

**SB664\_IndivisibleHoCoMD\_FAV\_BarbaraMatheson (4).pd**

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Position: FAV



**SB0664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations**

**Testimony before Education, Energy and Environment Committee**

**February 28, 2023**

**Position: Favorable**

Chair Feldman, Vice Chair Kagan, and members of the committee, my name is Barbara Matheson, and I represent the 750+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony in **support of SB0664**, requiring the Maryland Energy Administration to institute changes in the Strategic Energy Investment Program which provide for and protect low and middle income residents.

The Maryland Energy Administration (MEA) manages the Strategic Energy Investment Fund (SEIF). SEIF money makes Maryland's energy more affordable, cleaner and reliable through programs offered by MEA and other state agencies. Ideally, these programs address consumer energy costs, global climate change concerns, job creation, energy resilience, economic development, business retention, and energy freedom.

SB664 creates a strategic framework for MEA by legislating changes to SEIF regulations which insure energy costs for low-and-moderate income households will be fair and equitable. The bill establishes more accountability in selling and leasing renewable energy sources. It increases transparency in the application processes for grants, loans and other forms of financial assistance. It authorizes the use of compliance fees paid into the program for loans and grants. It creates new solar energy systems that are owned by or directly benefit low- and moderate-income residents.

It is essential that Environmental Justice be integral to all aspects of Maryland Energy Administration management of the Strategic Energy Investment Program.

**We respectfully urge a favorable committee report.**

Barbara Matheson, PhD  
Columbia, MD

**SB 664\_\_MRSC\_SunPower\_FAV.pdf**

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Position: FAV



The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

February 28, 2023

RE: SB 664 – Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations - FAVORABLE

Dear Chairman Feldman and Members of the Committee,

As members of the Maryland Rooftop Solar Coalition, I am writing to express SunPower's support for Senate Bill 664, which would provide grants, loans and other forms of financial assistance to a broad array of solar customers, with a particular focus on low- and moderate-income households.

SunPower has been a leading distributed generation, solar, storage and energy services provider in North America for over 37 years. Of the 440,000 U.S. residential customers, 1,050 of them live in Maryland. In addition, we have a national network of over 850 independent dealers across 48 states employing more than 18,000 people. 27 of those dealers work in the state of Maryland.

If enacted, the impact of SB 664 would result in more solar energy generation and help the state meet its renewable portfolio standard, which calls for 50% of Maryland's energy to come from tier 1 renewable sources, including 14.5% from solar energy. It will be impossible for the state to achieve these renewable energy goals without a vibrant rooftop solar market, and SB 664 directly places the right financial incentives in the right hands to reinvigorate the market.

At the moment, Maryland's rooftop solar market is in jeopardy due to caps that have restricted renewable energy credits from trading at a price commensurate with pure market forces. The CY-21 RPS Annual Report filed last year by the Public Service Commission stated that the significant shortfall in available Solar Renewable Energy Credits directly led to the \$77.1M in alternative compliance payments, which were subsequently transferred to the Strategic Energy Investment Fund. As a result, the state now finds itself short on solar-generated energy, but with an adequate supply of resources in the SEIF to address the need. SB 664 provides an immediate solution to match need with support in an effort to meet the state's energy targets.

A key element of SB 664 is the support for more solar on roofs in low- and moderate-income, overburdened, and underserved communities. This equates to hundreds of homeowners making on average below \$73,000 per year who would have access to clean, reliable solar energy to power their household appliances and heating or cooling needs. The same homeowners would also see the added benefit of savings on their energy bills. Based on performances and demand in previous years, we can realistically expect this vision to go into effect almost immediately.

The indisputable fact is that not nearly enough renewable energy is being generated by solar. SB 664 would remedy this problem with a viable pathway.

I thank Senator Feldman for introducing this legislation and respectfully request a favorable report on Senate Bill 664.

You are welcome to contact me directly at [jim.purekal@sunpowercorp.com](mailto:jim.purekal@sunpowercorp.com) or 850-723-5859 with questions or for further input.

Sincerely,  
Jim Purekal

Manager, Policy & Strategy  
SunPower Corporation

cc: Bryson Popham

**SB 664\_MRSC\_FAV.pdf**

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February 28, 2023

The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

RE: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations  
FAVORABLE

Dear Chairman Feldman and Members of the Committee,

Maryland Rooftop Solar Coalition (MRSC) is writing to you in support of Senate Bill 664. MRSC is comprised of a group of companies operating in Maryland whose business models are focused on promoting our State's clean energy policies through the installation and operation of rooftop solar systems. MRSC's 2022 legislative focus is on reinvigorating the state's rooftop solar industry and expanding the accessibility of solar power to all Marylanders. Attached, please find our white paper that illustrates residential rooftops are an underutilized asset in promoting the use of solar energy in the State and that there is a solution to repair the challenges faced in the present market.

Maryland has a long history of legislative support for adding and enhancing the use of renewable sources of energy to the traditional methods of generating and distributing electricity for the citizens of our State. In 2007, we established the first solar renewable energy credit. In 2019, the General Assembly enacted the Clean Energy Jobs Act (CEJA). These are two examples of consistent efforts by the General Assembly and other policy makers to move our energy supply and usage toward a sustainable and environmentally friendly direction over a number of years. Support for this effort among the members of the General Assembly remains strong, and we note that Governor Moore has similarly expressed his support for promotion of renewable energy goals as well.

Maryland needs the right set of incentives to reverse the current trajectory of rapidly declining solar installs occurring since 2016. The benefit of a vibrant rooftop solar industry includes an increase of well-paying, long-term renewable energy jobs, affordable clean energy for Marylanders and a means to meet Maryland's RPS goals. The positive trickledown effect to Maryland from this industry segment is immeasurable. This legislation would fund rooftop solar grants through fees and penalties paid by companies that do not meet the State's clean energy requirements, minimizing the cost to taxpayers and ensuring those fees are directed toward promoting renewable energy – all without any additional fiscal impact. Incentivizing the adoption of residential rooftop solar will be crucial to achieving Maryland's climate goals while using existing built rooftop infrastructure. The current limitations for the use of these funds have made solar deployment difficult. By allowing these funds be used in *overburdened, underserved, low and moderate-income communities*, we will provide an opportunity for citizens to participate in the renewable energy revolution that had previously not qualified or met the narrow standards. Overall, SACP funds need to be recycled back to their intended purpose and create new renewable energy sources that can help to meet the State's ambitious RPS goals. As demonstrated in many other states, a thriving rooftop solar market is the lynchpin for moving all forms of renewable energy forward and must be a major foundational component of any renewable energy legislative platform. I wish to thank Senator Feldman for introducing this legislation and we respectfully request a favorable report on Senate Bill 664.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ed Merrick", is written over the typed name.

Ed Merrick, MRSC President

Maryland Rooftop Solar Coalition  
cc: Bryson Popham

# MARYLAND SOLAR INDUSTRY IN 2023



Maryland Rooftop Solar Coalition, est. 2022, is comprised of companies that finance, sell, design, and install solar PV systems with the objective of reviving the rooftop solar market in the state.

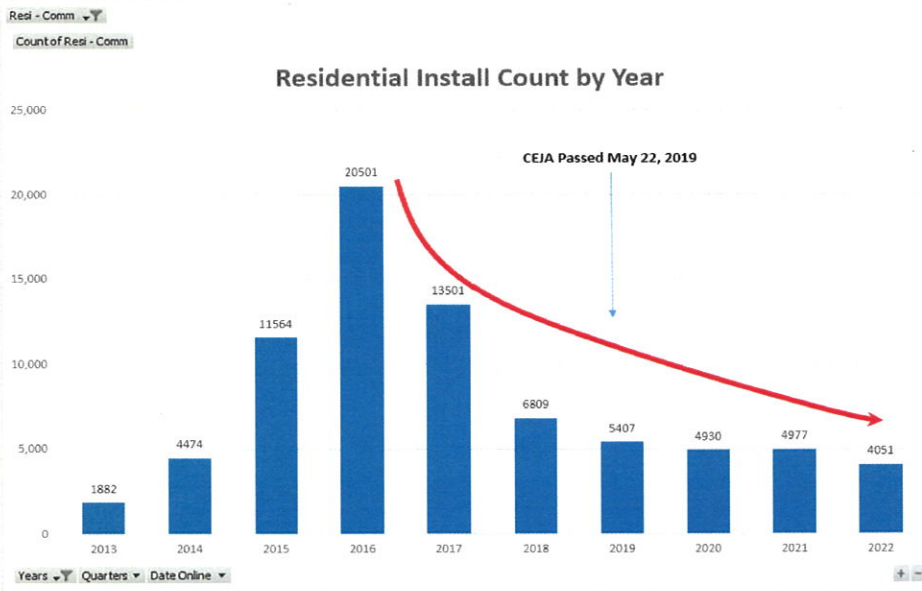
## STRUGGLING MARKET

The SREC market has collapsed. Passing of CEJA allows for larger scale solar to thrive while smaller scale systems are throttled due to lack of attractive incentives.

