE billing process and House Bill 818 would allow the subscriber charges to be consolidated on the BGE bill. This customer convenience is in line with BGE's customer focus, but we share the concerns of others about transitioning too quickly. Certain implementation details would need to be addressed by the Maryland Public Service Commission. Additionally, modifications of utility billing systems can be costly, and adequate time should be provided for billing system modifications. Instead of this compressed timeframe, a comprehensive review of these issues would be more appropriate for consideration once the CESGS pilot is concluded. Waiting until after the pilot has concluded would also allow for issues identified during the pilot to be addressed when implementing utility consolidated billing, which would help to minimize the costs that will ultimately be borne by customers.

For the above reasons, BGE respectfully request an unfavorable vote on House Bill 818.

2022-HB818-CSCB -PHI UNF_3.30.22.pdf

Uploaded by: Katie Lanzarotto

Position: UNF



March 30, 2022

112 West Street
Annapolis, MD 21401

UNFAVORABLE – House Bill 818
House Bill 818 Electricity – Community Solar Energy Generation – Consolidated Billing

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose **House Bill 818 Electricity – Community Solar Energy Generation – Consolidated Billing**. House Bill 818 authorizes a subscriber organization for a community solar energy generating system to participate in consolidated billing provided by the electric company serving the territory of the community solar energy generating system. The effective date of the legislation is July 1, 2023.

Under Maryland’s Community Solar Pilot Program, Community Solar Subscriber Organizations enroll individual customers as “subscribers” to their projects. Subscriber Organizations allocate a percentage of a supplier’s community solar project energy production to each subscriber and the subscribers, in turn, receive community solar bill credits on their utility bills based on their allocated share of power produced. In other words, the utilities’ consolidated bills include the credits for the percent of generation that they are enrolled in, but do not incorporate the fee from subscriber organizations, who send a standalone bill for these charges.

Pepco and Delmarva Power understand customers may prefer to pay a single bill when it relates to their utility charges. However, details of consolidated billing are complex and critical to the actual success of the program if implemented. It is important that any consolidated billing option keeps the customer experience at the forefront. While we support the idea of consolidated billing, modifications to utility billing systems are costly, and adequate time would be required for any billing system modifications. Additionally, waiting until after the pilot has concluded would also allow for issues identified during the pilot to be addressed when implementing utility consolidated billing.

Pepco and Delmarva Power are committed to powering a cleaner and brighter future for our customers and communities. Our customers have more choices than ever before in receiving reliable, clean, affordable and innovative energy products, and we are committed to driving that progress. As part of our commitment, we support community solar as an opportunity for customers to benefit from solar energy and we look forward to working with the sponsors and stakeholders.

For the above reasons, Pepco and Delmarva Power respectfully request an unfavorable vote on House Bill 818.

Contact:

Katie Lanzarotto
Senior Legislative Specialist
202-428-1309
Kathryn.lanzarotto@exeloncorp.com

FINAL - Senate Opposition Letter HB0818[77].pdf

Uploaded by: Kim Mayhew

Position: UNF

Timothy R. Troxell, CEcD
Advisor, Government Affairs
301-830-0121
ttroxell@firstenergycorp.com

10802 Bower Avenue
Williamsport, MD 21795

OPPOSE – House Bill 0818
HB0818 – Community Solar Utility Consolidated Billing
Finance Committee
Wednesday, March 30, 2022

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 275,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, New Jersey, Ohio, Pennsylvania, and West Virginia.

Unfavorable

Potomac Edison **opposes House Bill 818 – Community Solar Utility Consolidated Billing**. HB-818 would allow a community solar subscriber organization to participate in utility consolidated billing, provided by the electric company.

FirstEnergy requests an Unfavorable report on HB-818 for the following reasons.

In 2015, the Maryland General Assembly required the Public Service Commission to create the Community Solar Energy Generating System Pilot Program. Since its inception, Potomac Edison has been an active participant in the program.

