



Montgomery County

Office of Intergovernmental Relations

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SB 407

DATE: January 29, 2021

SPONSOR: Senator Kramer

ASSIGNED TO: Finance

CONTACT PERSON: Kathleen Boucher (kathleen.boucher@montgomerycountymd.gov)

POSITION: Support

Electricity – Net Energy Metering – Limit

Under current law, electric companies are required to allow net metering for renewable energy projects constructed by eligible customer-generators if the capacity of a project is limited to 2 megawatts (MW). However, State law also includes a 1,500 MW cap on the total Statewide capacity of net metering projects. This bill increases the Statewide cap to 3,000 MW to allow for additional net metering projects throughout the State.

The most recent *Report on the Status of Net Energy Metering in Maryland*, which was released by the Public Services Commission (PSC) in November 2020, shows that the current level of installed capacity for net metered facilities in Maryland is approximately 846 MW. The report notes that the 1,500 MW Statewide cap could be reached in 2024 or 2025 if current rates of installation, based on average net metering capacity growth for the past two years, continue into the future. With that in mind, the report recommends that the General Assembly begin to explore expanding the current net metering cap or alternative replacement policies.

Montgomery County uses net metering to enhance the financial feasibility of all solar energy projects installed on County-owned land and buildings. To date, the County has installed 7.06 MW of solar energy at 16 sites that generate a total of 10,500,000 kilowatt hours (KwH) each year. The County has a development pipeline of solar energy projects that have been approved or are in design that would add 10 MW of installed capacity and is exploring opportunities for another 10 MW of installed capacity in the next five years.

Increasing the Statewide cap to 3,000 MW would facilitate the County's planning efforts as well as those of other local governments, non-profit agencies, and businesses. Establishing a higher cap would help to reduce uncertainty regarding the financial feasibility of renewable energy projects that sometimes take years to plan, design, and install. Lack of certainty in this area could undermine efforts to achieve State and local climate change goals, impact valuable green economy jobs, and contribute to prolonged adverse health impacts due to delays in reducing carbon and greenhouse gas emissions in our energy supply.

For all of the reasons referenced above, Montgomery County agrees with the PSC that it is prudent to consider an increase in the Statewide cap at this time and respectfully requests that the Education, Health, and Environmental Affairs Committee give this bill a favorable report.