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Committee: Economic Matters

Testimony on: HB1435 “Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)”

Position: Support

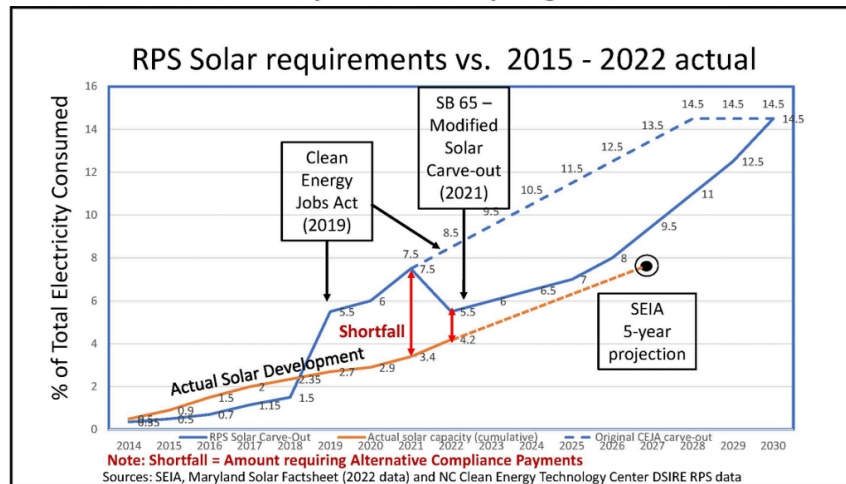
Hearing Date: March 7, 2024

The Maryland Chapter of the Sierra Club urges this Committee to favorably report HB 1435, the Brighter Tomorrow Act.

Solar energy is an essential component of Maryland’s strategy in transitioning the state to clean renewable energy. Accordingly, through the Clean Energy Jobs Act (2019), Maryland set the statutory target of achieving 14.5% of the state’s electricity consumption from solar generation by 2030. This goal was incorporated as a core element of MDE’s recently released Climate Pollution Reduction Plan, which serves as the roadmap to achieve the goals in the Climate Solutions Now Act.

Unfortunately, Maryland is falling far short of achieving its annual solar energy targets.

Maryland solar progress



This means we are falling short not only on our clean energy goals, but also endangering our climate goals. It is clear that our financial incentive structure and regulatory framework must be adjusted to accelerate solar deployment. The Chapter supports well-designed legislation, like HB1435, to better incentivize increased deployment of solar in order to reach the state’s goals and help address the climate crisis.

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

HB 1435 would allow non-profits, municipal or county governments, or state government units to generate a larger amount of meter aggregated energy, increasing use of renewable energy, lowering emissions, and helping to stabilize the grid. The bill would also direct the PSC to create a *Small Solar Energy Generating System Incentive Program* that will provide additional solar renewable energy credits (RECs) to solar energy generating systems that are certified by the PSC. Under the bill, the new PSC program would incentivize locating solar generating systems on existing infrastructure like rooftops, parking canopies, or brownfields, which will lower impacts on open space and water quality.

Different types of solar provide different benefits to the grid and to society. For example, rooftop solar provides increased distributed generation, while development on brownfields and parking lots maximize use of previously developed land. Providing differentiated incentives for different types of solar is a more sophisticated and effective strategy to accelerate solar deployment.

Other appropriate incentives provided by the bill would include mandating a prevailing wage for workers unless a project labor agreement is in place, extending by five years the time period by which a community solar energy generating system can claim a property tax exemption, exempting non-residential solar energy generating systems built on rooftops or parking canopies from valuation or property tax, and providing local governments a pathway for payments in lieu of taxes. All of these provisions will help further deploy solar energy within our state, increasing the likelihood of achieving our solar RPS goals.

The Sierra Club believes that Maryland should increase its incentives for solar generation and deployment. This bill would create well-designed additional tools to be added to the toolbox.

For these reasons, we recommend the Committee favorably report HB 1435.

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