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**PUBLIC SERVICE COMMISSION**

February 1, 2022

Chair Delores Kelley  
Finance Committee  
Miller Senate Office Building, 3 East  
Annapolis, Maryland 21401

**RE: INFORMATION – SB 110 – Electricity – Community Solar Energy Generating Systems – Generating Capacity**

Dear Chair Kelley and Committee Members:

During the 2015 Legislative Session, the General Assembly passed House Bill 1087 and its Senate Bill counterpart, SB 398, requiring the Public Service Commission to develop a Pilot Program (“Pilot”) and report on a new type of net-metering, Community Solar Energy Generating Systems (“CSEGS”). PUA §7-306.2(a)(3)(vii) established that a CSEGS project may not exceed a maximum generating capacity of 2 MW as measured by the alternating current of the system’s inverter. SB 110 would amend this provision from 2 MW to 5 MW.

I wish to address a number of potential implementation issues with SB 110. First, the Pilot is codified in PUA §7-306 (net energy metering). PUA §7-306(g) establishes that the maximum net energy metering capacity for an electric generating system is 2 MW. SB 110 does not amend the existing net energy metering capacity limit; therefore, any CSEGS project with a capacity above 2 MW will not be eligible to receive net energy metering credits. This could reduce the incentive a CSEGS developer would have to build a project with a capacity greater than 2 MWs. Without access to net metering credits, the prices customers are charged would likely be higher for CSEGS projects larger than 2 MW.

Second, PUA §§7-207 *et seq.*, and §7-208 requires that a certificate of public convenience and necessity (“CPCN”) be issued before construction of a generating station larger than 2 MW. Under PUA §§7-306.2, CSEGS projects are currently capped at 2 MW and are not defined as

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generating stations in the PUA, which exempt them from a CPCN review. CPCNs are important for generating projects larger than 2 MW because of potential environmental, land use, and community impacts. Without amendments to SB 110, larger CSEGS projects would not be subject to a state siting review process. In the alternative, PUA §§7-207.2 could be amended to include CSEGS projects over 2 MW in size. A CPCN review could potentially delay projects from participating in the Pilot due to the time constraints of the Pilot. If there is interest in having a state review of larger CSEGS projects without requiring a full CPCN review, a CPCN exemption could be considered.

I should note that the Commission is required to report to the Maryland General Assembly regarding Pilot results to date, by July 1, 2022, and the Pilot will end in December 2024.

The Commission appreciates the opportunity to provide this information on SB 110. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason M. Stanek". The signature is fluid and cursive, with a prominent initial "J" and "S".

Jason M. Stanek  
Chairman