

HB1112 Electricity – Net Energy Metering – Generation Credits
Maryland House of Delegates
444th Session of the General Assembly
March 10, 2022
Position: Favorable

Testimony of Arcadia on HB1112

Chair Wilson, Vice-Chair Crosby, and esteemed members of the Economic Matters Committee. Thank you for the opportunity to testify on this legislation. Below is an introduction to Arcadia and an overview of our support for this legislation.

In summary, we are supportive of this legislation with the sponsor's amendments as an important way to improve the community solar experience for Maryland subscribers.

Introduction to Arcadia

Arcadia is building the software that's necessary for Marylanders to realize the full benefits of clean energy. Today, customers face a bewildering assortment of energy technologies – ranging from energy efficiency and renewable energy to battery storage and electric vehicles – all of which have unique capabilities, costs, and user experiences. Arcadia's software makes it possible for energy technology providers to delight their customers and move clean energy forward by enabling simple user experiences that will save people money. The first industry served with Arcadia's software is community solar, where Arcadia manages more than 54 MW across 28 projects in Maryland and more than 500 MW nationwide, making it the largest community solar subscriber manager in the country.

Support for this legislation

This legislation has two core components. The first requires all utilities to provide community solar credits in the way that works best for customers – in dollars. The second is a modification to ensure that customers on budget billing may equally share in the benefits of community solar.

Monetary credits provide for a good customer experience

The Community Solar Energy Generating System rules currently allow each utility to choose how they apply credits to customer bills. Most of Maryland's utilities use monetary credits. Only one uses kilowatt-hour credits, which makes for a poor customer experience. This legislation would align all of Maryland's utilities to use monetary credits.

Monetary credits are easy for customers to comprehend. For example, having a monetary credit of \$10 is intuitive. The customer can readily subtract that from their entire bill to understand the value of their community solar subscription. By contrast, kilowatt-hour credits are confusing. Most people cannot readily identify the value of 100 kWh in the same way they can

conceptualize the value of \$10. For customers receiving kilowatt-hour credits to determine the value of their community solar credits, they need to take their total credits received and multiply that by their supply, transmission, and delivery rates, inclusive of all other fees and taxes, which is a needlessly complicated process. The end result is customers not fully grasping the value of their community solar subscription. In addition, kilowatt-hour credits interact poorly with other programs, like budget billing.

Applying credits to the monthly amount due ensures equal treatment for budget billing customers

The second section of this legislation will ensure that budget billing customers can have the same positive community solar experience as everyone else. Today, customers in one utility territory that are enrolled in both community solar and budget billing have a good experience. These fortunate customers will see their community solar credits applied to their monthly amount due. When credits are applied in this manner, customers receive their community solar savings each month and have a good customer experience.

By contrast, customers in the other utility territories who are enrolled in community solar and budget billing simultaneously do not have such a positive experience. The community solar credits for these customers are not applied to their monthly amount due. Rather, their credits are tucked into their underlying budget billing balance. It can take many months for their budget billing balance to be adjusted, and as such, those customers can wait as long as one year before they receive any of the community solar credits that their subscription generated. To compound this poor experience, the community solar project owners serving these customers need to bill for the credits generated, and continue to do so each month. This leads such customers to feel double-billed each month when they receive their utility bill and community solar subscription fee, but none of their earned credits. They must then wait up to one year to start receiving their credits, which will ultimately cancel out the community solar subscription fees and provide them with savings.

Because of this treatment, budget billing customers are unlikely to remain with a community solar program. The increased likelihood that a community solar customer on budget billing will cancel discourages project owners from enrolling them.

Of course, everyone would like to see more budget billing customers enrolled in community solar, not fewer.

By applying community solar credits to budget billing customers' monthly amount due, each month, we will ensure that budget billing customers receive the same treatment as everyone else and may have the positive experience to which they are entitled.

Conclusion

Arcadia asks for a favorable report on HB1112. I 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 James.Feinstein@arcadia.com or 202 999 8916 if you would like to discuss further.

Sincerely,

A handwritten signature in blue ink that reads "James Feinstein". The signature is fluid and cursive, with a prominent flourish at the end of the last name.

James Feinstein
Senior Policy Manager
Arcadia