## CUSTOMER SITED SOLAR

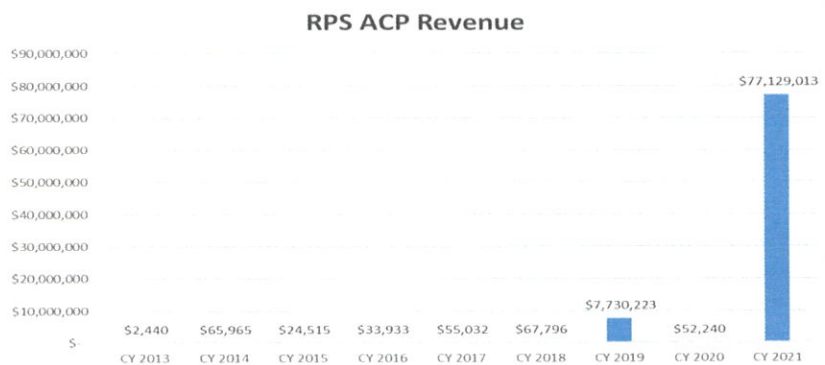
Residential market in MD is largely absent. Solar grant was reduced to \$1000 and only available for homeowners who own their system.

To meet RPS goal, we need to recycle SACP funds back to their intended purpose, to the creation of new renewable energy sources.



## CLEAN ENERGY JOBS ACT (CEJA), 2019

- Increased Maryland's Renewable Portfolio Standard (RPS) to 50% by 2030
- Maryland's solar carve-out increased to 14.5% by 2030
- Electric suppliers' failure to satisfy RPS milestones has led to substantial penalties
- The Maryland Energy Administration (MEA) will receive Solar Alternative Compliance Payment (SACP) funds, which are then solely designated to low-income households







### What Happens If We Do Nothing?

**Maryland Continues to Not Meet RPS Goal** The State's RPS requires electricity suppliers to meet a prescribed minimum of their retail electricity sales with various renewable sources. Electric suppliers pay a financial penalty for failing to satisfy the RPS. The intent of SACP funds is to penalize non-compliance and to help support the creation of new renewable sources in the State. In 2021, SEIF was funded \$52,240 in SACP funds.<sup>3</sup> In 2022, SEIF will receive around \$77 million.<sup>4</sup>

**Current Maryland Statute Directs all SACP Funds to Low- Income Projects** As stated in the 2021 SEIF Report from MEA, the current limitations placed on these funds are anticipated to make these funds more difficult to deploy due to certain realities affecting low-income Marylanders.<sup>3</sup> The cycle of not meeting the State's RPS targets and collecting penalties will continue if these funds cannot reach consumers.

**Limited Income Households Have a Higher Energy Burden** Energy burden refers to the percentage of a household's gross income that is spent on energy costs. Lower-income and minority communities have suffered disproportionately from rising energy costs. The average statewide gross energy burden is 13% for all low-income households.<sup>5</sup> The combination of high average electric rates and high average energy usages (20<sup>th</sup> highest in US) makes electricity bills in Maryland among the highest in the country.

**Maryland Loses More Jobs and Investments** As residential solar installations have fallen since 2016, installers and developers are laying off employees and/or shifting focus to other states with better markets. This has resulted in a drastic decline in good paying, local jobs.

### What Can We Do For Maryland?

**Expand Funds to Larger Community Market** Expanding the use of these funds to overburdened, underserved, low-income and moderate-income communities will bring the benefits of renewable energy to families who have suffered disproportionately from the legacy, polluting energy industry.

**Increase Residential Grant Up To \$5,000** Providing a rebate equivalent to \$500/kW up to \$5,000 to eligible-customer generators will allow for more Marylanders to afford a solar energy system. Enabling solar leasing and third-party assistance, along with ownership, will also offer consumers greater choice.

**Save Marylanders Money** Investing in solar demonstrates a community's commitment to sustainability and drastically reduces household electric bills. Solar protects communities from rising energy costs and provides an opportunity for homeowners to boost their property values.

**Creates Local, Family Sustaining Jobs** Investing in residential renewables creates inherently local jobs and economic growth. The residential market represents over 50% of all solar installation jobs.<sup>6</sup>

For more information, please visit our website at [Marylandrooftopsolarcoalition.org](http://Marylandrooftopsolarcoalition.org)

<sup>1</sup> MD Solar Carve-Out Table. <https://www.srectrade.com/blog/tag/rps>

<sup>2</sup> MD Residential Install Count Graph, PJM GATS.

<sup>3</sup> SEIF Report. <https://energy.maryland.gov/SiteAssets/Pages/Strategic-Energy-Investment-Fund-%28SEIF%29-/FY21%20SEIF%20Report%20Vol%201%20Final.pdf>

<sup>4</sup> PSC of MD, RPS Report, November 2022. [https://www.psc.state.md.us/wp-content/uploads/CY21-RPS-Annual-Report\\_Final.pdf](https://www.psc.state.md.us/wp-content/uploads/CY21-RPS-Annual-Report_Final.pdf)

<sup>5</sup> Md Low-Income Market Characterization Report. [https://assets.ctfassets.net/ntcn17ss1ow9/4YFX12RD3KNTx6uIRDxQYR/c445a91365b8211bc0d0e7cc374112e3/APPRISE\\_Maryland\\_Low-Income\\_Market\\_Characterization\\_Report\\_-\\_September\\_2018.pdf](https://assets.ctfassets.net/ntcn17ss1ow9/4YFX12RD3KNTx6uIRDxQYR/c445a91365b8211bc0d0e7cc374112e3/APPRISE_Maryland_Low-Income_Market_Characterization_Report_-_September_2018.pdf)

<sup>6</sup> National Solar Job Census 2021, <https://irecusa.org/resources/national-solar-jobs-census-2021/>

**SB 664\_MRSC\_FAV\_TrinitySolar testimony .pdf**

Uploaded by: Bryson Popham

Position: FAV



Ed Merrick  
Corporate Vice President  
[Ed.Merrick@Trinity-Solar.com](mailto:Ed.Merrick@Trinity-Solar.com)  
301-247-1615

February 28, 2023

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The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

RE: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations  
FAVORABLE

Dear Chairman Feldman and Members of the Committee,

I am the Corporate VP of Trinity Solar and the Chair of the Maryland Rooftop Solar Coalition. I have 23 years of experience in the rooftop solar industry and was responsible for opening Trinity Solar's Maryland office in 2015.

Our industry is struggling to reach Maryland's solar clean energy goals. We dropped from a high of 20,000 installs in 2015 to a low of around 5,000 last year. The number of installs continues to decrease each year as the economics erode, specifically because the solar renewable energy credits are capped in value and not trading at a price to incentivize rooftop solar adoption.

The primary driver for our difficulties is the solar economics. In my experience, a homeowner needs a 7-year payback to encourage them to go solar. The current incentives put the payback at around 12 years. As a result, it is difficult for us to offer homeowners savings on their electric bill. This bill changes that paradigm by recirculating the funds paid by utilities who have not met their renewable portfolio standards back to solar projects. In doing so, we fulfill the legislative intent of why penalties are paid in the first place and ensure those funds are directed toward meeting the RPS goals established under the Clean Energy Jobs Act of 2019 (CEJA). If these funds are not deployed toward solar projects, we inadvertently undermine the purpose of CEJA and the state will not meet its RPS goals.

Lastly, this bill also ensures that a percentage of the funds are dedicated to the LMI community and also allows the grant to be used for Power Purchase Agreements and Solar Leases, not just loans. Having a broad variety of financing alternatives is critical to ensuring solar is financially accessible to all residential rooftop homeowners and specifically the LMI community.

Thank you, Senator Feldman, for introducing this legislation and we respectfully request a favorable report on Senate Bill 664.

Very truly yours,

Ed Merrick  
Corporate Vice President, Trinity Solar

cc: Bryson Popham

**SB 664\_MRSC\_goodleap\_FAV.pdf**

Uploaded by: Bryson Popham

Position: FAV

The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

**Written Testimony of Julia Pyper  
Vice President of Public Affairs, GoodLeap**

**FAVORABLE Re: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations**

Dear Chairman Feldman and Members of the Committee,

On behalf of GoodLeap, I am writing in support of SB0664, “Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations.”

Increasing the state’s residential clean energy rebate for solar photovoltaic home systems from \$1,000 to \$5,000 using Strategic Energy Investment Fund (SEIF) funding derived from Solar Alternative Compliance Payments (SACP) has a critical role to play democratizing the benefits of residential solar, creating local jobs in communities across the state, and putting Maryland on a path to reach its ambitious clean energy goals. It is an immediate mechanism that will put Maryland’s residential solar industry back in line with national growth trends, while expanding customer choice and helping address inequitable energy burdens.

