



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 7, 2024

BILL NUMBER: House Bill 1046 – First Reader

SHORT TITLE: Public Utilities – Distributed Generation Certificate of Public Convenience and Necessity

DEPARTMENT’S POSITION: LETTER OF INFORMATION

EXPLANATION OF DEPARTMENT’S POSITION:

The Maryland Department of Natural Resources provides the following regarding House Bill 1046. PPRP recognizes the benefits of an expedited community solar review while maintaining the integrity of the CPCN review process. The impact of the bill is significant on the Power Plant Research Program (PPRP) in both additional expenditures and the need for more staff including an additional attorney. There are also no additional funds provided in the bill for increased PPRP staff and consultants. In addition to that, PPRP is concerned that no standard conditions can be formulated that apply to all solar cases within the diverse Maryland landscapes.

BACKGROUND INFORMATION:

PPRP coordinates the environmental and socioeconomic statewide CPCN. As such, PPRP examines approximately 70 factors related to the potential impact of solar generation projects in coordination with the seven state agencies. PPRP has both the expertise and experience to complete the analysis of these complicated tasks with proficiency while new staff members will be directed to the ongoing caseload. A significant and increasing number of consultants will continue to assist PPRP. PPRP currently submits a Project Assessment Report, Testimony, Licensing Conditions, and a recommendation for the Project to the PSC.

The Power Plant Research Program at the Department is funded through the Environmental Trust Fund Surcharge on all electricity customers in the State. The current rate of \$.0001500/kWh has been in place for the last 35 years and if PPRP’s workload continues to be increased, the current funding levels from the Environmental Trust Fund will not be able to meet future and current workloads.

BILL EXPLANATION:

This bill requires PPRP to develop standard siting and design requirements and standard licensing conditions, ostensibly to facilitate the CPCN license review of community solar projects from 2 to 5 MW. PPRP has six months to complete a CPCN license review and submit recommendations to the PSC. It should be noted that PPRP has never been the cause of a delay in the PSC’s Procedural Schedule. While developing the standard siting and design requirements under this bill, PPRP must allow public comments and consider several factors. But these are submitted to the PSC who have no opportunity to modify them but must adopt regulations reflecting these conditions. Once the PSC adopts regulations for a DGPCPN, applicants may submit community solar projects to the PSC.

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