CHESSA

Before the General Assembly of the State of Maryland
Senate Finance Committee
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Testimony of David W. Murray
Executive Director
Chesapeake Solar & Storage Association
SB 316: Renewable Energy Portfolio Standard - Hydroelectric Power
FAVORABLE WITH AMENDMENTS

Thank you for the opportunity to provide testimony on SB 316. I serve as Executive Director of the Chesapeake Solar & Storage Association, CHESSA, formerly known as the Maryland-DC-Virginia Solar Energy Industries Association (MDV-SEIA). CHESSA is the local trade association representing over 4,500 solar installers, developers, manufacturers, and other solar workers in Maryland. It is the recognized state affiliate of the Solar Energy Industries Association.

SB 316 extends Tier 2 eligibility to certain hydroelectric facilities in Maryland in the state's Renewable Portfolio Standard. CHESSA is unaffected by this change and appreciates the sponsors' willingness to include a friendly amendment to her bill. The amendment also makes a minor change to the state's Renewable Portfolio Standard, resulting in ratepayer savings.

The Maryland General Assembly should be justifiably proud in passing The Clean Energy Jobs Act (CEJA) in 2019. CEJA's approach of gradually increasing deployment of solar energy resources through 2030 did not, however, anticipate the onset of a global pandemic and the economic disruption it has caused, as well as permitting challenges that inhibited project deployment. While economic recovery may be in sight, the rate of solar deployment increase in CEJA – the ramp rate - will be significantly out of balance in the near future.

Through a proposed amendment to SB 316, CHESSA addresses this imbalance. To account for the unforeseen challenges chilling local solar project deployment in 2020 and 2021, the solar industry is proposing to "tweak" the ramp rate by moving the 14.5% target currently in the law from 2028 to 2030. This modest change will provide a reasonable approach that will still achieve the CEJA policy goal of 50% clean power by 2030.

The proposed amendment simply injects a slower ramp rate in the earlier years, and accelerates in later years. This will accommodate both the impacts of the pandemic and the longer development cycle of projects. The amendment also adjusts the Alternative Compliance Payment (ACP) schedule to incentivize additional solar deployment in the medium term.

Based on the two adjustments, the amendment will result in actual ratepayer savings each year. According to the Chesapeake Solar & Storage Association's modeling, average monthly ratepayers savings will be $0.20 as a result of this change, with savings starting in 2023.

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Thank you for your consideration.

Sincerely,

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