



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

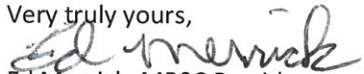
Dear Chairman Feldman and Members of the Committee,

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,


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.

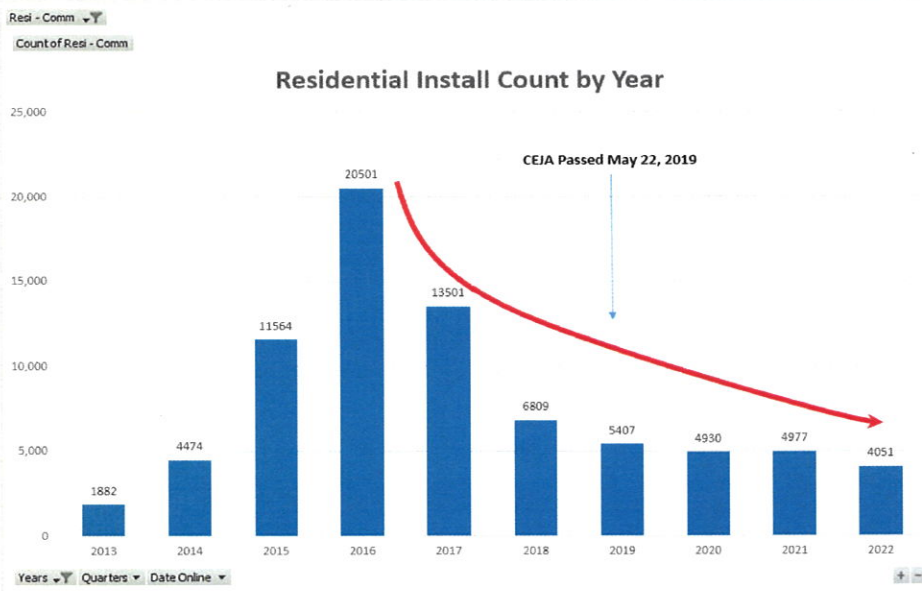
STRUGGLING MARKET

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.³ In 2022, SEIF will receive around \$77 million.⁴

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.³ 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.⁵ The combination of high average electric rates and high average energy usages (20th 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.⁶

For more information, please visit our website at Marylandrooftopsolarcoalition.org

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

² MD Residential Install Count Graph, PJM GATS.

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

⁴ PSC of MD, RPS Report, November 2022. https://www.psc.state.md.us/wp-content/uploads/CY21-RPS-Annual-Report_Final.pdf

⁵ Md Low-Income Market Characterization Report. https://assets.ctfassets.net/ntcn17ss1ow9/4YFX12RD3KNTx6uIRDxQYR/c445a91365b8211bc0d0e7cc374112e3/APPRISE_Maryland_Low-Income_Market_Characterization_Report_-_September_2018.pdf

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