**SUPPORTING LOCAL JOBS AND BILL SAVINGS:**

GoodLeap is the largest financier of residential solar systems in the nation. Through our point-of-sale technology, we connect homeowners with carefully vetted local installer partners for products ranging from solar installations and home batteries to home-improvement products like windows, roofing, and HVAC systems. Our fintech platform is actively used by more than 26,000 solar and home improvement professionals having kitchen table conversations with consumers on how to upgrade their homes with more efficient and resilient energy solutions. These conversations extend to the state of Maryland where GoodLeap works with nearly two dozen local solar contractors and has served thousands of Marylanders since launching operations in the state in 2018.

GoodLeap's long-term loan offerings for efficient and electric home upgrades shield customers from energy market fluctuations and inflation. By locking in their energy costs with rooftop solar, customers can alleviate the pressures of rising utility bills, while generating their own clean electricity and achieving greater energy independence. As electricity prices continue to increase in Maryland the energy and cost-saving attributes of residential solar are becoming

more pronounced. Residential electricity rates in the state rose by 13% in the past year alone, from 13.65 cents/kWh on average in November 2021 to 15.42 cents/kWh on average in November 2022<sup>1</sup>.

Unfortunately, while energy bills are going up, residential solar in Maryland is moving in the opposite direction. The number of new installations has dropped from over 20,000 in 2016 to just over 4,000 in 2021.<sup>2</sup> During that same time period, the number of solar jobs in Maryland dropped from more than 5,400 in 2016 to 4,800 in 2021.<sup>3</sup> The residential solar sector creates 10 times more jobs per megawatt installed than the utility-scale industry.<sup>4</sup> Furthermore, these are full-time, local jobs that remain in-state and support economic development.

Despite the statewide decline, residential solar set a national annual record for installed gigawatts in 2021 and exceeded more than 500,000 projects installed in a year for the first time.<sup>5</sup> The industry continued to set quarterly records at the national level throughout 2022 as customers sought to manage their energy spend amid power price increases.<sup>6</sup> Additionally, American solar jobs have increased 167% over the past decade, which is five times faster than the overall job growth rate in the U.S. economy.<sup>6</sup> The decline in residential solar installations in Maryland indicates the state is missing out on this job creation opportunity.

Rebooting Maryland's residential solar market with the passage of SB0664 will help bring job growth back to this segment of the economy, while providing residents with a compelling way to control their energy costs.

### **SERVING LOWER INCOME, UNDERSERVED & OVERBURDENED HOUSEHOLDS:**

Maryland's inability to sustain its rooftop solar industry has had a disproportionate effect on state residents. Not only have jobs been lost and an industry stifled at a time when residential solar is growing at record rates across the country, but the low-and moderate income (LMI), underserved, and overburdened households that stand to gain the most from solar adoption have been unable to procure it at the scale necessary to equitably decarbonize Maryland's economy.

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<sup>1</sup> Source: PJM, Date Accessed: 2/24/23, Available At: PJM GATS

<sup>2</sup> Source: IREC, Date Accessed: 2/24/23, Available At: <https://irecusa.org/resources/national-solar-jobs-census-2021/>

<sup>3</sup> Source: Freeing Energy, Date Accessed: 2/24/23, Available At: <https://www.freeingenergy.com/facts/jobs-solar-installation-residential-utility-g207/>

<sup>4</sup> Source: Solar Energy Industry Association, Date Accessed: 2/24/23, Available At: <https://www.seia.org/research-resources/solar-market-insight-report-2021-year-review>

<sup>5</sup> Source: Solar Energy Industry Association, Date Accessed: 2/24/23, Available At: <https://www.seia.org/research-resources/solar-market-insight-report-2022-q3>

<sup>6</sup> Source: IREC, Date Accessed: 2/24/23, Available At: <https://irecusa.org/resources/national-solar-jobs-census-2021/>

While significant progress has been made in democratizing residential solar access over the last decade, more progress is needed. In GoodLeap’s Maryland portfolio, more than 40% of the solar customers we’ve served to date earn 80% or less of Area Median Income. However, the number of customers within this income bracket has been shrinking in the state, despite rising nationally. Households in 2016 making \$50,000 or less per year comprised 10% of new rooftop solar installations in the state, which amounted to 2,027 individual installations. In 2021, households in that income category made up less than 8% of total Maryland residential solar installations, which amounted to only 286 total installs.<sup>7</sup>

Without intervention, this downward trend is exacerbating the energy burden — the percentage of a household budget spent on energy costs — that many LMI households face. The average annual statewide energy burden is currently 12% for all low-income Maryland households.<sup>8</sup> An energy burden of 6% or more is considered high.<sup>9</sup> Increasing the residential clean energy incentive to \$5,000 would help to alleviate these inequities by making home solar more affordable to more families. In addition, SB0664 would ensure funds are available for lower-income households to benefit from residential solar.

LMI households are not the only ones poised to benefit from a revival of residential solar in the state. Households in communities with higher rates of pollution (overburdened) and an inequitable allocation of state resources (underserved) would also be prioritized by this legislation. Increasing residential solar in these communities would help provide health and environmental benefits to families that deserve the greatest support.

To fully realize the improved affordability of residential solar, however, the industry must achieve scale. SB0664 would change the eligibility requirements associated with SACP-derived SEIF funding to include all Marylanders. Expanding the state’s residential industry would drive down installation costs, incentivize companies to reestablish operations, and rebuild a stable workforce for years to come.

### **MEETING MARYLAND’S CLEAN ENERGY GOALS:**

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<sup>7</sup> Source: Lawrence Berkeley National Laboratory, Date Accessed: 2/24/23, Available At: <https://emp.lbl.gov/solar-demographics-tool>

<sup>8</sup> Source: Maryland’s Office of People’s Council, Date Accessed: 2/24/23, Available At: <https://opc.maryland.gov/New-Low-Income-Report#>

<sup>9</sup> Source: ACEEE, Date Accessed: 2/24/23, Available At: [energyefficiencyforall.org/resources/maryland-low-income-market-characterization-report/](https://energyefficiencyforall.org/resources/maryland-low-income-market-characterization-report/)

Finally, Maryland has a Renewable Portfolio Standard of 50% by 2030 and Governor Wes Moore has expressed a goal for Maryland to achieve 100% clean energy by 2035.<sup>10,11</sup> These ambitious targets cannot be reached without a robust residential rooftop industry. Increasing the state incentive and changing eligibility requirements for those who can access these funds will make solar economical for all Marylanders, while meaningfully increasing the deployment of low-carbon power. The increase in SACP funding from \$50,000 in 2021 to an estimated \$77 million in 2022 conveys that the state is struggling to meet its renewable energy commitments through other means.<sup>12</sup> Maximizing the potential for residential solar will strengthen Maryland's clean energy portfolio while providing direct household benefits.

GoodLeap favorably supports SB0664 and the economic stimulus, customer savings, environmental benefits, and overall clean energy growth that will come from this legislation. Thank you for the opportunity to write to the committee.

Sincerely,

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<sup>10</sup> Source: Maryland Public Service Commission, Date Accessed: 2/24/23, Available At: <https://www.psc.state.md.us/electricity/wp-content/uploads/sites/2/MD-RPS-Fact-Sheet-2.pdf>

<sup>11</sup> Source: Moore Miller for Maryland, Date Accessed: 2/24/23, Available At: <https://wesmoore.com/issues/climate/>

<sup>12</sup> Source: Maryland Energy Administration, Date Accessed: 2/24/23, Available At: <https://energy.maryland.gov/Reports/FY22%20SEIF%20Report%20Vol%201%20Final.pdf>



**SB 664\_MRSC\_Lumina Solar\_FAV.pdf**

Uploaded by: Bryson Popham

Position: FAV



The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

Dear Chairman Feldman and Members of the Committee,

My name is Erin Kelly, and I am the Vice President of Residential Operations at Lumina Solar, a locally owned and operated solar company and partner of the Maryland Rooftop Solar Coalition. I am also a former Maryland Energy Administration employee, where I worked directly with the LMI and Mathias Ag grant programs as a grant administrator. Given my background in this field I have seen firsthand the impact that legislation can have on the solar industry and its adoption.

I am here to express my strong support for SB0644, which seeks to expand access to residential solar energy adoption in the state of Maryland. As a concerned citizen and longtime solar industry employee, I care deeply about the environment, our collective future, and the growth of this industry for the greater good. I believe that this legislation is a crucial step in promoting clean energy and making it accessible to our fellow residents.

Passing SB0644 would provide a boost to Maryland's residential solar industry, which has struggled in recent years due to the rise in costs. Despite the many benefits of residential solar, it remains out of reach for many Maryland residents. This bill would help to address this issue by increasing the grant allowance to help low- and moderate-income households cover the costs of installing solar panels. The current programs that are in place fail in meeting their intended results, which perpetuates the renewable energy shortfalls Maryland is seeing.

