

Testimony of the Advocates for Herring Bay¹
Regarding HB 1435 – Renewable Energy
Submitted by Stephen Marley, March 5, 2024

Favorable with amendments

The Advocates for Herring Bay (AHB) commend the sponsors for proposing legislation that would provide financial incentives for solar energy generation facilities installed on rooftops, brownfields, and parking lots. Incentives targeted to systems installed on impervious and impaired surfaces will help diversify Maryland’s portfolio of in-state solar generation and reduce development pressures on forested and other sensitive lands.

AHB believes effectiveness of HB 1435 could be strengthened by amending the bill in three ways:

1. Increase the monetary value of incentives for solar canopies. Tapping the potential of parking lots has become more urgent as Maryland tries to increase solar generation in its most populous counties.² One of the biggest barriers to using parking lots for solar is their cost. While current cost data are not publicly available, news sources have cited industry data suggesting that parking canopies cost about 40 to 55 percent more than rooftop systems in 2022.³

As introduced, HB 1435’s incentive program for small solar generating systems assigns the same premium for parking lots as for rooftops and brownfields (see Section 7-709.1(G)(II)). Given the significantly higher cost of parking canopies, AHB recommends amending the bill to create a separate multiplier for parking canopies. We urge the Committee to seek guidance on the appropriate size of a solar canopy multiplier from economists with expertise in solar development costs.

Making solar parking canopies financially viable could speed solar installations in regions that have tens of thousands of acres of paved parking surfaces.⁴ Having an effective multiplier also could allow the Maryland Energy Administration to provide grants to more projects by reducing the amount of state funding needed to make solar parking canopies profitable.⁵

Illustrative text for incentives for parking canopies

7-709.1(G) page 6

Line 11: strike “a parking canopy”

After line 13, insert:

(III) For systems with a generating capacity of up to 2 megawatts, as measured by the alternating current rating of the system’s inverters, that are located on a parking canopy, [TBD percent] credit toward meeting the renewable energy portfolio standard for energy derived from solar.

¹ The Advocates for Herring Bay, Inc. is a community-based environmental group in Anne Arundel County.

² See [HB 1407](#), which calls for setting county-by-county targets for solar generation based on population and electricity use. Under that formula, over 50 percent of the state’s renewable energy would be provided by four counties: Montgomery, Prince George’s, Baltimore, and Anne Arundel.

³ See *Time*, [The Overlooked Solar Potential of America's Parking Lots](#), citing an analysis by Wood Mackenzie, December 22, 2022.

⁴ See the U.S. Geological Survey’s 2019 update of estimates of the acreage of [paved surface parking lots](#). It shows that parking surfaces accounted for about 3.5% of the land in Prince George’s and Anne Arundel Counties in 2012.

⁵ In recent years, MEA has spent about \$1 million a year to help finance a small number of [canopy projects](#).

2. Consider defining the “the entire life cycle of the system” for the purpose of determining eligibility for state financial incentives. In the absence of a definition of that term, HB 1435 could allow solar projects to receive financial benefits indefinitely. That period could extend decades if, as expected, some solar sites are kept in operation by continuous upgrades like those seen in the repowering of wind projects⁶ and in the nuclear power industry, where projects originally licensed for 40 years are seeking approval to operate for up to 80 years.

In our view, state financial incentives should be targeted to solar projects that need subsidies to be economically viable. Continuing to provide subsidies when they are no longer needed runs the risk of misallocating ratepayer funds and reducing Maryland’s ability to leverage limited resources for other priority projects.

To address the ambiguity about the duration of benefits, AHB recommends amending section 7-709.1 to add a definition of the term “entire life cycle of the system.” We suggest defining it in a manner that will limit eligibility to the period of time needed for projects to be economically viable.

3. Confirm the environmental regulatory regime for aggregate net-metered projects larger than 2 megawatts. Under existing law, electric generation facilities equal to or smaller than 2 megawatts are regulated by local governments while larger projects are required to obtain a Certificate of Public Convenience and Necessity from the Public Service Commission (PSC).

Because aggregate net-metered services are provided by agricultural, municipal, and nonprofit entities, there may be some uncertainty about whether PSC or local environmental regulations will apply to the larger projects authorized by section 7-306(g)(8). AHB would oppose any weakening of environmental regulatory protections for projects larger than 2 megawatts. We urge the Committee to add language ensuring that all projects remain subject to effective oversight.

⁶ See, for example, [Repowering Will Represent Nearly Half of All New Wind Capacity in 2024](#), Utility Dive, February 22, 2024.