

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 2022.¹

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 2021.² During that same period, the number of solar jobs in Maryland dropped from more than 5,400 to 4,800.³ The residential solar sector creates 10 times more jobs per megawatt installed than the utility-scale industry.⁴ 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.⁵ 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.⁶ 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.⁷ 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.

¹ 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

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

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

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

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

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

⁷ 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.⁸

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.⁹ An energy burden of 6% or more is considered high.¹⁰ 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:

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

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

¹⁰ 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.^{11,12} 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.¹³ 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

¹¹ 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>

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

¹³ Source: Maryland Energy Administration, Accessed: 2/24/23, Available At:

<https://energy.maryland.gov/Reports/FY22%20SEIF%20Report%20Vol%201%20Final.pdf>