THE CLIMATE ACCESS FUND

March 30, 2022

House Bill 818 before the Senate Finance Committee:
Electricity – Community Solar Energy Generation – Consolidated Billing
LETTER OF SUPPORT

Chair Kelley and Members of the Senate Finance Committee:

I am the founder and CEO of the Climate Access Fund, a statewide nonprofit Green Bank that (1) offers financial incentivizes to solar developers to encourage more low-income community solar, (2) directly develops projects located in over-burdened communities, and (3) advocates for policies to encourage low-income access as part of the MD Public Service Commission's Net Metering Working Group. For the record, I am also honored to serve a Board Chair of the Maryland League of Conservation Voters.

The Climate Access Fund supports HB 818 because the lack of utility consolidated billing is a significant barrier to low-income household participation in the community solar pilot program.

The intent behind the original community solar legislation was to offer Maryland residents who could not access solar power the opportunity to do so by accessing that power virtually. The way it works is that an interested household signs up for a portion of the power generated by a solar array that is located somewhere other than on the household's rooftop. The solar power is generated and sent to the grid by the provider, and the household uses the solar electricity it paid for.

As the original legislation acknowledged, community solar can be especially beneficial for low-income households who either rent their homes or cannot afford the upfront costs of solar installation and thus cannot benefit from rooftop solar power. Participation in community solar can save low-income households 25% on their corresponding utility bill; in Baltimore this means $200 per year per household, or $35,000 over the life of a solar project (estimated).

Yet as we have learned over the first four years of program implementation, most community solar programs currently in operation or in development do not serve low-income households. This is because it is generally more labor-intensive (and thus more expensive) for solar developers to market to low-income households who may or may not have internet access, and low-income households face substantial barriers to participation such as the lack of utility consolidated billing.

Utility consolidated billing is the mechanism by which households only have to pay one bill to their utility for their energy use, regardless of who generates the power, rather than two bills. Marylanders can choose who they want generating their power, and the utility sends that power through its wires. As it stands now, consumers who choose to have their electricity generated through certain types of energy, such as wind, only have to pay one bill to their utility. The utility then pays the wind supplier. This is utility consolidated billing for third-party suppliers.

But the generators or suppliers of community solar are not considered "third-party suppliers", so utility consolidated billing is currently not allowed in community solar. Community solar customers have to pay two separate bills – one to the utility and one to the community solar supplier.

While this system of having to pay two bills is a nuisance for many, it is prohibitive for some. Low-income households who do not have bank accounts or credit cards currently cannot participate in community solar because the small companies that handle the billing for community solar suppliers simply don't have the capacity to accept payments by check or cash. Utilities, by contrast, are well-established, well-financed, and have the capacity to accept alternative forms of payment. If we had utility consolidated billing for community solar, low-income households who wished to participate could pay for their community solar power directly through the utility, by whatever means worked best for them – including in cash at their local supermarket or pharmacy -- just as they do when they choose other suppliers of their electricity.

The lack of consolidated billing in community solar also means that low-income households who are recipients of energy assistance (EUSP) cannot both be full participants in community solar and receive all of the benefits of their energy assistance. Energy assistance dollars can only go to utilities and not to community solar providers, so without utility consolidated billing, a substantial portion of a community solar customer's energy assistance dollars simply sits and accumulates, unspent, in an energy assistance recipient's utility account – ultimately to be returned to the state. Utility consolidated billing would allow for energy assistance dollars to be used by the utility to directly pay a household's community solar costs, and the household would not be forced to choose between energy assistance and community solar.

In sum, opening up clean energy access to low-income households was a large part of the reason for the initial creation of Maryland's community solar program. Yet the absence of consolidated billing has meant that many low-income households are unable to participate in the program. Utilities already offer consolidated billing to other third-party providers of energy; we simply need to extend that option to community solar.

I encourage a favorable report on HB818.

Sincerely,

Lynn Heller

Lynn Heller, CEO
Climate Access Fund

lynn@climateaccessfund.org
www.climateaccessfund.org