



**Testimony Submitted to the Maryland House Economic Matters Committee on  
behalf of Mid-Atlantic Renewable Energy Coalition (MAREC)**

**Public Hearing on House Bill No. 624 Electricity - Standard Offer Service -  
Renewable Energy**

Submitted by:

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Thank you, Delegate Brooks and all Delegates of the Economic Matters Committee for extending the opportunity to provide written testimony regarding the act concerning Electricity – Standard Offer Service – Renewable Energy, House Bill 624.

CS Energy, LLC is a Mid-Atlantic based engineering, procurement, and construction contractor (EPC) that has been involved in the solar industry for over fifteen years. To date we have been responsible for over 1.5 GW solar installations across 22 states and the deployment of over 300MWh of energy storage. In 2020, we were recognized as the #1 solar EPC in NJ and NY, and in the Top 10 for national EPCs. We have developed or constructed utility and community scale projects solar projects in MD, NJ, NY, and PA.

Renewable energy and storage markets are growing at exponential rates across the US, especially in our region, due to the demand for clean energy and the sharp drop in costs of renewable power generation technology. Both wind and solar costs have declined by approximately 70% since 2009 and energy storage markets are trending in the same fashion. Unlike fossil-fuel fire power, renewable energy costs are heavily influenced by upfront capital cost of the technology. The cost of energy delivered by a renewable power facility is known and stable for the life of the technology. The fuel resource (sun and wind) is free and its cost will never increase.

Acquiring a small portion of Standard Offer Service (SOS) through long-term contracts is a sensible approach from a diversified portfolio perspective. As the PPRP has studied, Renewable Energy Credit (REC) prices are volatile in the short term, and long-term contracts minimize this price volatility. In their Final Report Concerning the Maryland Renewable Portfolio Standard, PPRP stated that, “Requiring long-term contracts as part of the RPS lowers revenue risk for developers and allows them to obtain financing at a lower cost. In turn, the lower financing costs can be passed along to ratepayers through reduced project costs and power prices.” This stability in financing increases the ability to develop renewables projects by having the certainty and long-term hedge on energy prices to retail customers.

CS Energy has extensive experience as both a developer and construction firm for many solar projects that have been awarded long-term contracts through State administered or mandated programs, including for projects in New York, Massachusetts, Rhode Island, and Maine. Competitive solicitations in these states have placed the burden of construction and operating performance on developers, technology providers, constructors, and operators in exchange for revenue certainty. As proposed, House Bill 624 proposes competitive solicitations for long-term contracts. In State after State we have seen similar competitive programs drive significant investor interest and highly competitive energy pricing. This competitive structure encourages technology advancement, development and construction efficiencies, and drives innovation so that contracts are awarded to the most cost-effective resources for electricity consumers.

Long-term contracts will continue to support efforts to reduce carbon emissions and drive the development of clean, renewable energy projects. More importantly, these contracts will encourage new projects which will further help the State meet its target of 50% renewables by 2030 and on the path to reach 100% by 2040. Just as the passing of the Clean Energy Jobs Act was a market signal for renewable energy project developers to invest in the State, so too can this bill. CS Energy has experienced first-hand the significant employment growth and job opportunities associated with the development and construction of solar projects backed by long-term contracts. These programs not only stimulate investor and developer interest, but they also provide a signal to individuals to seek out

engineering, project management and construction trade roles. This same signal also stimulates local businesses to invest in equipment and business lines to provide services to the renewable energy industry. HB 624 will help Maryland continue its momentum in building 21<sup>st</sup> century energy jobs.