

JASON M. STANEK  
CHAIRMAN

MICHAEL T. RICHARD  
ANTHONY J. O'DONNELL  
ODOGWU OBI LINTON  
MINDY L. HERMAN



## PUBLIC SERVICE COMMISSION

February 4, 2021

Chairman Dereck E. Davis  
House Economic Matters Committee  
House Office Building, Room 231  
Annapolis, MD 21401

**RE: HB0584 – INFORMATION – Public Utilities – Net Energy Metering**

Dear Chairman Davis and Committee Members:

I have reviewed House Bill 584 and provide the information below for the Committee's consideration. HB 584 increases the eligibility cap from 2 megawatts (MW) to 5 MW for purposes of net metering. The bill also allows for local governments to build solar projects on contiguous lots and remain eligible for net metering even if the total capacity of the adjacent projects exceeds 5 MW.

The Commission requires electric utilities to offer net energy metering for eligible customers and reports to the General Assembly annually on the status of the net metering program. As of June 30, 2020, the level of installed capacity in the state was 846 MW, which is more than halfway towards the statewide cap of 1,500 MW. The Commission estimates that the cap may be reached in 2024 or 2025 if the current rates of installation continue. Of course, allowing larger solar facilities to participate in net metering will result in the statewide cap being reached sooner.

HB 584 would require the Commission to undertake a rulemaking to bring the existing regulations into compliance with the changes proposed in this bill. At a minimum, this will take several months to accomplish. The draft legislation would also require electric utilities to file new tariffs to comply with the proposed changes.

Thank you for your consideration of this information. Please contact the Commission's Director of Legislative Affairs, Lisa Smith, at (410) 336-6288 with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason M. Stanek".

Jason M. Stanek  
Chairman