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PUBLIC SERVICE COMMISSION

February 24, 2022

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

RE: INFORMATION – HB 818 – Electricity – Community Solar Energy Generation – Consolidated Billing

Dear Chair Wilson and Committee Members:

I appreciate the opportunity to offer information regarding the current status of the community solar energy generation system pilot (“CSEGS”) and House Bill 818 – Electricity – Community Solar Energy Generation – Consolidated Billing. Presently, a participating utility is not required to provide billing services to CSEGS subscriber organizations (“SOs”) or any other type of solar power provider, including those that lease solar equipment installed on a customer’s home or business. The utilities’ involvement in CSEGS billing is limited to applying a credit on a subscriber’s utility bill. The SO bills a subscriber at a rate determined by the agreement between the SO and the subscriber. Payment by the subscriber to the SO is provided directly to the SO without direct utility involvement. HB 818 would amend PUA §7-306.2(d) by allowing a CSEGS SO to participate in utility consolidated billing (“UCB”).

As drafted, there are technical issues with this legislation that will be difficult to implement prior to the pilot ending. UCB requires all consumption, billing and related data to be transmitted between the utility company and supplier through electronic transactions, as specified in COMAR 20.53.05.03. However, SOs do not provide information through electronic transactions or an electronic data interface (“EDI”). Therefore, utilities will need to develop EDI transactions and capabilities to support CSEG participation in UCB. Similarly, CSEG SOs will need to ensure their systems are capable of communicating with utilities through EDI. Furthermore, if utilities provide billing services to CSEGS, there will need to be a way to recover costs when CSEG customers do not pay the CSEG charges. In order to recover these costs without socializing them, the Commission will need to establish a mechanism to account for the risk associated with purchase of receivables (“POR”).

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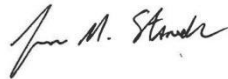
MDRS: 1-800-735-2258 (TTY/Voice) □ Website: www.psc.state.md.us

In order to implement UCB for CSEGS, the Commission will need to establish a coordinated workgroup process to facilitate resolution of EDI, POR, any other processes, utility programming, and rulemakings to amend COMAR. These changes would likely take significant time and be costly.

The CSEGS pilot has two years remaining; drastic changes to the program prior to the Commission filing its report on the impact of the Pilot would limit the ability of the report to provide insight on the impact of the CSEGS pilot. Cost recovery of utility systems may further reduce the Pilot savings to customers. These types of costs would typically be recovered through program usage fees or utility base rates as appropriate.

The Commission appreciates the opportunity to provide additional information on HB 818. 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".

Jason M. Stanek
Chairman