



Testimony of CHESSA on HB473 FAVORABLE

Chair Kelley, Vice Chair Feldman, and esteemed members of the Maryland Senate Finance Committee, thank you for the opportunity to testify on this important legislation. My name is David Murray, I serve as Executive Director of the Chesapeake Energy Storage and Solar Association (CHESSA). I commend Senator Kramer for sponsoring this important piece of legislation and advancing community solar in Maryland.

I will first introduce our association, and then provide a discussion of why this legislation is important to Maryland's solar industry, and a description of how another state has addressed the issue.

Introduction to the Chesapeake Energy Storage and Solar Association

The Chesapeake Energy Storage and Solar Association, formerly known as the Maryland-DC-Delaware-Virginia Solar Energy Industries Association, represents the solar industry in Maryland, DC and Virginia. We represent over 4,500 jobs in the state; our members install, develop, manufacture, and operate solar generation.

Subscription portability is important to the success of Maryland's solar industry

Nationally, community solar is the fastest growing segment of the solar industry today. In 2015, Maryland passed enabling legislation that laid the foundation for its own robust community solar industry, spurring investment and job growth in this space. This growth is enabled by a supportive legislative and regulatory environment. Thank you for leading the industry forward.

While community solar is growing rapidly, CHESSA's members continue to report that customer awareness is relatively low. Every potential customer needs to be educated on how community solar works and how to evaluate a potentially significant change to their electric service. These challenges are particularly acute for residential consumers, who tend to be less educated on their energy options than commercial and industrial customers.

The awareness challenge has a direct impact on community solar economics: when every customer needs extensive education, the cost to acquire a customer is high, potentially impacting the economic viability of a project. This means that every single customer is important to a project, and subscriber organizations cannot afford to lose customers.

This legislation is an important tool to address this economic barrier. Today, when a community solar subscriber moves to a new home - even if that home is just around the corner or only a few blocks away - they lose their subscription. The subscriber organization has to go find a new customer to fill that part of the project, which is a significant hardship. This is not a small problem, either: approximately 10 percent of households move each year.

If SB 79 is enacted into law, that subscriber will retain their subscription when they move, and the subscriber organization will not have to find a new subscriber to make the project whole. SB 79 would also enable more growth for community solar. Instead of being used to fill existing projects, new customers would be allocated to new projects and would support growth in the industry.

Leading states have addressed subscription portability

Maryland has made a tremendous commitment to solar energy. You should be proud of being a leading solar state, particularly in community solar. At the same time, there are always opportunities to learn from other states, and this issue is no different.

Consider Illinois, which has many similarities to Maryland. Illinois is a geographically and politically diverse state, with a mix of rural and urban areas. Illinois also has a restructured energy market and a commitment to clean energy.

The Illinois legislature has explicitly addressed portability in their community solar statute. The law says that all community solar subscriptions shall be “portable”, which means that “subscriptions may be retained by the subscriber even if the subscriber relocates or changes its address within the same utility service territory”.

The regulations adopted by the Illinois Power Agency implement the portability requirement. Specifically, the regulations require that a subscription agreement contain language that the customer “may retain the subscription (or at least a downsized version of the subscription relative to the subscriber’s new load) as long as the subscriber changes addresses for utility service within the same utility service territory.” The regulations also confirm that the utility tariffs for the community solar program support portability.

SB 79 is effectively the same as the portability requirement in Illinois. We encourage you to support this legislation to keep Maryland at the leading edge of community solar states.

Conclusion

CHESSA asks for a favorable report on SB 79. We appreciate the opportunity to provide this testimony and would be happy to answer any questions you may have. Please do not hesitate to contact me at dmurray@mdvseia.org or (202) 780-9563 if you would like to discuss further.

Sincerely,



David Murray
Executive Director
CHESSA