Committee: **Economic Matters**
Testimony on: **HB1046 "Public Utilities - Distributed Generation Certificate of Public Convenience and Necessity"**
Position: **Support**
Hearing Date: **April 6, 2024**

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of HB1046, which will establish a standardized approach to Public Service Commission (PSC) review of Community Solar projects of size greater than 2 megawatts and not larger than 5 megawatts and allow the PSC to issue a "Distributed Generation Certificate of Public Convenience and Necessity" (DG-CPCN) based on that review.

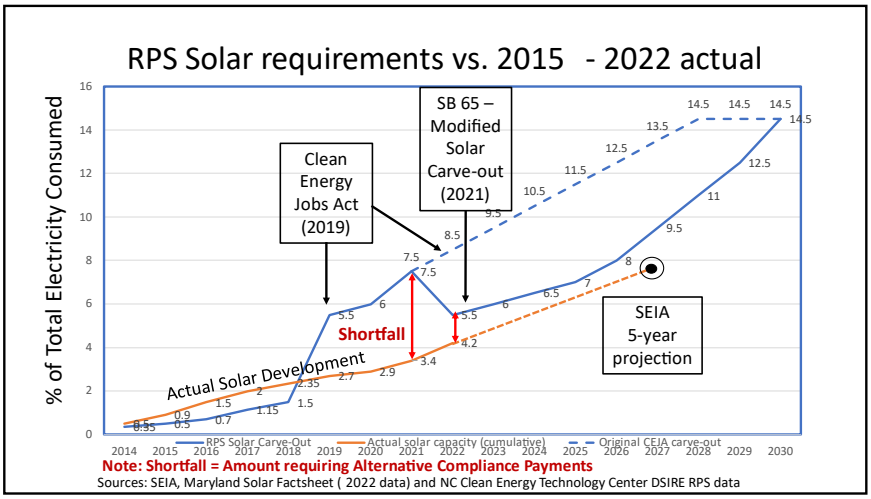
CPSR has been an active stakeholder in the development of the state's Community Solar program. From passage of the 2015 legislation establishing Community Solar as a pilot program until the establishment of Community Solar as a permanent program in 2023, CPSR was an active member of the PSC's "Net Metering Working Group," which developed the regulations governing the program and was responsible for overseeing its implementation. During that time, we also participated in two legislative consultations on solar development in Maryland, as well as in development of the recent "Solar Deep Dive" submitted to Climate Commission to provide in-depth technical analyses of the barriers to solar development in the state and potential actions to address those barriers. We have also participated in solar development policy deliberations in six counties. We are presently active participants in the PSCs Distribution System Planning Work Group, which is charged with developing the basis for planning processes that will achieve the state's greenhouse gas reduction goals and the requirements for grid modernization legislatively established in the Climate Solutions Now Act – including the incorporation of increasing amounts of distributed energy generation, especially photovoltaic (PV) solar.

From this experience, we offer the following findings as the basis for consideration of the actions proposed in HB1046:

- **The expansion of solar – and especially Community Solar - is key to the state's achievement of its greenhouse gas reduction and clean renewable energy goals** – Besides its importance as a new industry that creates largely in-state jobs, for the foreseeable future PV solar will be our state's main mechanism to increase clean renewable energy. While offshore wind (OSW)will ultimately be our greatest source of clean renewable energy, its economic, political, logistic, transmission, and manufacturing dimensions mean that it will be several years before it can begin providing electricity to Marylanders. Our PJM multi-state grid's backlog of large wind, transmission, and utility scale solar projects will itself add to the delay in those projects coming online. At the same time, electricity demand will increase with increased electrification, including electric vehicles and heat pumps. PV solar in all forms – rooftop, commercial, community, and utility - is the only clean energy technology that is essentially "out-of-the-box" ready to deploy to meet this increasing demand (and utility scale projects greater than 10 MW will be stuck in the PJM queue).

- **Maryland is not on track to meet its established trajectory for solar development** –
  As the graph below shows, we are substantially behind the solar trajectory established in the 2019 Clean Energy Jobs Act, and continue to fall below the substantially reduced trajectory established by SB 65 in 2021. The endpoint of both legislated trajectories (with the end date legislatively adjusted to 2031) is that solar needs to reach 14.5 percent of total electricity consumed in the state. The PSC has estimated that this will require 6,200 megawatts of solar by 2031 (conservatively assuming relatively flat levels of electricity consumption); as of the end of 2022, the Solar Energy Industries Association (SEIA) has documented 1,865 megawatts of solar installed (all categories, including residential, commercial, community, and utility scale). This will require an additional 4,335 megawatts of solar to be developed by 2031, or an average of 482 megawatts a year – far more than we have ever built.

