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PUBLIC SERVICE COMMISSION

March 3, 2022

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

**RE: INFORMATION – HB 864 – Renewable Energy Portfolio Standard – Renewable Energy Credits – Solar Energy Sources**

Dear Chair Wilson and Committee Members:

House Bill 864 changes the eligibility of solar resources under Maryland's Renewable Portfolio Standards. The Maryland Public Service Commission oversees compliance with the RPS by electricity suppliers and offers the observation below regarding the potential impacts of HB 864.

Currently, solar facilities that are not connected to the Maryland distribution grid do not qualify to generate Renewable Energy Credits that can be used to satisfy Maryland's RPS. HB 864 would allow solar generation that is not connected to the distribution grid serving Maryland to qualify as a Tier 1 resource, but not as generators of solar RECs (SRECs). This would potentially permit almost 250,000 mostly residential systems to be added as Maryland Tier 1 resources. It is unknown how many of these systems would apply for RECs in Maryland, as SREC prices are generally higher in each state with a solar carve-out.

The Commission appreciates the opportunity to provide information on HB 864. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason M. Stanek".

Jason M. Stanek  
Chairman