Since the pilot program is nearing its conclusion, at this point it seems unnecessary for HB-818 to force the electric utilities to drastically change their existing supplier consolidated billing systems. Maintaining and processing community solar supplier credits and establishing purchase of receivables protocols and other processes would require significant time and necessitate additional investments to our systems. The proposed July 1, 2022, implementation date to change our billing system is unachievable, and the cost/benefit of doing such seems wasteful, especially this close to the end of the pilot program.

Potomac Edison broadly supports a climate strategy to reduce greenhouse gas emissions through the integration of renewable energy on the electric grid, however changing the pilot program at this point appears unworkable. HB-818 will result in higher costs for all electric utility customers in Maryland.

For the above reasons, Potomac Edison respectfully request an **Unfavorable** vote on House Bill 818.

HB818_Stanek_Info.pdf

Uploaded by: Jason Stanek

Position: INFO

STATE OF MARYLAND

COMMISSIONERS

JASON M. STANEK
CHAIRMAN

MICHAEL T. RICHARD
ANTHONY J. O'DONNELL
ODOGWU OBI LINTON
MINDY L. HERMAN



PUBLIC SERVICE COMMISSION

March 30, 2022

Chair Delores G. Kelley
Finance Committee
Miller Senate Office Building, 3 East
Annapolis, Maryland 21401

RE: INFORMATION – HB 818 – Electricity – Community Solar Energy Generation – Consolidated Billing

Dear Chair Kelley and Committee Members:

I appreciate the opportunity to offer information regarding the current status of the community solar energy generation system pilot (“CSEGS”) and House Bill 818 – Electricity – Community Solar Energy Generation – Consolidated Billing. Presently, a participating utility is not required to provide billing services to CSEGS subscriber organizations (“SOs”) or any other type of solar power provider, including those that lease solar equipment installed on a customer’s home or business. The utilities’ involvement in CSEGS billing is limited to applying a credit on a subscriber’s utility bill. The SO bills a subscriber at a rate determined by the agreement between the SO and the subscriber. Payment by the subscriber to the SO is provided directly to the SO without direct utility involvement. HB 818 would amend PUA §7-306.2(d) by allowing a CSEGS SO to participate in utility consolidated billing (“UCB”).

As drafted, there are technical issues with this legislation that will be difficult to implement prior to the CSEGS pilot ending. UCB requires all consumption, billing and related data to be transmitted between the utility company and supplier through electronic transactions, as specified in COMAR 20.53.05.03. However, SOs do not provide information through electronic transactions or an electronic data interface (“EDI”). Therefore, utilities will need to develop EDI transactions and capabilities to support CSEG participation in UCB. Similarly, CSEG SOs will need to ensure their systems are capable of communicating with utilities through EDI. Furthermore, if utilities provide billing services to CSEGS, there will need to be a way to recover costs when CSEG customers do not pay the CSEG charges. In order to

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806

410-767-8000

Toll Free: 1-800-492-0474

FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.md.us

recover these costs without socializing them, the Commission will need to establish a mechanism to account for the risk associated with purchase of receivables (“POR”).

In order to implement UCB for CSEGs, the Commission will need to establish a coordinated workgroup process to facilitate resolution of EDI, POR, any other processes, utility programming, and rulemakings to amend COMAR. These changes would likely take significant time and be costly.

The CSEGS pilot has two years remaining; drastic changes to the program prior to the Commission filing its report on the impact of the Pilot would limit the ability of the report to provide insight on the impact of the CSEGS pilot. Cost recovery of utility systems may further reduce the Pilot savings to customers. These types of costs would typically be recovered through program usage fees or utility base rates as appropriate.

The Commission appreciates the opportunity to provide additional information on HB 818. Please contact Lisa Smith, Director of Legislative Affairs, at 410-336-6288 if you have any questions.

Sincerely,



Jason M. Stanek
Chairman