



Before the General Assembly of the State of Maryland

Economic Matters Committee
February 10, 2022

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HB440: "Electricity - Community Solar Energy Generating Systems - Generating Capacity"
FAVORABLE

Thank you for the opportunity to provide testimony on Community Solar Energy Generating Systems (CSEGS) Generating Capacity. The Coalition for Community Solar Access (CCSA) submits testimony in strong support of Delegate Clippinger's HB440.

CCSA is a national coalition of businesses and nonprofits working together to implement best practices for all community solar markets. Our mission is to empower all Maryland households and businesses that seek home grown energy sources through community solar. We work with customers, utilities, local stakeholders, allies and policymakers to develop and implement best practices that ensure community solar programs provide a win-win-win solution. Our members are solar industry leaders and are engaged at every step of development, ensuring these best practices are not theoretical but are applied and practiced. We represent over 80 member companies, some who are headquartered in Maryland and others who are investing here.

CCSA and our members are active participants in the community solar pilot program (CSEGs) and are thankful for the opportunity to use the few remaining years of the pilot program to test out solutions to achieve the policy objectives of the state and local jurisdictions. HB440 proposes to make a small change to the pilot program to bring best practices from the other states and provide a pathway to achieve several policy objectives for the state's renewable portfolio standards, access to clean energy to all, and increase cost efficiencies for the program and Maryland consumers.

[The Department of Energy has committed to power 5 million households with community solar by 2025.](#)

Community solar is a fast-growing solar segment and is touted as the way for policy makers to ensure solar generation is accessible for all. According to the latest [Solar Insight Report by Wood Mackenzie](#), there are 3,400 megawatts (MW) of installed community solar in the United States, which is enough to power 600,000 households. The US Department of Energy's Community Solar goal of 8,3000 MW is an increase of more than 700% over the next four years. Currently, [there are 21 states](#) who have a community solar program and several states are moving quickly to advance legislation. Maryland was one of the earliest leaders in community solar with the passage of the pilot program ([HB1087 in 2015](#)) but has fallen behind as more and more states have adopted community solar. Delegate Clippinger's HB440 is a common sense approach and a simple solution to create a more cost effective program that will drive many of Maryland's policy goals.



Today, only a fraction of Maryland households, approximately 25%, can access solar energy due to common limiting factors that include home or business ownership, the proper load bearing roof and sun orientation, or financial barriers. Community solar allows anyone who pays an electric bill the opportunity to lower their energy burdens and receive all of the benefits for producing solar energy for their generation source. United States Department of Energy Secretary Jennifer M. Granholm stated “achieving these ambitious targets will lead to meaningful cost savings, create jobs in communities, and make our clean energy transition more equitable.”

Delegate Clippinger’s HB440 will:

- **Help Maryland achieve the 14.5% renewable generation goal by 2030 and ensure every consumer has access to participate.** Currently, the state is significantly behind the policy goals of the [Clean Energy Jobs Act of 2019](#) and the expansion of the community solar pilot program ([SB520 of 2019](#)). Due to the length of the pilot program, many other states have since surpassed Maryland in community solar development and serving low-to-moderate income residents by taking advantage of economies of scale. This change is critical in generating market excitement rather than driving development to surrounding states, such as New York, New Jersey, Pennsylvania, and Virginia.
- **Implement best practices from other successful community solar markets in the country.** Best practices show 5MW is the sweet spot project size to ensure community solar remains a distributed resource with the opportunity to absorb the higher costs of development, which are often needed this late into market establishment. According to the [Solar Insight Report](#), the highest year for community solar development was in 2017, right after the program opened and there was increased access to cost effective locations to connect these projects to the grid. Now in the fifth year, projects quickly become financially unfeasible based on high interconnection costs and private capital investments for grid modernization as these costs are absorbed on a per megawatt basis. HB440 will ensure more people can access community solar, with greater cost savings for consumers, and create a cost effective solar market that will be sustainable for decades to come.
- **Allows for innovation and creative solutions prior during the final years of the pilot program.** Currently, Maryland is in the fifth year of the pilot program with the final allocation of capacity in 2023 and program closure by December 31, 2024. Permanent program design requires thoughtful and careful decisions from key decision makers and regulators on what are the best practices and lessons learned from the pilot program. The development cycle is long and making simple changes to the program, as HB440 intends to do, there is little time to properly evaluate the effectiveness of the market mechanism before the program sunshines. The time is now to move HB440 for proper programmatic evaluation.

Delegate Clippinger’s HB440 is simple and allows for a more efficient overall allocation of investments and better utilization of grid assets. Leveraging local solar will help Maryland achieve its unique energy demands and avoid costly distribution system investments. Thank you for your time and consideration for HB440 and CCSA hopes we can count on your support.

Respectfully,

Leslie Ann Elder, Mid-Atlantic Director
Coalition for Community Solar Access