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PUBLIC SERVICE COMMISSION

February 10, 2022

Chair C.T. Wilson
Economic Matters Committee
House Office Building, Room 231
Annapolis, Maryland 21401

RE: INFORMATION – HB 440 – Electricity – Community Solar Energy Generating Systems – Generating Capacity

Dear Chair Wilson and Committee Members:

During the 2015 Legislative Session, the General Assembly passed House Bill 1087 and its Senate Bill counterpart, SB 398, requiring the Public Service Commission (“PSC”) to develop a Pilot Program (“Pilot”) and report on a new type of net-metering, Community Solar Energy Generating Systems (“CSEGS”). PUA §7-306.2(a)(3)(vii) established that a CSEGS project may not exceed a maximum generating capacity of 2 MW as measured by the alternating current of the system’s inverter. HB 440 would amend this provision from 2MW to 5MW.

The Commission would like to address potential implementation issues with HB 440. First, the Pilot is codified within PUA §7-306 net energy metering. PUA §7-306(g) establishes that the maximum net energy metering capacity for an electric generating system is 2MW. HB 440 does not amend the net energy metering capacity limit; therefore, any CSEGS project with a capacity above 2MW will not be eligible to receive net energy metering credits. This could reduce the incentive a CSEGS developer would have to build a project with a capacity greater than a 2MW system. Without access to net metering credits, the prices customers are charged would likely be higher for CSEGS projects larger than 2MW in size.

Second, PUA §§7-207 et seq, and §7-208 requires that a certificate of public convenience and necessity (“CPCN”) be issued before construction of a generating station larger than 2 MW. Under HB 440, CSEGS projects in excess of 2MW would likely have to apply for CPCN. This could cause projects larger than 2MW to be unable to participate in the Pilot as the additional time need to complete a CPCN review could delay their construction beyond the time limits of the Pilot. The Commission is required to report to the Maryland General Assembly regarding pilot results by July 1, 2022.

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The Commission appreciates the opportunity to provide additional information on HB 440. Thank you for your consideration of this information. Please contact Lisa Smith, Director of Legislative Affairs, at 410-336-6288 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason M. Stanek". The signature is written in a cursive style with a large initial "J" and "S".

Jason M. Stanek
Chairman