



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF DELEGATE PAM QUEEN
HB 511 – Renewable Energy Portfolio Standards – Solar Energy –
Compliance Fees
SUPPORT

Greetings Chair C.T. Wilson, Vice-Chair Brian Crosby, and members of the Economic Matters Committee:

HB 511 seeks to address stagnation with solar renewable energy project development in Maryland by freezing, if only temporary the Solar Alternative Compliance Payment (SACP). Currently, Maryland is not on track to meet our Renewable Energy Portfolio Standard (RPS) which will become more aggressive in subsequent years.

The Solar Alternative Compliance Payment (SACP) is the amount that electric suppliers must pay per MWh of solar electricity that they are unable to generate or purchase rights to via solar renewable energy credits (SREC). In 2021, Maryland retail electric customers paid \$70 million dollars in alternative compliance fees due to unavailability of adequate SRECs. This resulted in a penalty to ratepayers without the benefit of lower-cost, stable-cost, clean renewable energy.

Because Maryland's SACP prices are much lower than surrounding states, it lacks the incentive for solar developers to come to Maryland and expand solar development in Maryland. Creating and cultivating a diverse energy portfolio in Maryland will in the long-run reduce costs to ratepayers, create jobs, and enable Maryland to meet its environmental goals for renewable energy.

HB 511 will provide a much needed incentive now to ramp-up solar development in Maryland. I seek a favorable recommendation for HB 511.