Currently, the MEA is unable to provide necessary assistance to customers who do not meet the current definition of low income. Overall, while the current structure of the statute may limit MEA's ability to assist all customers in need, the organization may still be able to find ways to provide some level of support and advocate for changes that would allow it to help more Maryland residents install solar.

If this bill does not pass, the only Maryland residents that can afford solar are higher income families because the incentives in place presently are not robust enough to reasonably allow low to moderate income communities to adopt rooftop solar. I fear we will see similar trends continue if legislation does not change.

Additionally, the SACP program is an important tool for promoting the development of solar energy projects in Maryland. However, it is important to ensure that the funds collected through the program are being used effectively to support economically viable solar projects. Solar projects that have the support, involvement and backing of the local community are more likely to be successful and proliferate a positive impact on the community.



Overall, I believe that SB0644 is a crucial piece of legislation for our state. By promoting the use of solar energy and ensuring that everyone has access to its benefits, we can create a more sustainable, equitable, and prosperous future for Marylanders. I urge you to support this bill and to promote the use and continued adoption of renewable energy in Maryland.

Thank you for your time and consideration.

Sincerely,

Erin Kelly

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Position: FAV



February 28, 2023

The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
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RE: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations  
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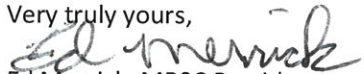
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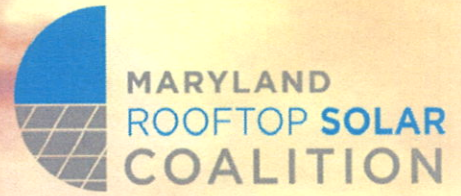
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Maryland needs the right set of incentives to reverse the current trajectory of rapidly declining solar installs occurring since 2016. The benefit of a vibrant rooftop solar industry includes an increase of well-paying, long-term renewable energy jobs, affordable clean energy for Marylanders and a means to meet Maryland's RPS goals. The positive trickledown effect to Maryland from this industry segment is immeasurable. This legislation would fund rooftop solar grants through fees and penalties paid by companies that do not meet the State's clean energy requirements, minimizing the cost to taxpayers and ensuring those fees are directed toward promoting renewable energy – all without any additional fiscal impact. Incentivizing the adoption of residential rooftop solar will be crucial to achieving Maryland's climate goals while using existing built rooftop infrastructure. The current limitations for the use of these funds have made solar deployment difficult. By allowing these funds be used in *overburdened, underserved, low and moderate-income communities*, we will provide an opportunity for citizens to participate in the renewable energy revolution that had previously not qualified or met the narrow standards. Overall, SACP funds need to be recycled back to their intended purpose and create new renewable energy sources that can help to meet the State's ambitious RPS goals. As demonstrated in many other states, a thriving rooftop solar market is the lynchpin for moving all forms of renewable energy forward and must be a major foundational component of any renewable energy legislative platform. I wish to thank Senator Feldman for introducing this legislation and we respectfully request a favorable report on Senate Bill 664.

Very truly yours,

  
Ed Merrick, MRSC President  
Maryland Rooftop Solar Coalition  
cc: Bryson Popham

# MARYLAND SOLAR INDUSTRY IN 2023



Maryland Rooftop Solar Coalition, est. 2022, is comprised of companies that finance, sell, design, and install solar PV systems with the objective of reviving the rooftop solar market in the state.

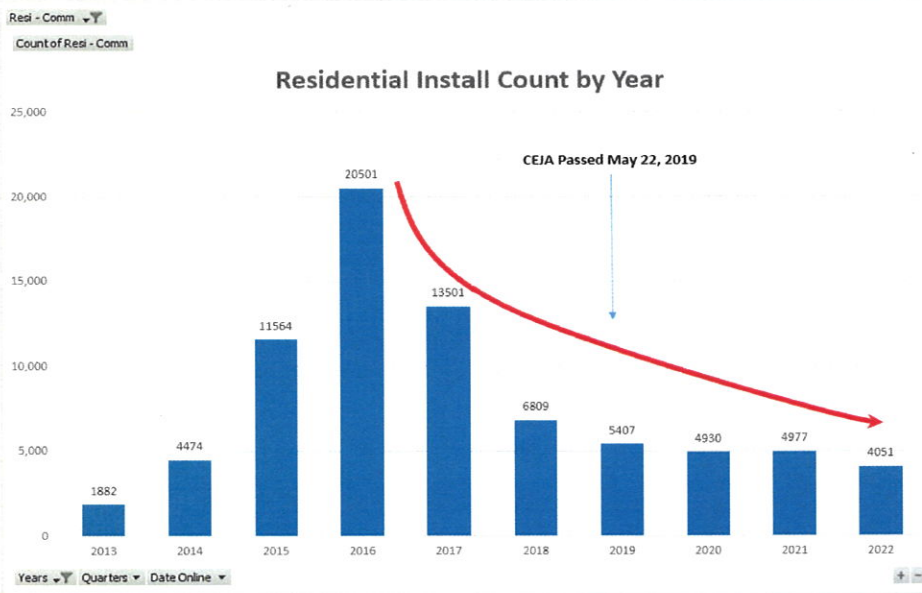
## STRUGGLING MARKET

The SREC market has collapsed. Passing of CEJA allows for larger scale solar to thrive while smaller scale systems are throttled due to lack of attractive incentives.

## CUSTOMER SITED SOLAR

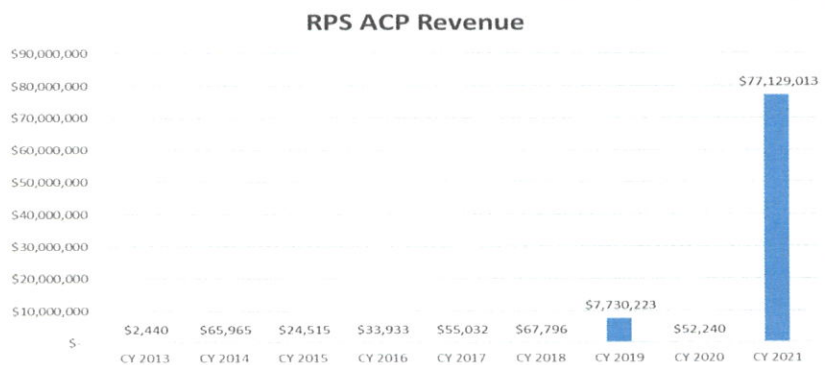
Residential market in MD is largely absent. Solar grant was reduced to \$1000 and only available for homeowners who own their system.

To meet RPS goal, we need to recycle SACP funds back to their intended purpose, to the creation of new renewable energy sources.



## CLEAN ENERGY JOBS ACT (CEJA), 2019

- Increased Maryland's Renewable Portfolio Standard (RPS) to 50% by 2030
- Maryland's solar carve-out increased to 14.5% by 2030
- Electric suppliers' failure to satisfy RPS milestones has led to substantial penalties
- The Maryland Energy Administration (MEA) will receive Solar Alternative Compliance Payment (SACP) funds, which are then solely designated to low-income households





### What Happens If We Do Nothing?

**Maryland Continues to Not Meet RPS Goal** The State's RPS requires electricity suppliers to meet a prescribed minimum of their retail electricity sales with various renewable sources. Electric suppliers pay a financial penalty for failing to satisfy the RPS. The intent of SACP funds is to penalize non-compliance and to help support the creation of new renewable sources in the State. In 2021, SEIF was funded \$52,240 in SACP funds.<sup>3</sup> In 2022, SEIF will receive around \$77 million.<sup>4</sup>

**Current Maryland Statute Directs all SACP Funds to Low- Income Projects** As stated in the 2021 SEIF Report from MEA, the current limitations placed on these funds are anticipated to make these funds more difficult to deploy due to certain realities affecting low-income Marylanders.<sup>3</sup> The cycle of not meeting the State's RPS targets and collecting penalties will continue if these funds cannot reach consumers.

**Limited Income Households Have a Higher Energy Burden** Energy burden refers to the percentage of a household's gross income that is spent on energy costs. Lower-income and minority communities have suffered disproportionately from rising energy costs. The average statewide gross energy burden is 13% for all low-income households.<sup>5</sup> The combination of high average electric rates and high average energy usages (20<sup>th</sup> highest in US) makes electricity bills in Maryland among the highest in the country.

**Maryland Loses More Jobs and Investments** As residential solar installations have fallen since 2016, installers and developers are laying off employees and/or shifting focus to other states with better markets. This has resulted in a drastic decline in good paying, local jobs.

### What Can We Do For Maryland?

**Expand Funds to Larger Community Market** Expanding the use of these funds to overburdened, underserved, low-income and moderate-income communities will bring the benefits of renewable energy to families who have suffered disproportionately from the legacy, polluting energy industry.

**Increase Residential Grant Up To \$5,000** Providing a rebate equivalent to \$500/kW up to \$5,000 to eligible-customer generators will allow for more Marylanders to afford a solar energy system. Enabling solar leasing and third-party assistance, along with ownership, will also offer consumers greater choice.

