



March 29, 2022

Chair Delores G. Kelley
Members of the Finance Committee

Re: Solar Democracy and Equity Collaborative **SUPPORT** of HB 818 -
Electricity – Community Solar Energy Generation – Consolidated Billing

The Solar Democracy and Equity Collaborative (“Collaborative”) strongly supports the passage of HB 818. The Collaborative consists of several organizations, including Climate Access Fund, Earthjustice, the Institute for Energy and Environmental Research, the Montgomery County Green Bank, and Maryland Solar United Neighbors.

HB 818 provides that a community solar subscriber organization may participate in the utility consolidated billing provided by the electric company. Consolidated billing currently is available to electricity suppliers¹ but is not available to a community solar subscriber organization. Passage of HB 818 is vital to ensuring that Maryland residents who receive EUSP funding can participate in the community solar program.

COMMUNITY SOLAR

Community solar customers can either buy or lease a portion of the solar panels in the solar array, and they typically receive an electric bill credit for electricity generated by their share of the community solar system—similar to someone who has rooftop panels installed on their home. Unlike solar panels which are installed on the customer’s rooftop and are solely for the use of one household or customer, community solar is shared by two or more utility customers in a utility’s service territory. In Maryland, the community solar pilot project allows customers to buy a share of the electrical output of the community solar energy generating system. Community solar can be a great option for people who are unable to install solar panels on their roofs because they don’t own their homes, have insufficient solar resources or roof conditions to support a rooftop PV system due to shading, roof size, or other factors, or for financial/other reasons.

A subscriber organization is a person or entity that owns or operates a community solar energy generating system. The subscriber organization must first be granted admission to the program by the Maryland Public Service Commission (“Commission”) to operate in Maryland.

During the 2015 legislative session, the Maryland General Assembly enacted House Bill 1087, which modified Maryland’s net metering program. The new law² required the Commission

¹ Code of Maryland Regulations 20.53.05.03.

² Maryland Public Utilities Article § 7-306.2 (2015).

to establish the community solar pilot program and sets forth specified guidelines the Commission must adhere to in structuring the pilot program.

In enacting the community solar pilot program, the General Assembly expressly stated that it is in the public interest that the State enable the development and deployment of energy generation from community solar energy generating systems in order to allow low-income and moderate-income retail electric customers to own an interest in a community solar energy generating system; and encourage developers to promote participation by low-income and moderate-income retail electric customers.³

Thus, the General Assembly recognized that the community solar program is central to Maryland's goal of enabling *all* Maryland residents to receive the benefits of clean and affordable distributed solar generation.

ELECTRIC UNIVERSAL SERVICE PROGRAM

The Electric Universal Service Program ("EUSP"), enacted in the Electric Customer Choice Act of 1999 was designed by the General Assembly to assist low-income electric customers to retire utility bill arrearages, to make current bill payments, and to access home weatherization following the restructuring of Maryland's electric companies and electricity supply market.⁴ Through this legislation. The General Assembly required the Commission to establish the program, make it available to low-income electric customers statewide, and provide oversight to the Office of Home Energy Programs ("OHEP"), within the Department of Human Services, which is responsible for administering the EUSP. OHEP also administers Maryland Energy Assistance Program ("MEAP"), which is federally funded through the Low-Income Home Energy Assistance Program ("LIHEAP"). For customers who heat with electricity, EUSP and MEAP work in tandem, resulting in increased EUSP benefits for electric heating customers because MEAP funds are used to cover heating costs.

WHY CONSOLIDATED BILLING IS VITAL

Maryland's community solar pilot program is an important part of Maryland's climate solutions. The law makes access to solar a reality for everyone. Since its implementation, the pilot program has proven remarkably successful. However, despite the General Assembly's clear directive that the benefits of the program should go to low-and-moderate income Marylanders, a segment of this population is being excluded from the program.

Community solar billing doesn't work for many low-income families because it is invoiced on two separate bills, one from the utility and the other from the subscriber organization. Many low-income families can't enroll in solar projects because participation in solar project will result in a loss of some of their EUSP benefits. EUSP energy assistance benefits are only paid to the utilities. With separate billing, families receiving energy assistance who join a community solar project lose part, and sometimes most, of their energy assistance grants. The utility uses the funding to fully pay the utility portion of the consumer's bill, but even

³ Maryland Public Utility Art. § 7-306.2(b)(2)(i) and (iii).

⁴ Public Utilities Article, Annotated Code of Maryland, §7-512.1.

though the customer still has grant money remaining that grant cannot be used to pay their subscriber fees. Thus, receipt of two bills leaves EUSP funds meant for low-income households who subscribe to community solar stranded at the utility, unusable by the intended beneficiaries.

Participating in community solar costs the EUSP participant out-of-pocket money that they would not have to provide if they simply used a third-party electricity supplier. Since most EUSP beneficiaries simply do not have the funds to pay the subscriber fees on their own, these customers are effectively excluded from the community solar pilot even though their EUSP grant was not fully expended. Thus, receipt of two bills leaves EUSP funds meant for low-income households who subscribe to community solar stranded at the utility, unusable by the intended beneficiaries.

Allowing community solar charges to be billed to subscribers on *one* utility consolidated bill, for example a BGE or Pepco bill, will enable EUSP participants to reap the full benefits of their EUSP grant while participating in the community solar pilot. Importantly, utility consolidated billing is not new. Consolidated billing already is available to third-party electricity suppliers and approximately 400,000 Maryland accounts use consolidated billing today.

This Committee should also recognize that encouraging EUSP participants to participate in community solar projects will result in more affordable electricity bills and lower arrearages. This occurs because community solar projects offer income-eligible families discounts of up to 25% off their electricity bill.

Energy equity recognizes that disadvantaged communities have been historically marginalized and overburdened by pollution, underinvestment in clean energy infrastructure, and lack of access to energy-efficient housing and transportation. Achieving energy equity requires intentionally designing systems, technology, procedures, and policies that lead to the fair and just distribution of energy system benefits. The General Assembly's focus on low-and-moderate income participation in the legislation creating the community solar pilot program is designed to help remedy the energy inequities of the past. Removal of this financial barrier to low-and-moderate income residents' participation in solar projects will enhance the community solar pilot program's ability to achieve these objectives.

Utility consolidated billing has an added advantage for low-income households. Many low-income households do not have bank accounts or credit cards. Thus, these households generally cannot sign up with a community solar project because these projects often require a credit card or bank account for billing purposes. However, these same low-income households often go to check-cashing or other services where they pay their utility bills with cash for a small service fee. Thus, the community solar bill was included on the utility bill, the low-income subscriber could pay their subscriber fees without needing a bank account or credit card.

The solution to this problem is to have community solar subscriber organizations be included in utility consolidated billing. HB 818 paves the way for all Marylanders, including EUSP fund recipients to participate in community solar.

Finally, the Collaborative thanks Delegate Clippinger for his leadership on this important issue.

The Collaborative strongly urges a favorable report for HB 818.

Thank you in advance for your support. Should you have any questions, please contact me at smiller@earthjustice.org.

Respectfully submitted,

A handwritten signature in blue ink that reads "Susan Stevens Miller". The signature is written in a cursive style.

Susan Stevens Miller

Senior Attorney, Clean Energy Program

Earthjustice

smiller@earthjustice.org

***On Behalf of the Solar Democracy and Equity
Collaborative***