Maryland solar progress



- **The expanded deployment of Community Solar is critical to meet this requirement for increased solar capacity –**
  The development of other forms of solar in Maryland has important limitations. Utility scale solar development is experiencing an undetermined delay caused by the PJM grid's "pause" on approval of new projects. And an estimated 75% of Maryland households can't have rooftop solar. Community Solar can serve them, and importantly - by legislative requirement – can serve the 40% of Marylanders who are low- and moderate-income and who otherwise will be last to get solar. While Community Solar projects come in all sizes up to 5 megawatts, this large segment of homes and businesses that Community Solar can serve means that large projects will especially be needed to meet this need, and also to do it at lowest cost by realizing greater economies of scale.
- **Community Solar projects larger than 2 megawatts are required to go through the existing CPCN process, which was designed for large power generating plants and transmission projects and is complex** –
  The existing CPCN process was designed for large and unique projects such as construction of a large power generating plant or a new component of the transmission system. Because each such project is unique, the requirements for the various aspects of project impact are multiple, open-ended, and variable. Some them are not relevant to solar projects. The associated complexity results in a lengthy process involving both Power Plant Research Program (PPRP) and PSC review,

sometimes with other agency inputs required. Overall, the content, length, and cost of the existing CPCN process are disproportionate to the size and relative simplicity of Community Solar.

- **Although most parameters are common across Community Solar projects, the state has not so far established any common reference standards to support local jurisdictions or the CPCN process.**
  While most characteristics of solar projects are fairly uniform, the case-by-case variability of the CPCN process makes it hard for solar project developers to know if their design will be approved or require expensive re-design. At the same time, local jurisdictions have also had to operate without any uniform standards appropriate to evaluate Community Solar projects – the result has been the existence of 24 different sets of project approval and permitting requirements. Besides requiring individualized CPCN review and approval for every Community Solar project, this inconsistency of requirements across local jurisdictions has discouraged some solar developers from working in Maryland.
- **Without simplification of the CPCN process for solar, the substantial increase in Community Solar development needed to help meet Maryland's goals will present an increasing burden on the agencies involved in CPCN review, including PPRP and the PSC itself –**
  Although the legislation increasing Community Solar project size was passed less than two years ago, there are already several Community Solar projects larger than 2 megawatts being developed under the still limited capacity of the Pilot Program. Others of that size have already entered the waiting list for approval, pending the removal of program capacity limits when the permanent program regulations are established. Given the critical role of Community Solar in meeting the state's need for accelerated solar development and the unmet demand for Community Solar among residents, the number of such larger projects will rapidly increase. While the annual volume of traditional large generation plant and transmission projects has been small, this rapidly increasing number of Community Solar projects requiring CPCN review will be a major increase in load on that process – potentially leading to the type of overload and "pause" that has arrested progress at the PJM level.

With these findings in mind, we support a favorable report on HB1046 for the following reasons:

- **It will provide a standardized solar-appropriate basis for PSC evaluation of Community Solar projects large enough to require a CPCN.**
  HB1046 proposes consultative development by the PPRP of standard design requirements and licensing conditions, based on industry and local best practices and public input. This approach will take into consideration the many requirements of solar development that can be standardized – such as setbacks, landscape visual screening, environmental protection, stormwater management, and public safety.

  Using this set of standardized requirements will streamline the PSC's review process, allowing the approval of a solar-specific "Distributed Generation Certificate of Public Convenience and Necessity" (DG-CPCN).

- **By doing so, it will facilitate project design and streamline the process and burden of CPCN review for those projects and the reviewing agencies.**
  Having the requirements defined through this standardized process and the potential approval of a DG-CPCN will give solar project developers clarity on key aspects of project design. This in turn will increase the probability of a successful application, reduce the possibility of prolonged and costly litigation of a failed application, and also reduce the need for costly delay and redesign of a project. This standardization and the associated predictability of requirements will result in more

projects being adequately designed, leading to more rapid review using the standardized requirements as yardstick, and resulting in more projects moving forward in a timely manner while reducing the extra load on the PPRP and PSC.

We therefore urge the Committee to issue a favorable report on HB1046.

Respectfully,

Alfred Bartlett, M.D., F.A.A.P.
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