

**HB1256 Electricity – Net Energy Metering – Accrual of Net Excess Generation (Net Metering Flexibility Act)**

**Maryland House of Delegates**

**446th Session of the General Assembly**

**March 7, 2024**

**Position: Favorable**

## Testimony of Arcadia on HB1256

Thank you for the opportunity to submit testimony on this legislation. Arcadia urges the House Economic Matters Committee to favorably report out this important legislation. Below is an introduction to Arcadia (or “the Company”) and an explanation of why we support this legislation with amendment.

### **Introduction to Arcadia**

Arcadia is building the software necessary for Marylanders to realize the full benefits of clean energy.

Today, customers face a bewildering assortment of energy technologies – ranging from energy efficiency and renewable energy to battery storage and electric vehicles (EVs) – all of which have unique capabilities, costs, and user experiences. Arcadia’s software makes it possible for energy technology providers to delight their customers and move clean energy forward by enabling a simple user experience that saves people money.

The Company’s software is revolutionizing community solar, making it easy for people to sign up with guaranteed savings and without any risk. Today, Arcadia manages more than 84 MW across 54 projects in Maryland and more than 2 gigawatt nationwide and 200,000 subscribers, making it the largest community solar subscriber manager in the country.

### **Support for HB1256**

Arcadia is proud to be a leader in community solar. In addition to providing bill savings and connecting customers to local solar farms, the Company views community solar as the launching point for many customers to begin their beneficial electrification journey. Intuitively, households that have a good experience participating in a community solar project and receiving regular bill savings are increasingly interested in pursuing additional electrification measures, like installing a heat pump, purchasing or leasing an electric vehicle, and investing in energy efficiency and weatherization efforts.

HB1256 brings additional opportunities for electrification within reach of households looking to take the next step in their electrification journey and Arcadia provides the software and data necessary for climate technology companies serving that market. Most notably, this bill would spur innovation and beneficial electrification by:

- **Launching a Virtual Power Plant (VPP) pilot.** VPPs aggregate distributed energy resources across households and businesses, and stand to dramatically reduce peak load, which lowers electricity costs and reduces the greenhouse gas intensity of the state's power supply. Successful VPP pilots are underway across the country, from California to New York, and Maryland should not be left behind.
- **Expanding time-of-use (TOU) rate participation.** With proper consumer protections, all Marylanders stand to benefit from participation in a TOU rate – both through lower energy bills and through reduced peak load and diminished grid congestion.
- **Catalyzing bi-directional EV adoption and utilization.** Allowing Maryland EVs to power homes will reduce peak demand and drive EV adoption.

### **Proposed amendment**

Arcadia proposes that all new tariffs to increase TOU rate adoption, compensate VPPs, and compensate vehicle-to-grid and vehicle-to-home applications be based on historical data, grid conditions and prices as opposed to real-time market prices. While alluring, real-time market signals are incredibly complicated and provide marginal value beyond historic data. In addition, such signals are agonizingly difficult for customers to optimize around, increasing the risk of needlessly high energy bills and lower adoption rates. Arcadia's proposal will increase simplicity and make it easier for customers to understand how to optimize around peak load, maximizing adoption and savings.

This legislation with amendment, can help Maryland maintain its position as a national leader in innovative clean energy policy.

### **Conclusion**

Arcadia asks for a favorable report on HB1256 with amendment. I appreciate the opportunity to provide this testimony and would be happy to answer any questions you may have. Please do not hesitate to contact me if you would like to discuss further.

*/s/James Feinstein*

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