**Save Marylanders Money** Investing in solar demonstrates a community's commitment to sustainability and drastically reduces household electric bills. Solar protects communities from rising energy costs and provides an opportunity for homeowners to boost their property values.

**Creates Local, Family Sustaining Jobs** Investing in residential renewables creates inherently local jobs and economic growth. The residential market represents over 50% of all solar installation jobs.<sup>6</sup>

For more information, please visit our website at [Marylandrooftopsolarcoalition.org](http://Marylandrooftopsolarcoalition.org)

<sup>1</sup> MD Solar Carve-Out Table. <https://www.sretrade.com/blog/tag/rps>

<sup>2</sup> MD Residential Install Count Graph, PJM GATS.

<sup>3</sup> SEIF Report. <https://energy.maryland.gov/SiteAssets/Pages/Strategic-Energy-Investment-Fund-%28SEIF%29-/FY21%20SEIF%20Report%20Vol%201%20Final.pdf>

<sup>4</sup> PSC of MD, RPS Report, November 2022. [https://www.psc.state.md.us/wp-content/uploads/CY21-RPS-Annual-Report\\_Final.pdf](https://www.psc.state.md.us/wp-content/uploads/CY21-RPS-Annual-Report_Final.pdf)

<sup>5</sup> Md Low-Income Market Characterization Report. [https://assets.ctfassets.net/ntcn17ss1ow9/4YFX12RD3KNTx6uIRDxQYR/c445a91365b8211bc0d0e7cc374112e3/APPRISE\\_Maryland\\_Low-Income\\_Market\\_Characterization\\_Report\\_-\\_September\\_2018.pdf](https://assets.ctfassets.net/ntcn17ss1ow9/4YFX12RD3KNTx6uIRDxQYR/c445a91365b8211bc0d0e7cc374112e3/APPRISE_Maryland_Low-Income_Market_Characterization_Report_-_September_2018.pdf)

<sup>6</sup> National Solar Job Census 2021, <https://irecusa.org/resources/national-solar-jobs-census-2021/>

**SB 664\_MRSC\_FAV\_TrinitySolar testimony .pdf**

Uploaded by: Ed Merrick

Position: FAV





Ed Merrick  
Corporate Vice President  
[Ed.Merrick@Trinity-Solar.com](mailto:Ed.Merrick@Trinity-Solar.com)  
301-247-1615

February 28, 2023

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The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

RE: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations  
FAVORABLE

Dear Chairman Feldman and Members of the Committee,

I am the Corporate VP of Trinity Solar and the Chair of the Maryland Rooftop Solar Coalition. I have 23 years of experience in the rooftop solar industry and was responsible for opening Trinity Solar's Maryland office in 2015.

Our industry is struggling to reach Maryland's solar clean energy goals. We dropped from a high of 20,000 installs in 2015 to a low of around 5,000 last year. The number of installs continues to decrease each year as the economics erode, specifically because the solar renewable energy credits are capped in value and not trading at a price to incentivize rooftop solar adoption.

The primary driver for our difficulties is the solar economics. In my experience, a homeowner needs a 7-year payback to encourage them to go solar. The current incentives put the payback at around 12 years. As a result, it is difficult for us to offer homeowners savings on their electric bill. This bill changes that paradigm by recirculating the funds paid by utilities who have not met their renewable portfolio standards back to solar projects. In doing so, we fulfill the legislative intent of why penalties are paid in the first place and ensure those funds are directed toward meeting the RPS goals established under the Clean Energy Jobs Act of 2019 (CEJA). If these funds are not deployed toward solar projects, we inadvertently undermine the purpose of CEJA and the state will not meet its RPS goals.

Lastly, this bill also ensures that a percentage of the funds are dedicated to the LMI community and also allows the grant to be used for Power Purchase Agreements and Solar Leases, not just loans. Having a broad variety of financing alternatives is critical to ensuring solar is financially accessible to all residential rooftop homeowners and specifically the LMI community.

Thank you, Senator Feldman, for introducing this legislation and we respectfully request a favorable report on Senate Bill 664.

Very truly yours,

Ed Merrick  
Corporate Vice President, Trinity Solar

cc: Bryson Popham

**SB 664\_MRSC\_Lumina Solar\_FAV.pdf**

Uploaded by: Erin Kelly

Position: FAV



The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

Dear Chairman Feldman and Members of the Committee,

My name is Erin Kelly, and I am the Vice President of Residential Operations at Lumina Solar, a locally owned and operated solar company and partner of the Maryland Rooftop Solar Coalition. I am also a former Maryland Energy Administration employee, where I worked directly with the LMI and Mathias Ag grant programs as a grant administrator. Given my background in this field I have seen firsthand the impact that legislation can have on the solar industry and its adoption.

I am here to express my strong support for SB0644, which seeks to expand access to residential solar energy adoption in the state of Maryland. As a concerned citizen and longtime solar industry employee, I care deeply about the environment, our collective future, and the growth of this industry for the greater good. I believe that this legislation is a crucial step in promoting clean energy and making it accessible to our fellow residents.

Passing SB0644 would provide a boost to Maryland's residential solar industry, which has struggled in recent years due to the rise in costs. Despite the many benefits of residential solar, it remains out of reach for many Maryland residents. This bill would help to address this issue by increasing the grant allowance to help low- and moderate-income households cover the costs of installing solar panels. The current programs that are in place fail in meeting their intended results, which perpetuates the renewable energy shortfalls Maryland is seeing.

Currently, the MEA is unable to provide necessary assistance to customers who do not meet the current definition of low income. Overall, while the current structure of the statute may limit MEA's ability to assist all customers in need, the organization may still be able to find ways to provide some level of support and advocate for changes that would allow it to help more Maryland residents install solar.

If this bill does not pass, the only Maryland residents that can afford solar are higher income families because the incentives in place presently are not robust enough to reasonably allow low to moderate income communities to adopt rooftop solar. I fear we will see similar trends continue if legislation does not change.

Additionally, the SACP program is an important tool for promoting the development of solar energy projects in Maryland. However, it is important to ensure that the funds collected through the program are being used effectively to support economically viable solar projects. Solar projects that have the support, involvement and backing of the local community are more likely to be successful and proliferate a positive impact on the community.



Overall, I believe that SB0644 is a crucial piece of legislation for our state. By promoting the use of solar energy and ensuring that everyone has access to its benefits, we can create a more sustainable, equitable, and prosperous future for Marylanders. I urge you to support this bill and to promote the use and continued adoption of renewable energy in Maryland.

Thank you for your time and consideration.

Sincerely,

Erin Kelly

**SB 664\_\_MRSC\_SunPower\_FAV.pdf**

Uploaded by: Jim Purekal

Position: FAV



The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

February 28, 2023

RE: SB 664 – Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations - FAVORABLE

Dear Chairman Feldman and Members of the Committee,

As members of the Maryland Rooftop Solar Coalition, I am writing to express SunPower's support for Senate Bill 664, which would provide grants, loans and other forms of financial assistance to a broad array of solar customers, with a particular focus on low- and moderate-income households.

SunPower has been a leading distributed generation, solar, storage and energy services provider in North America for over 37 years. Of the 440,000 U.S. residential customers, 1,050 of them live in Maryland. In addition, we have a national network of over 850 independent dealers across 48 states employing more than 18,000 people. 27 of those dealers work in the state of Maryland.

If enacted, the impact of SB 664 would result in more solar energy generation and help the state meet its renewable portfolio standard, which calls for 50% of Maryland's energy to come from tier 1 renewable sources, including 14.5% from solar energy. It will be impossible for the state to achieve these renewable energy goals without a vibrant rooftop solar market, and SB 664 directly places the right financial incentives in the right hands to reinvigorate the market.

At the moment, Maryland's rooftop solar market is in jeopardy due to caps that have restricted renewable energy credits from trading at a price commensurate with pure market forces. The CY-21 RPS Annual Report filed last year by the Public Service Commission stated that the significant shortfall in available Solar Renewable Energy Credits directly led to the \$77.1M in alternative compliance payments, which were subsequently transferred to the Strategic Energy Investment Fund. As a result, the state now finds itself short on solar-generated energy, but with an adequate supply of resources in the SEIF to address the need. SB 664 provides an immediate solution to match need with support in an effort to meet the state's energy targets.

A key element of SB 664 is the support for more solar on roofs in low- and moderate-income, overburdened, and underserved communities. This equates to hundreds of homeowners making on average below \$73,000 per year who would have access to clean, reliable solar energy to power their household appliances and heating or cooling needs. The same homeowners would also see the added benefit of savings on their energy bills. Based on performances and demand in previous years, we can realistically expect this vision to go into effect almost immediately.

The indisputable fact is that not nearly enough renewable energy is being generated by solar. SB 664 would remedy this problem with a viable pathway.

I thank Senator Feldman for introducing this legislation and respectfully request a favorable report on Senate Bill 664.

