

Department of Legislative Services  
Maryland General Assembly  
2022 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 1250

(Delegate Feldmark)

Ways and Means and Economic Matters

Finance

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Task Force to Study Solar Energy Incentives

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This bill establishes a Task Force to Study Solar Energy Incentives. The task force must (1) study specified issues related to solar energy incentives and policies and (2) make recommendations regarding measures and incentives needed to ensure that solar development in the State creates good quality, family-sustaining jobs and that the State meets the solar energy goals established in the State’s renewable energy portfolio standard. The Maryland Energy Administration (MEA) must provide staff for the task force. By December 1, 2023, the task force must report its findings and recommendations to the Governor and the General Assembly. **The bill takes effect June 1, 2022, and terminates June 30, 2024.**

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Fiscal Summary

**State Effect:** Any reimbursements for task force members and staffing costs for MEA are assumed to be minimal and absorbable within existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Solar energy production can qualify under federal, State, and local regulatory policies and financial incentives including loans, tax credits, exemptions, and grants.

Maryland’s Renewable Energy Portfolio Standard was enacted in 2004 to facilitate a gradual transition to renewable sources of energy. There are specified eligible (“Tier 1” or “Tier 2”) sources as well as carve-outs for solar, offshore wind, and, beginning in 2023, new geothermal systems. Electric companies (utilities) and other electricity suppliers must submit renewable energy credits (RECs) equal to a percentage of their retail electricity sales specified in statute each year or else pay an alternative compliance payment (ACP) equivalent to their shortfall. Historically, RPS requirements have been met almost entirely through RECs, with negligible reliance on ACPs.

MEA must use ACPs for purposes related to renewable energy, as specified. In 2022, the requirements are 30.1% from Tier 1 sources, including at least 5.5% from solar, and 2.5% from Tier 2 sources.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2022  
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