



February 22, 2024

The Honorable C. T. Wilson
Chair, House Economic Matters Committee
House Office Building
Annapolis, Maryland 21401

RE: House Bill 258: Renewable Energy – Customer-Sited Solar Program
FAVORABLE

Dear Chairman Wilson and Members of the Committee,

Maryland Rooftop Solar Coalition (MRSC) appreciates the opportunity to provide testimony in support of House Bill 258. MRSC is comprised of a group of companies operating in Maryland whose business models are focused on promoting our State's clean energy policies through the installation and operation of rooftop and customer-sited solar systems.

We submit testimony today and ask for your support for House Bill 258 (HB 258), the Renewable Energy Customer-Sited Solar Program, and we wish to highlight the critical need for this legislation to address the decline in Maryland residential solar installations. This drop can be attributed, in part, to limitations within the current Renewable Portfolio Standard (RPS) and a narrowed incentive to attract customers. The existing structure has inadvertently hindered future solar growth, particularly for rooftop systems, which are competing with larger utility-scale solar projects for Solar Renewable Energy Credits (SRECs). The current undersupply of SRECs has resulted in substantial RPS penalties, which in turn has limited progress towards the state's 2030 targets.

HB 258 proposes a crucial amendment to the current legislation by establishing a Customer-Sited Solar Program in Maryland and expands the current grant that is available through the Maryland Energy Administration (MEA). This initiative is designed to immediately increase the deployment of systems, assisting the state in meeting its renewable energy targets and further helping citizens of the state afford a renewable energy source. Based on MEA's goal of 130,000 new residential solar installations by 2035, Maryland needs to grow the sector by roughly 30 megawatts per year, or 57% annually. With an attractive incentive available to homeowners, our industry can be ready to deploy systems tomorrow.

Key Provisions of House Bill 258:

1. **Equitable Distribution:** The bill targets low-and moderate-income, overburdened, and underserved communities (LMIOU), ensuring that the benefits of solar energy reach all demographics.
2. **Addressing Geographic Gaps:** HB 258 corrects a gap in the current law, allowing the Maryland Energy Administration (MEA) to support solar for low-income households beyond defined LMIOU areas.
3. **General Market:** HB 258 allocates funds to provide grants to homeowners across the state that fall outside the LMIOU communities. A strong and stable general market is essential to support installations for lower-income households and enable companies to effectively serve disadvantaged communities. It allows companies to achieve cost efficiencies, profitability, and sustainability, making it possible for them to offer affordable solutions to all communities.



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4. **Inclusive Financing Models:** Allowing all financing models, including third-party ownership, ensures flexibility and provides Maryland residents the ability to choose how to finance their system.
 5. **Additional Funding for Make Ready Upgrades:** HB 258 allows the MEA to spend SACP funds on roof replacements and panel upgrades for income-verified customers, enhancing the program's impact. Where there are barriers that may otherwise limit solar adoption, such as the need for a roof replacement or electric panel upgrades, make ready funds can assist homeowners to prepare for install.

Benefits of House Bill 258:

1. **Job Creation:** The proposed legislation supports citizens maintaining their current jobs and local job creation. The decline in new residential solar installations is curtailing job opportunities for low- and moderate income communities. Residential solar creates 10x more jobs than other solar segments due to labor needs. Solar installation jobs are projected to increase 27% from 2021 through 2031, which is well above the 5% average growth rate for all occupations. Maryland currently ranks 36th in solar job growth and risks falling further by failing to support greater residential expansion.^{1 2}
2. **Economic Savings:** With the ability to choose a renewable energy source, residential solar customers benefit from financial returns and lower monthly utility bills. Customers in Baltimore save as much as \$75 per month during their first year of solar ownership. Additionally, on average residential solar increases the value of a home by about \$15,000.^{3 4}
3. **Meeting RPS and Climate Goals:** HB 258 aligns with Maryland's goals and contribute significantly to the state's RPS targets. As of 2021, about 60% of Maryland solar generation came from rooftop solar while the remainder was generated by larger utility-scale solar farms. Rooftop solar could save Maryland utilities over \$16 million in transmission costs through 2030. Nationally, expanding local solar and storage could save utility ratepayers nearly half a trillion dollars by 2050.^{5 6 7}
4. **Leveraging Existing Infrastructure:** Customer-sited solar is an efficient and responsible means of meeting Maryland's renewable energy goals and avoids siting constraints. By harnessing the availability of rooftop space, this bill maximizes the use of already built structures, minimizing the need for additional land impacts, preserving Maryland's natural resources. According to the Maryland Department of Natural Resources, the state needs to utilize up to 33,000 acres to reach its 2030 RPS goals by relying predominantly on large-scale solar projects. Utility-scale solar is presently located on 3,600 acres.⁸

In conclusion, HB 258 is a vital step toward revitalizing Maryland's solar industry. I wish to thank Delegate Lily Qi for championing this bill and the Committee for their time. MRSC respectfully asks that a favorable report is issued.

Respectfully submitted,

Ed Merrick, President
Maryland Rooftop Solar Coalition



Cc: Rick Abbruzzese

- 1 <https://www.seia.org/research-resources/national-solar-jobs-census-2020>
- 2 <https://www.seia.org/research-resources/solar-market-insight-report-2020-year-review>
- 3 https://nccleantech.ncsu.edu/wp-content/uploads/2019/05/Going-Solar-in-America-Ranking-Solars-Value-to-Customers_FINAL.pdf
- 4 <https://www.energy.gov/energysaver/benefits-residential-solar-electricity>
- 5 <https://www.psc.state.md.us/wp-content/uploads/MD-Costs-and-Benefits-of-Solar-Draft-for-stakeholder-review.pdf>
- 6 <https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/Solar%20Siting%20Project%20Problems%20in%20MD.pdf>
- 7 <https://www.eia.gov/state/analysis.php?sid=MD>
- 8 <https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/Solar%20Siting%20Project%20Problems%20in%20MD.pdf>