

Oppose
Economic Matters
2/23/2023

House Bill 908- Electricity – Community Solar Energy Generating Systems Program

Baltimore Gas and Electric Company (BGE) opposes House *Bill 908 - Electricity – Community Solar Energy Generating Systems Program*, unless amended. House Bill 908 amends Public Utilities Article, Section 7-306 by making permanent the Community Solar Energy Generating Systems Pilot Program, which is scheduled to end in December 2024.

While BGE sees promise in Community Solar's role for achieving the state's energy goals, the company has significant concerns with the changes required in House Bill 908. The significant changes to Utility Consolidated Billing provisions could have unintended consequences for customers. Traditionally charges unrelated to utility services have not been part of a utility bill. As written, the legislation creates a new category of unpaid charges, Community Solar Energy Generating Station fees (CSEGS), on a customer's utility bill that would subject customers to the utility collection and disconnection process.

In addition, the timeline for the legislation is aggressive and resource intensive. The bill requires the Maryland Public Service Commission (Commission) to promulgate regulations pertaining to consolidated billing by April 1, 2025. However, BGE is already undertaking significant upgrades to our IT systems to accommodate requirements associated with Supplier Consolidated Billing, which was approved by the Commission and is scheduled to go-live by December 1, 2023. The company is also implementing the Low-Income Supply Offer Tracking project (legislatively mandated in 2021 under HB397/SB31), scheduled to go-live by July 1, 2023. Furthermore, House Bill 908 will require significant additional modifications to BGE's IT system. A preliminary high-level estimate of the cost to modify our system is over \$20 million.

Further, we reviewed the Commission's testimony, and agreed that concerns raised regarding co-location of CSEGS projects, and the expansion of co-location eligibility will undermine the true goal and purpose of the Community Solar Energy Program. The legislation permits projects as large as 10 megawatts to co-locate if at least 75% of the aggregate capacity is provided to low-to-moderate income subscribers. This will effectively limit the ability of small community-owned projects to develop. House Bill 908 also removes the project capacity limits that exist in the current program. Removing the projects caps allow CSEGS to use a larger amount of the overall net metering capacity. When larger projects use BGE's feeder and distributive generation system it limits another customer's ability to construct their own solar project. If passed, BGE is concerned that this issue will become more frequent.

Finally, to achieve the State's decarbonization goals, it will require efforts from all stakeholders and partners across the state. The legislation should allow BGE to leverage our expertise, resources, and long-standing history of serving low to moderate income families to develop and own community solar projects.

BGE respectfully asks that the legislation be amended to enable electric utilities to participate in the community solar program going forward. We recognize that the community solar energy program provides an opportunity for customers to benefit from renewable energy supply options in Maryland. We have made investments in renewable energy and would like to expand beyond using renewable energy just to power our facility in Baltimore City. Currently, BGE has deployed solar technology at our Spring Gardens facility in Baltimore City. The solar array at Spring Gardens has a capacity of 155kW and covers a 25,390 sq ft area with minimal ground disturbance. The facility has an output of approximately 206,000 kWh of electricity per year. The array reduces the amount of electricity BGE must purchase from the grid to power operations at Spring Gardens.

BGE is well-positioned to deploy community solar projects and welcomes the opportunity to expand participation to help the state achieve its energy and decarbonization goals.

BGE has shared with the bill sponsor our concerns described herein, but respectfully request an unfavorable committee report for House Bill 908 unless amended.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC).