

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

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

House Bill 362 (Delegate Holmes)  
Economic Matters

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**Department of Veterans Affairs - Study of Solar Photovoltaic System - Charlotte Hall Veterans Home**

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This bill requires the Maryland Department of Veterans Affairs (MDVA), in consultation with the Maryland Energy Administration (MEA), the Public Service Commission (PSC), the U.S. Department of Veterans Affairs, and the Administrator of the Charlotte Hall Veterans Home, to study the benefits, costs, and feasibility of installing a solar photovoltaic (PV) system at the Charlotte Hall Veterans Home. By December 15, 2016, MDVA must report its findings and recommendations to the Governor, the Senate Finance Committee, and the House Economic Matters Committee.

The bill takes effect June 1, 2016, and terminates May 31, 2017.

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**Fiscal Summary**

**State Effect:** General, special, and/or federal fund expenditures by MDVA may increase minimally in FY 2017, as discussed below. PSC and MEA can consult with MDVA using existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** MDVA must consult with the specified entities to study:

- the suitability of the facility for installation of a solar PV system;
- the potential capacity of a solar PV system installed at the site;
- an estimate of costs or a range of potential costs for installation of a solar PV system of varying sizes;
- an estimate of energy savings due to installation of a solar PV system of varying sizes; and
- available funding sources or financing methods.

MDVA must consult with the specified entities to make recommendations on:

- whether a solar PV system should be installed at the facility; and
- what size solar PV system would maximize energy savings and other benefits.

### **Current Law/Background:**

#### *Solar PV Systems*

The price (and cost) of solar PV installations has declined steadily in recent years. According to a recent [report](#) by the U.S. Department of Energy, prices of residential and commercial PV systems declined 6% to 12% per year, on average, from 1998 through 2014 and by 9% to 21% from 2013 through 2014, depending on the system size. In 2014, 24 nonresidential systems of less than 500 kilowatts were installed in Maryland, with a median installed price of \$3.21 per watt. This was less than the national median price of \$3.90 per watt for such systems. The price trend is predicted to continue over the coming years as technology continues to advance. The median size of these “small commercial” installations nationally was 30 kilowatts, or 30,000 watts.

#### *Charlotte Hall*

Charlotte Hall Veterans Home has been in operation since 1985 and is located on 126 acres in St. Mary’s County. It provides an assisted living and skilled nursing long-term care facility for Maryland veterans and eligible spouses who are unable to take care of themselves due to age or disability. It provides the support and services required for shelter, sustenance, medical care, and social services necessary to maintain the resident’s medical condition and quality of life.

Charlotte Hall is a program of MDVA. The Maryland Veterans Home Commission provides additional oversight and functions as an advisory body to the Secretary of Veterans Affairs. Charlotte Hall is operated under contract with the State by Health Management Resources of Maryland, LLC.

**State Expenditures:** MDVA advises that the bill places significant demand on the five State employees at Charlotte Hall Veterans Home, none of whom has expertise in solar PV. MDVA is funded through a mix of general, special, and federal funds. Therefore, general, special, and/or federal fund expenditures by MDVA may increase minimally in fiscal 2017 for contractual services to complete the required study and report. To the extent that other MDVA staff – for example, MDVA’s Office of the Secretary provides central support services – are able to assist the employees at Charlotte Hall, contractual expenditures may not be necessary. PSC and MEA can consult with MDVA using existing resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Veterans Affairs, Maryland Energy Administration, Public Service Commission, U.S. Department of Energy, Department of Legislative Services

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