You are welcome to contact me directly at [jim.purekal@sunpowercorp.com](mailto:jim.purekal@sunpowercorp.com) or 850-723-5859 with questions or for further input.

Sincerely,  
Jim Purekal

Manager, Policy & Strategy  
SunPower Corporation

cc: Bryson Popham

**GoodLeap SB0664 Written Testimony 2.27.23.pdf**

Uploaded by: Julia Pyper

Position: FAV



The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

**Written Testimony of Julia Pyper**  
**Vice President of Public Affairs, GoodLeap**

**FAVORABLE Re: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations**

Dear Chairman Feldman and Members of the Committee,

On behalf of GoodLeap, I am writing in support of SB0664, "Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations."

Increasing the state's residential clean energy rebate for solar photovoltaic home systems from \$1,000 to \$5,000 using Strategic Energy Investment Fund (SEIF) funding derived from Solar Alternative Compliance Payments (SACP) has a critical role to play democratizing the benefits of residential solar, creating local jobs in communities across the state, and putting Maryland on a path to reach its ambitious clean energy goals. It is an immediate mechanism that will put Maryland's residential solar industry back in line with national growth trends, while expanding customer choice and helping address inequitable energy burdens.

**SUPPORTING LOCAL JOBS AND BILL SAVINGS:**

GoodLeap is the largest financier of residential solar systems in the nation. Through our point-of-sale technology, we connect homeowners with carefully vetted local installer partners for products ranging from solar installations and home batteries to home-improvement products like windows, roofing, and HVAC systems. Our fintech platform is actively used by more than 26,000 solar and home improvement professionals having kitchen table conversations with consumers on how to upgrade their homes with more efficient and resilient energy solutions. These conversations extend to the state of Maryland where GoodLeap works with over two dozen local solar contractors and has served thousands of Marylanders since launching operations in the state in 2018.

GoodLeap's long-term loan offerings for efficient and electric home upgrades shield customers from energy market fluctuations and inflation. By locking in their energy costs with rooftop solar, customers can alleviate the pressures of rising utility bills, while generating their own clean electricity and achieving greater energy independence. As electricity prices continue to increase in Maryland the energy and cost-saving attributes of residential solar are becoming

more pronounced. Residential electricity rates in the state rose by 13% in the past year alone, from 13.65 cents/kWh on average in November 2021 to 15.42 cents/kWh on average in November 2022.<sup>1</sup>

Unfortunately, while energy bills are going up, residential solar in Maryland is moving in the opposite direction. The number of new installations has dropped from over 20,000 in 2016 to just over 4,000 in 2021.<sup>2</sup> During that same period, the number of solar jobs in Maryland dropped from more than 5,400 to 4,800.<sup>3</sup> The residential solar sector creates 10 times more jobs per megawatt installed than the utility-scale industry.<sup>4</sup> Furthermore, these are full-time, local jobs that remain in-state and support economic development.

Despite the statewide decline, residential solar set a national annual record for installed gigawatts in 2021 and exceeded more than 500,000 projects installed in a year for the first time.<sup>5</sup> The industry continued to set quarterly records at the national level throughout 2022 as customers sought to manage their energy spend amid power price increases.<sup>6</sup> Additionally, American solar jobs have increased 167% over the past decade, which is five times faster than the overall job growth rate in the U.S. economy.<sup>7</sup> The decline in residential solar installations in Maryland indicates the state is missing out on this job creation opportunity.

Rebooting Maryland's residential solar market with the passage of SB0664 will help bring job growth back to this segment of the economy, while providing residents with a compelling way to control their energy costs.

### **SERVING LOWER INCOME, UNDERSERVED & OVERBURDENED HOUSEHOLDS:**

Maryland's inability to sustain its rooftop solar industry has had a disproportionate effect on state residents. Not only have jobs been lost and an industry stifled at a time when residential solar is growing at record rates across the country, but the low-and moderate income (LMI), underserved, and overburdened households that stand to gain the most from solar adoption have been unable to procure it at the scale necessary to equitably decarbonize Maryland's economy.

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<sup>1</sup> Source: Energy Information Administration, Date Accessed: 2/24/2023, Available At: [https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.php?t=epmt\\_5\\_6\\_a](https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a)

<sup>2</sup> Source: PJM, Accessed: 2/24/23, Available At: PJM GATS

<sup>3</sup> Source: IREC, Accessed: 2/24/23, Available At: <https://irecusa.org/resources/national-solar-jobs-census-2021/>

<sup>4</sup> Source: Freeing Energy, Accessed: 2/24/23, Available At: <https://www.freeingenergy.com/facts/jobs-solar-installation-residential-utility-g207/>

<sup>5</sup> Source: Solar Energy Industry Association, Accessed: 2/24/23, Available At: <https://www.seia.org/research-resources/solar-market-insight-report-2021-year-review>

<sup>6</sup> Source: Solar Energy Industry Association, Accessed: 2/24/23, Available At: <https://www.seia.org/research-resources/solar-market-insight-report-2022-q3>

<sup>7</sup> Source: IREC, Accessed: 2/24/23, Available At: <https://irecusa.org/resources/national-solar-jobs-census-2021/>

While significant progress has been made in democratizing residential solar access over the last decade, more progress is needed. In GoodLeap’s Maryland portfolio, more than 40% of the solar customers we’ve served to date earn 80% or less of Area Median Income. However, the number of customers within this income bracket has been shrinking in the state, despite rising nationally. Households in 2016 making \$50,000 or less per year comprised 10% of new rooftop solar installations in the state, which amounted to 2,027 individual installations. In 2021, households in that income category made up less than 8% of total Maryland residential solar installations, which amounted to only 286 total installs.<sup>8</sup>

Without intervention, this downward trend is exacerbating the energy burden — the percentage of a household budget spent on energy costs — that many LMI households face. The average annual statewide energy burden is currently 12% for all low-income Maryland households.<sup>9</sup> An energy burden of 6% or more is considered high.<sup>10</sup> Increasing the residential clean energy incentive to \$5,000 would help to alleviate these inequities by making home solar more affordable to more families, enabling them to start seeing immediate savings on their electricity bills. In addition, SB0664 would ensure funds are available for lower-income households to benefit from residential solar.

LMI households are not the only ones poised to benefit from a revival of residential solar in the state. Households in communities with higher rates of pollution (overburdened) and an inequitable allocation of state resources (underserved) would also be prioritized by this legislation. Increasing residential solar in these communities would help provide health and environmental benefits to families that deserve the greatest support.

To fully realize the improved affordability of residential solar, however, the industry must achieve scale. SB0664 would change the eligibility requirements associated with SACP-derived SEIF funding to include all Marylanders. Expanding the state’s residential industry would drive down installation costs, incentivize companies to reestablish operations, and rebuild a stable workforce for years to come.

### **MEETING MARYLAND’S CLEAN ENERGY GOALS:**

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<sup>8</sup> Source: Lawrence Berkeley National Laboratory, Accessed: 2/24/23, Available At: <https://emp.lbl.gov/solar-demographics-tool>

<sup>9</sup> Source: Maryland’s Office of People’s Council, Accessed: 2/24/23, Available At: <https://opc.maryland.gov/New-Low-Income-Report#>

<sup>10</sup> Source: ACEEE, Accessed: 2/24/23, Available At: <https://www.energyefficiencyforall.org/resources/maryland-low-income-market-characterization-report/>

Finally, Maryland has a Renewable Portfolio Standard of 50% by 2030 and Governor Wes Moore has expressed a goal for Maryland to achieve 100% clean energy by 2035.<sup>11,12</sup> These ambitious targets cannot be reached without a robust residential rooftop industry. Increasing the state incentive and changing eligibility requirements for those who can access these funds will make solar economical for all Marylanders, while meaningfully increasing the deployment of low-carbon power. The increase in SACP funding from \$50,000 in 2021 to an estimated \$77 million in 2022 conveys that the state is struggling to meet its renewable energy commitments through other means.<sup>13</sup> Maximizing the potential for residential solar will strengthen Maryland's clean energy portfolio while providing direct household benefits.

GoodLeap favorably supports SB0664 and the economic stimulus, customer savings, environmental benefits, and overall clean energy growth that will come from this legislation. Thank you for the opportunity to write to the committee.

Sincerely,

A handwritten signature in black ink that reads "Julia Pyper". The signature is written in a cursive, flowing style.

Julia Pyper  
Vice President of Public Affairs  
GoodLeap

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<sup>11</sup> Source: Maryland Public Service Commission, Accessed: 2/24/23, Available At: <https://www.psc.state.md.us/electricity/wp-content/uploads/sites/2/MD-RPS-Fact-Sheet-2.pdf>

<sup>12</sup> Source: Moore Miller for Maryland, Accessed: 2/24/23, Available At: <https://wesmoore.com/issues/climate/>

<sup>13</sup> Source: Maryland Energy Administration, Accessed: 2/24/23, Available At: <https://energy.maryland.gov/Reports/FY22%20SEIF%20Report%20Vol%201%20Final.pdf>

# **SB664\_solar energy\_FAV.pdf**

Uploaded by: Rick Peters

Position: FAV



Solar Energy Services, Inc.

