

**Testimony of
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**Submitted to the
MARYLAND GENERAL ASSEMBLY
Senate Finance Committee
SB 110 - Electricity - Community Solar Energy Generating Systems - Generating Capacity
February 1, 2022**

Thank you for the opportunity to submit written testimony for the Committee's consideration of SB 110. Nexamp strongly supports this bill, which would increase the allowable size of community solar projects from 2 MW to 5 MW. We greatly appreciate Senator Kramer's leadership on this and other issues related to community solar here in Maryland. Our company has been an active participant in the Community Solar Pilot Program since 2017. We built the Program's first LMI project, located in Queen Anne's County, serving 51% low and moderate income customers. At this moment, we have 4 projects totaling almost 8 MW in the construction phase, with many more projects in the pipeline behind those.

Nexamp was founded over a decade ago, and since that time has grown from a small residential solar installer to a fully integrated clean energy company and one of the leading providers of community solar nationwide. The growth and success of our program can be attributed to our fair and equitable subscription program. Our program was designed to ensure that everyone – regardless of income, credit history, roof space or geographic location – can participate in community solar. We do not run credit checks on prospective customers, there is no cost to join our program and no penalty for leaving the program (we ask for 90 days' notice), and we offer a stable, guaranteed discount of at least 10% against the customers' standard electricity rates. Even as rates change over time, our customers are guaranteed the same fixed discount for as long as they choose to participate in one of our community solar farms.

We are proud of the program we have built and the access to clean, renewable energy that it has afforded residents, small businesses, non-profits and others. We have developed projects with reserved offtake for low and moderate income customers in Illinois, New Jersey, New York, and here in Maryland; and we are actively working to see community solar, and LMI access in particular, succeed in Maryland.

Maryland was a leader nationwide when the Community Solar Pilot Program launched in 2017, and numerous other states have since followed suit. As those other state programs have launched, and even expanded further, one thing that we have seen is a consistently larger allowable project size than Maryland's, with 5 MW becoming the norm and 2 MW representing an outlier nationwide. From an investment perspective, this puts Maryland at a disadvantage relative to other states with community solar. SB 110 would take a lesson learned from elsewhere this time around, and bring Maryland's program in line with community solar across the country.

Increasing the cap on project size allows for greater economic efficiency, expands the number of subscribers served, and offers the potential to deliver increased savings to subscribers and to achieve

the state’s ambitious energy goals more quickly. Much of the cost associated with the development of a project—locating a suitable site, initial design of the project, permitting of the project, and some of the costs of interconnecting to the grid—as well as the costs of financing it are likely to be largely the same on a 2 MW project as a 5 MW. The increased size in that sense allows for greater efficiency, spreading out the “soft costs” of project development across a larger project. In turn, these larger projects will be able to support more subscribers, increasing access to community solar in the communities where these projects would be located.

Some may argue that an increase in project sizes will allow for community solar projects to have a larger footprint than is currently allowed today. While true, this should be put in context. In Nexamp’s experience, our baseline expectation for a 2 MW project’s footprint has declined by over 20%, from just over 18 acres to 14 acres today. As solar technology continues to improve, we expect this trend to continue. To put it simply, the land used for a 5 MW project is smaller today than it was in 2017 and will continue to shrink in future years.

When put in context of the state’s overall goals for renewable energy and solar energy in particular, this change is also important. It will allow for community solar to more quickly make up the ground on those targets and increase the stake of Maryland’s most vulnerable residents in the process.

We urge you to support SB 110, and to support local solar development. Thank you for your consideration.

Respectfully,

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