



TO: Members, House Economic Matters Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: HB0584 (SB0508) – Public Utilities - Net Energy Metering
DATE: February 4, 2021

MEA Position: Letter of Information

House Bill 584 seeks to significantly expand the net metering cap for individual installations. The cap limits the size of a distributed energy resource (typically solar) project, and the number of projects that can be co-located on adjacent parcels of government-owned land.

MEA notes that expanding aggregate net metering to include state governments, in addition to municipalities, nonprofits, and agricultural entities could also help spur development, and that focusing on developed sites, landfills, and brownfields, as championed by the Governor's REDS Task Force, will allow meaningful growth for solar generation in Maryland while preserving open land.

There is significant potential to mobilize underutilized properties owned by local governments or their instrumentalities. Focusing on parking lots, landfills, brownfields, and other degraded lands would be even more desirable. As it stands, Maryland has over 60 closed and capped waste receiving sites. While only a fraction of these sites will be suitable for solar installations, this still provides a sound array of host sites for solar energy projects. Additional opportunities exist on large parking lots such as park and rides and at community colleges and universities. Focusing on these sites will limit impacts on greenfields, open space, and undeveloped sites.

Expanding the site cap does raise potential issues. Under Public Utilities Article § 7–306, solar projects are limited to two megawatts and a Certificate of Public Convenience and Necessity (CPCN) is not required. HB 584 would permit projects to exceed this limit under certain circumstances and permit the co-location of projects on adjacent parcels of land. However, the bill is silent as to the applicability of the CPCN process for these projects. There is also a cross-subsidization concern. Net metering can result in some electricity distribution costs being socialized among the ratepayers. Finally, this bill may accelerate the fulfillment of the State's overall net metering capacity limit, reducing the time remaining before that limit is met.

MEA urges the Committee to take this information under advisement when rendering its report for House Bill 584