



March 5, 2024

Delegate C. T. Wilson
Chair
House Economic Matters Committee
231 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

Delegate Brian M. Crosby
Vice Chair
House Economic Matters Committee
231 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

RE: SEIA Support for HB1046– Public Utilities - Distributed Generation Certificate of Public Convenience and Necessity

Dear Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee:

I am writing on behalf of the Solar Energy Industries Association (“SEIA”) in **support** of HB1046 (Clippinger) which establishes a distributed generation certificate of public convenience and necessity to authorize the construction and operation of a certain distributed solar energy generating system; requires the Power Plant Research Program to develop and submit to the Public Service Commission proposed siting and design requirements and licensing conditions; and prohibits a person from being required to obtain a distributed generation certificate of public convenience and necessity until a certain condition is met. It was referred to the House Economic Matters Committee on February 7, 2024.

Founded in 1974, SEIA is the national trade association for the solar and storage industries, building a comprehensive vision for the advancement of these technologies. SEIA is leading the transformation to a clean energy economy by supporting policy measures that will drive needed investment in clean, domestic, local job-producing solar generation. We work with our 1,200+ member companies, which include solar manufacturers, service providers, residential, community and utility-scale solar developers, installers, construction firms, and investment firms, as well as other strategic partners, to shape fair market rules that promote competition and the growth of reliable, low-cost solar power. Maryland is currently home to more than 200 solar businesses with many more national firms also conducting business in the state.

Last year, this legislative body passed HB908, which established a permanent community solar program in the state of Maryland. Community solar provides homeowners, renters, and businesses equal access to the economic and environmental benefits of solar energy generation regardless of the physical attributes or ownership of their home or business. Community solar expands access to solar for all, in particular low-to-moderate income utility customers. Maryland’s community solar program requires every project to dedicate at least 40% of its capacity for lower income customers, and ensures all participating residential customers will have lower electricity costs.

It is critical that Maryland maximizes the economic and business opportunities associated with solar generation. Unfortunately, Maryland is behind in meeting its nation-leading solar targets, but community solar is poised for significant growth in Maryland in the coming years and is projected to be a major contributor to meeting the State's 14.5% solar energy requirement.

In 2022, the project size for community solar was increased from 2 to 5 megawatts, consistent with other community solar markets, and allow increasing economies of scale while still being on the distribution system and close to communities. Projects above 2 megawatts fall within the permitting jurisdiction of the state via the Maryland Public Service Commission and its Certificate of Public Convenience and Necessity ("CPCN") process.

Maryland's CPCN process is well equipped to handle complex utility-scale and transmission-based permitting reviews where each project is significantly different from the next. However, it is not well-aligned for most community solar projects, which are typically similar in size and design. Further, a CPCN can entail an adjudicated process that requires a disproportionate amount of time and cost for project developers relative to what's need for community solar project scale and impact. This misalignment between the permitting process and unique needs of community solar projects threatens to slow down and undermine renewable energy deployment. It will create an outsized burden not just for solar developers, but also the state agencies involved in CPCN reviews. This issue is compounded by the fact that the number of CPCN applications will grow exponentially in the coming years due to community solar.

HB1046 creates a Distributed Generation ("DG") CPCN process for qualifying community solar projects that will result in an optimal design and siting process for these projects. Developers will be incented to leverage the DG-CPCN rather than standard CPCN process. To qualify, projects will need to meet the siting and design standards established by the state and informed by stakeholder input and industry best practices. HB1046 will right-size the cost, time, and resource investments by community solar developers to be commensurate with project scale and impact. Public agencies will likewise benefit from an efficient yet robust process that facilitates clean energy deployment in the state. HB1046 will enable faster deployment of community solar, contributing to the state's solar energy requirements and providing customers, especially those who are low-moderate income, with access to clean energy and electricity savings, thus also supporting the state's equity goals.

For these reasons, SEIA strongly **supports** this legislation and respectfully urges the Committee to issue a favorable report on HB1046. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Leah Meredith

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