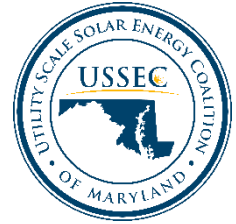


UTILITY-SCALE SOLAR ENERGY COALITION OF MARYLAND



House Economic Matters Committee

February 13, 2020

Solar Photovoltaic Recycling (HB 0165)

Unfavorable

Mr. Chairman and members of the Committee, the Utility-Scale Solar Energy Coalition of Maryland (USSEC) comprises solar energy developers dedicated to responsible development of solar energy generation in Maryland in order to meet the state's renewable portfolio standard requirements with the least cost to Maryland businesses and residential ratepayers.

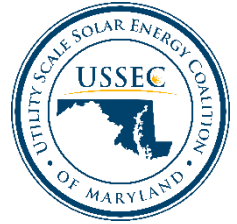
On behalf of the Utility-Scale Solar Energy Coalition of Maryland (USSEC), we wish to express our **opposition for HB 0165**. We believe this Bill is unnecessary and too vague to support the issue that it is attempting to solve. USSEC believes that this Bill would lead to an increase in cost of power to Maryland ratepayers with no measurable increase in solar panel recycling.

Solar panel recycling is not a systemic issue for the US solar industry. Working with seven of the largest panel manufacturers, the Solar Energy Industries Association (SEIA) already sponsors a nationwide collection and recycling program. The program provides pre-screened and preferred pricing with PV recyclers who can accept silicon and thin film PV panels for collection and recycling. The costs are paid by the panel owner are minimal, and the funds generated by the program will be used to investigate ways to repurpose components into new products.

In addition, various equipment vendors have their own recycling programs. For example, First Solar offers collection and recycling for its thin film PV panels to customers through standalone recycle services agreements (RSAs) paid by the end user. First Solar's U.S. recycling facility is currently capable of processing 150 metric tons of solar panels per day and for the past five years has recycled between 15,000-25,000 metric tons of solar panels annually. In just one decade of recycling, First Solar's process evolved through three different versions, each becoming increasingly more efficient and cost effective. It would be egregious to require panel owners to pay up-front for these services, which typically are not necessary for at least 25 years after project commissioning – particularly when these services are expected to benefit from significant cost declines and process improvements long before there is a substantial need for them in Maryland.

HB0165 seems to be motivated solely with the intent of creating a tax on renewable energy, with no basis for the large fee amounts that are being proposed. Without additional context for the proposed fee structures, the 10% upfront fee based on installation cost and 20% fee based on the REC value appear to be arbitrary and excessive. For example, USSEC estimates that the amount of funds that would be raised by the 20% of RECs value alone could potentially exceed \$100 million each year.

UTILITY-SCALE SOLAR ENERGY COALITION OF MARYLAND



This Bill seems to require *both* an upfront payment upon project completion, plus an addition payment when renewable energy credits (RECs) are sold. This would lead to in-state solar projects paying into the recycling fund twice.

This Bill neither identifies an actual problem nor addresses how the significant funds it seeks to collect at ratepayer expense for the Solar Photovoltaic Recycling Fund would actually be used. It also fails to address whether the proposed fees are commensurate with the costs of administering a statewide PV recycling program (as stated above, such a program is not consistent with current industry best-practices given the significant value of PV panels at the end of their life).

In summary, USSEC believes that the solar industry already has effective measures in place to ensure responsible recycling of solar panels at the end of their useful life, making this Bill unnecessary. Further, the fees described in the Bill are arbitrary and the use of the funds from the proposed Solar Photovoltaic Recycling Fund are vague. USSEC believes that this Bill would lead to an increase in cost of power to Maryland ratepayers with no measurable increase in solar panel recycling.

We thank you for your consideration and for these reasons, strongly urge an unfavorable review of HB 0165.

Isaac Meyer, Compass Government Relations Partners on behalf of USSEC
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