Over 40 Years

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The Honorable Brian J. Feldman  
Chair, Senate Education Energy & Environment Committee  
2 West Miller State Office Building  
Annapolis, Maryland 21401

RE: Senate Bill 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations - FAVORABLE

2-27-23

Dear Chairman Feldman and Members of the Senate Education Energy & Environment Committee,

Rooftop solar needs help if we are to meet the state's RPS goals. It is that simple.

As the president of a local, independent solar installer, I have 15 years of experience in Maryland rooftop solar. In that time, we've seen lots of ups and downs in our industry. One thing that has been consistent is that our residential sales lag significantly when the typical residential simple payback period exceeds eight years. Today, that payback is typically more than eleven years and often longer, for small systems.

These economics have slowed residential solar installations dramatically over the past several years, limiting our sales largely to upper income homeowners. Many of these homeowners would proceed with solar regardless of the current \$1000 grant. However, very few LMI homeowners are going solar, because the economics are not compelling. Further, many LMI property owners are not solar-ready because they may need a structural upgrade, a new roof, or an electrical upgrade. These prospective solar customers and the broader population need more assistance to make the solar investment that will benefit us all.

The large balance of ACP funds is the result of our need to build more solar and faster. It is essential that those funds play a role in advancing more rooftop solar. Rooftop solar creates almost twice as many jobs as large scale solar on a per unit basis. It also provides tremendous grid benefits and energy savings value when energy is generated on-site, where it is used.

The solar industry has been a reliable provider of good paying jobs in Maryland over the last decade. We have not been able to scale in the past few years due to rooftop economics. If our industry is to build what we need to, we need to scale again now. SB664 will provide the demand to build that scale. I and our 40 employees at Solar Energy Services respectfully request your favorable report on this important legislation.

Thank you for your consideration.

Sincerely,

Rick Peters  
President & CEO  
Solar Energy Services, Inc.

**SB664\_FAV\_CHESSA.pdf**

Uploaded by: Thadeus Culley

Position: FAV



February 27, 2023

Honorable Brian J. Feldman, Chair  
Education, Energy, and the Environment Committee  
2 West Miller Senate Office Building  
Annapolis, Maryland 21401

Re: CHESSA Letter of Support for SB 664, Maryland Strategic Energy Investment Program-Tier 1 Renewable Sources, Solar Energy Systems, and Alterations

Dear Chair Feldman and Members of the Education, Energy, and Environment Committee:

The Chesapeake Solar and Storage Association (CHESSA)<sup>1</sup> appreciates the opportunity to testify in support of SB 697, addressing energy storage targets for the State.

CHESSA submits this testimony in support of SB 664 which directs that funds collected as a result of alternative compliance payments by electric suppliers under § 7-705(b)(2)(i)2 of the Public Utilities Article be directed to support the growth of rooftop solar for low-and-moderate-income residents of the State through grants of up to \$5,000 per system. SB 664, as filed, diverts approximately 90% of the solar compliance fees, after setting aside the first \$5 million for low-and-moderate-income residents, for a general market program that will be available on a first-come, first-served basis to qualifying residents. While these provisions are in conflict with provisions of SB 548 that address the use of compliance funds under that same subsection of existing code, CHESSA is hopeful that there will be collaborative attempts to reconcile the bills, as they both move forward, to achieve the underlying purpose of SB 664 and provide uplift to the waning residential solar market at a time when deployment of rooftop solar is the State's most immediate option to close in on the current solar renewable energy credit ("SREC") shortfall.

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<sup>1</sup> CHESSA is a member organization that represents over 120 companies engaged in all facets of the solar and battery storage industry throughout Maryland, Virginia, and the District of Columbia.



There are many elements of SB 664 that are vital to the turnaround of the residential rooftop solar industry in Maryland: (1) providing additional flexibility in how MEA is able to allocate solar alternative compliance payments (SACPs) to support development of solar energy resources; (2) broadening the restricted use of SACP funds beyond low-income to include moderate income households; and (3) providing certainty on the amount of rebates provided to offer a stable acceleration over the next few years that enables solar installers to hire and improve structural business capacity to achieve the increased volume of installations represented by this bill.

CHESA supports the broadening of § 9-20B-5(a)(i)(3), as proposed in SB 664, which gives the Maryland Energy Administration additional discretion. Current law directs that all SACPs are to be directed to make “loans and grants to support the creation of new solar energy sources in the State, that are owned by or directly benefit low-income residents of the State.” In practice, this has excluded the provision of funds for low-income solar+storage facilities, which can provide significant onsite resilience benefits to low-and-moderate-income residents, including those who rely on refrigeration for medicines or are dependent on electrically powered medical devices. The new language broadens MEA’s authority to design programs for low-and-moderate-income residents that includes “solar energy systems paired with energy storage for home or community resilience.” Arguably, in designing programs for low-and-moderate-income residents, MEA could have discretion to provide funding for roofing upgrades that would be necessary to facilitate large-scale ramp up in low-income and moderate-income rooftop solar projects. Sunrun would support making that authorization explicit, as these barriers to low-income single-family household adoption of rooftop solar are material and determinative of whether projects are pursued.

Solar is increasingly an attractive option for low-to-moderate-income households, who can enter into solar lease agreement or power purchase agreement (PPA) that requires no money upfront and usually provides day one savings and a hedge against the rising cost of electricity delivered from the grid. CHESA supports SB 664 for lifting the current practice under MEA’s clean energy grant program of prohibiting third-party owners of household solar from being able to apply for and receive the grant on behalf of the host customer. With passage of the federal Inflation Reduction Act, third-party-owned solar facilities on qualifying low-income rooftops could potentially be eligible for additional federal tax benefits that are not available under the customer-owned section of the federal investment tax credit. Allowing third-party owned systems to participate in the solar rebate program will allow the stacking of state and federal benefits to make going solar more attractive and more accessible for low-and-moderate-income Maryland residents.

As it concerns the use of SACP funds for general market solar deployment, CHESSA agrees with the Maryland Residential Solar Coalition that income-verification eligibility requirements can significantly hamper the ability of the solar industry to market and deliver results for low-and-moderate-income residents. One alternative for consideration in the forthcoming discussions reconciling the intent of this bill with SB 548 is to provide that low-and-moderate income grants be awarded within geographically-defined low-income communities (which could mirror the federal definition in the federal tax code 26 U.S.C. § 45D(e)).<sup>2</sup> Sunrun expects that lifting the income-verification restriction will increase the number of low-income and moderate-income households that will have access to solar, as this customer segment has seen an uptick in recent years.<sup>3</sup>

CHESSA asks that the Committee issue a favorable report with the caveat that we anticipate the need for reconciliation with SB 548 will be necessary if both bills move forward.

Respectfully submitted,

/s/  
Thadeus B. Culley  
Sr. Manager, Public Policy, Sunrun  
CHESSA Maryland Policy Committee Chair

/s/  
Stephanie Johnson  
Executive Director, CHESSA

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<sup>2</sup> “The term “[low-income community](#)” means any population census tract if—

(A) the poverty rate for such tract is at least 20 percent, or  
(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or  
(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.” 26 U.S.C. § 45D(e)(1).

<sup>3</sup> <https://emp.lbl.gov/news/new-berkeley-lab-report-solar-adopter-2>

**FWA - S664\_ Rooftop Solar ACP Use of funds (2).pdf**

Uploaded by: Kristen Harbeson

Position: FWA



Kim Coble  
Executive Director

February 28, 2023

2023 Board of  
Directors

**FAVORABLE ONLY WITH AMENDMENTS: SB664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations.**

Lynn Heller, Chair  
The Hon. Nancy Kopp,  
Treasurer  
Kimberly Armstrong  
Mike Davis  
Candace Dodson-Reed  
Verna Harrison  
Melanie Hartwig-Davis  
The Hon. Steve Lafferty  
Patrick Miller  
Bonnie L. Norman  
Katherine (Kitty)  
Thomas

Chairman Feldman and Members of the Committee:

In 2022, the Maryland General Assembly issued budget language through the Joint Chairman’s Report that sought to bring Maryland in line with the Federal “Justice 40” initiative, which directs at least 40% of investments , including those associated with clean energy and energy efficiency flow to go to disadvantaged communities. The FY23 budget language directed that the Department of the Environment to submit a report that develops “*specific recommendations to identify and provide assistance to overburdened communities, including legislative and regulatory changes to achieve at least 40% of overall spending*” in several programs, projects and investments, including those related to clean energy and energy efficiency, and affordable and sustainable housing. While the final report on these recommendations is not due until July of this year, it is clear that the formula of fund usage in SB664 is inconsistent with these goals.

