



Testimony: HB 584

An Aggregate Net Energy Metering System is one in which the owner of a solar array sends energy to the grid and receives a credit against its own energy bills. In Maryland, there is a cap on the total amount of energy that can be subject to net metering and there are also caps on the individual systems generating the solar energy towards the Statewide cap.

Our bill increases the permissible size of individual systems from 2 mW to 5 mW and provides that the PSC may not refuse to permit ANEM for multiple municipally-owned systems on separate lots for the sole reason that they collectively exceed the cap on an individual system.

The bill was made necessary by a matter before the Public Service Commission in 2018 known as Blue Star, in which the PSC denied a Certificate of Public Necessity for a net metered system at Washington College. The PSC decision in that matter created uncertainty for some governmental entities that had solar arrays already under contract, including a pair of arrays being constructed by Tesla for the City of Bowie, even though the factual circumstances of the Blue Star matter were distinguishable from those of the City.

Our bill, which costs the State nothing, would encourage jurisdictions around the state to construct and use solar energy facilities. That is good for the environment and for public health, and at the same time allows Maryland local governments to save money, an important tool in the financial circumstances in which we find ourselves due to the pandemic and its impacts on the economy. Local governments are going to need to achieve cost-savings wherever possible in order to make up for large anticipated losses in property tax and other revenue. This is a win-win way for them to do that.

A similar but much more ambitious bill was pursued in the 2019 legislative session by the Montgomery County delegation, so one can easily see that this is not merely the concern of a single jurisdiction. There is currently another bill pending, sponsored by Del. Kramer, that would increase the Statewide cap on total capacity subject to allocation.

A word about the fiscal note: it mentions without much specificity that there may be costs for local governments associated with monitoring excess electricity generation; but that is a matter of choice for the local government. When the government does the project planning, it would take that cost into account. It's not a reason to deny all governmental entities the opportunity to make that choice. Likewise, as to the hypothetical impact on personal property tax revenue – it's an individual cost-benefit analysis that should be undertaken at the local level.

Very truly yours,

Elissa Levan, City Attorney