

February 6, 2025

Honorable C. T. Wilson, Chair
Economic Matters Committee Room 231
House Office Building
Annapolis, Maryland 21401

HB 398 – FAVORABLE

Dear Chair Wilson, Vice Chair Crosby and Members of the Economic Matters Committee,

TurningPoint Energy ("TPE") is a solar and battery storage development and investment company, with over 1 gigawatt of community solar developed across the United States and 21 megawatts in Maryland alone. We were proud to participate in Maryland's community solar pilot program since its inception in 2015, and continue to invest heavily in the state's clean energy future.

TPE applauds Delegate Charkoudian and Senator Brooks for their continued leadership on energy issues in Maryland, and recommends a favorable vote on HB 398.

Throughout last year, Delegate Charkoudian worked tirelessly with the solar industry trade associations to analyze potential incentive structures that may balance the goals of rapid clean energy deployment and minimization of ratepayer impact. TPE applauds her thorough engagement and believes the proposed legislative solution will help achieve the intended goal.

In particular, TPE is favorable to the following provisions:

Spurring Distribution Connected Grid Storage: This provision (§ 7–216) builds on the success of HB 910 (2023) by specifically advancing distribution-level connected energy storage. Distribution storage systems can help alleviate congestion on the local distribution network during peak demand, reducing the strain on local infrastructure, and delaying the need for costly grid upgrades (like transformers or distribution lines). Furthermore, distribution-level storage reduces the need to transmit electricity over long distances, thereby decreasing energy losses that typically occur during transmission over high-voltage power lines. While TPE believes that a target higher than 150 megawatts will maximize resiliency benefits to distribution-level storage, this is an important step forward for local deployment of the technology.

Reforming Solar Incentives: The Renewable Portfolio Standard (RPS) was established over twenty years ago, and served as a critical driver of attracting solar investment to the state. However, the solar industry's evolution into several distinct segments - each with a unique business model and development cycles – highlights challenges related to the efficacy of the RPS structure.

By moving away from Solar Renewable Energy Credit (SREC) incentive structure and into an Administratively Determined Incentive (ADI) model, the state is both recognizing these critical



differences, but can help ensure that incentives are properly sized to spur a variety of solar energy projects at minimal cost.

While an ADI approach may result in a reduction in the size of financial incentives to community solar projects - such as those TPE develops - we believe that this is a necessary market reform that is in the long-term interest of our industry and the state.

Finally, as a Board Member of both the Chesapeake Solar & Storage Association (CHESSA) and Coalition for Community Solar Access (CCSA), TPE affirms the solar trade association's comments on this legislation.

Thank you,

/s/

David Murray

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