In light of this, Maryland LCV respectfully requests that this legislation only receive a favorable report with significant amendments that ensures alignment with state and federal goals.

SB664 reallocates monies in the account supported by Alternative Compliance Payments (ACP) made by utilities for non-attainment of the mandates of the Renewable Energy Portfolio Standard. Currently, these funds are restricted to help fund projects supporting low income communities. We agree with a provision in the legislation that would open up the criteria applied to supporting projects to benefit low **and moderate** income communities, as well as projects serving census tracts identified as overburdened and underserved. This change in language retains the original legislative intent of the use of ACP funds and aligns more directly with federal guidelines and state programs.

To better align this legislation with the principles of Justice 40 and the outlines established in the FY2023 Joint Chairmen's Report, we would suggest the following amendments to the ratios outlined in this bill:

1. Maintain that funds available for solar energy resources include the first \$10 million (currently set at \$5 million) be dedicated for projects serving low and moderate income communities and those census tracts identified as overburdened and underserved.

2. For the remaining funds available for solar energy resources, 90% (as drafted: 10%) be allocated for projects that are owned by or provide direct economic benefit to low-or-moderate income residents of the state or those in census tracts identified as overburdened and underserved.
  - a. These projects may include
    - i. residential rooftop installation, electrical or structural upgrades to allow for solar rooftop installation, and community solar for multi-family housing facilities where the cost benefits received by participation in the community solar program are transferred to the energy bills or rents of the low income residents of those properties.
    - ii. Projects (especially community solar projects) that serve at least 50% LMI households **and**
      1. that are on lands that are ecologically compromised, are not targeted for mitigation or restoration, and are located on
        - a. Rooftops
        - b. Parking canopies
        - c. Brownfields or industrial sites
        - d. Multi-level parking structures
        - e. Airports
        - f. Cleanfill sites
        - g. Roadways or
        - h. Incorporate agrivoltaics
    - iii. We recommend special consideration be given to projects with greater LMI participation and projects with higher costs and/or financing challenges, including rooftop and canopy projects that are below 1 MW.
3. The remaining 10% (as drafted: 90%) of funds collected in excess of \$10 million support the installation of new solar energy systems for new eligible customer-generators through the solar energy program outlined in the bill as drafted.
4. Recognizing the potential of unspent funds within the formula in any fiscal year, we recommend that at the end of each fiscal year, specifying that MEA may reallocate any unused funds above the initial \$10 m from one category of projects to other categories of projects. This will provide MEA the ability to support new initiatives and innovations, and ensure that all available funds are expended to achieve the greatest impact.

These amendment recommendations reflect similar recommendations for prioritization of ACP funds offered for Governor Moore's HB550/SB548 - the Clean Transportation and Energy Act. That legislation also recommends the prioritization of LMI and "environmental justice communities" in the distribution of ACP funds. We believe that the recommendations outlined above will support the state goals of clean energy production as well as carbon emission reduction, provide resources to the projects that are most impactful for the most vulnerable Marylanders and those in the most environmentally degraded communities and support fiscal flexibility for new initiatives.

Maryland LCV strongly urges that SB664 be set aside in favor of the more equity-centered SB548. If this bill moves forward, Maryland LCV urges that it be amended as outlined above before receiving a favorable report.

**WRITTEN TESTIMONY Climate Access Fund SB664 02.28.**

Uploaded by: Lynn Heller

Position: UNF



February 28, 2023

**OPPOSE**

**Senate Bill 664: Maryland Strategic Energy Investment Program – Tier 1 Renewable Sources, Solar Energy Systems, and Alterations**

Senate Education, Energy, and the Environment Committee

Chair Feldman and Members of the Committee:

The Climate Access Fund is a statewide nonprofit Green Bank that uses innovative finance to increase low-income households' access to solar power. We specialize in community solar project finance, and we seek to fill gaps in the market that are preventing more low-income households from benefitting from discounted electricity bills through community solar. Specifically, we incentivize the development of small low-income community solar projects that are located on rooftops and parking lots. The Climate Access Fund requests an unfavorable report on SB 664.

SB 664 calls for an overwhelming 90% of Compliance fees above \$5 million that are collected under Section 7-705(B)(2)(I)2 of the Public Utilities Article to be reserved for rebates for single-family residential solar installations, regardless of income. It calls for only \$5 million to support solar installations, whether residential or community solar, that specifically benefit low- or moderate- income residents or overburdened, underserved communities. The total amount of Compliance fees for 2023 is expected to be approximately \$80 million.

Given that the majority of Maryland's 450,000 low-income households cannot install solar on their own rooftops either because they are renters or because their roofs are not in good condition, **SB664 as written effectively excludes low-income Marylanders from benefitting from the Alternative Compliance Payment program.** This is neither equitable nor just.

The Climate Access Fund is focused on incentivizing the development of smaller (< 1 MW) community solar projects that serve low-income Marylanders and are built on rooftops and parking lots. As a mission-driven green bank, we focus on this market because the private markets don't. These projects are more expensive to build and to operate: smaller solar projects are more expensive because they do not benefit from economies of scale; projects on rooftops and parking lots are more expensive because of the need for good quality roofs and steel stanchions to hold up the solar panels over parking lots; and projects serving low-income customers are more expensive because of the additional bill discount needed to attract and retain customers.

Because these types of projects cost more, there is less cashflow available to pay debt service and returns to equity investors. Public grants and low-cost loans are needed so the smaller, low-income projects located on the built environment have enough cashflow to be financed and developed. Without public support, these projects will not be built.

The Climate Access Fund supports the use of Alternative Compliance funds to facilitate the development of smaller low-income community solar projects on rooftops and parking lots, as well as the installation of residential solar on single-family homes owned by low-income Marylanders. SB664, by contrast,



proposes changing existing law, which explicitly focuses on benefiting low-income Marylanders, to a law that would effectively exclude them.

**The Climate Access Fund requests an unfavorable report on SB664.**

Thank you.

Lynn Heller, CEO  
Climate Access Fund Corporation  
[lynn@climateaccessfund.org](mailto:lynn@climateaccessfund.org)  
(410) 371-6276



# **SB0664(HB1239) - Maryland Strategic Energy Investm**

Uploaded by: Landon Fahrig

Position: INFO



**TO:** Members, Senate Education, Energy, and the Environment Committee  
**FROM:** Paul Pinsky - Director, MEA  
**SUBJECT:** SB 664 - Maryland Strategic Energy Investment Program - Tier 1 Renewable Sources, Solar Energy Systems, and Alterations  
**DATE:** February 28, 2023

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### **MEA Position: Letter of Information**

Senate Bill 664 significantly alters the permissible uses of alternative compliance payments (ACP) within the renewable portfolio standard (RPS) under § 9-20B-05 of the State Government Article. This revenue stream is deposited into the Strategic Energy Investment Fund (SEIF), where it is administered by the Maryland Energy Administration (MEA). The MEA appreciates the examination of a reprioritization of these funds, and would draw attention to the following observations regarding the bill.

#### ***The Current Allocation of ACP and SEIF Revenue Emphasizes LMI Benefit***

The largest revenue streams contributing to the SIEF in FY22 were the Regional Greenhouse Gas Initiative (RGGI) auctions, and ACP. To meet its purpose, the SEIF is segmented, by statute, into different permissible uses at specific, minimum funding levels (as a percentage of revenue, based on revenue source). Approximately **74% of SEIF is currently committed to low-to-moderate income (LMI) programs**. This includes utility bill payment assistance, low-income solar programing, and the low-to-moderate income energy efficiency program.

SB 664 concentrates ACP funding within a specific program intended to target rooftop solar installations. **This may, in future program years, significantly reduce the overall percentage of SEIF utilized for the direct benefit of LMI Marylanders.**

#### ***Conflict with Significant Inflation Reduction Act Programs***

The bill requires MEA in turn to require any person selling a Tier 1 renewable source of energy (i.e. solar installation) to provide the buyer with certain information regarding economic benefits. This will be difficult to accomplish for two reasons.

Firstly, the Solar Energy Rebate Program is a fist-come, fist-served program where applications are received only *after* a solar project is complete, and well after the execution of the sale/contract. It may not be beneficial to provide that information at this time.

For MEA to require this of a solar installer outside of the Solar Energy Rebate Program, MEA would require additional regulatory authority. Currently, MEA only regulates efficiency standards for certain appliances, as outlined in law. MEA would need the clear ability to regulate

the sale or transfer of Tier 1 resources in order to execute this sort of influence prior to the sale or transfer of those Tier 1 sources. This would likely raise other regulatory issues for the solar industry, such as retirement of assets, recycling of assets, sales limitations, cosited energy storage asset regulation, etc., etc. **MEA is not currently staffed or prepared to become the *de facto* regulatory authority over the sale of solar assets.**

### ***Conclusion***

The bill represents a paradigm shift for solar incentives in Maryland. While the occasional review and realignment of energy resources may be appropriate, MEA asks the committee to carefully consider the forgoing information before rendering its report.