

Letter of Information  
Economic Matters  
3/7/2024

**House Bill 1435- Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)**

Baltimore Gas and Electric Company (BGE) offers this letter of information on *House Bill 1435 - Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)*. *House Bill 1435* authorizes an eligible customer-generator participating in meter aggregation to receive excess generation from more than one generating system. This bill alters the maximum generating capacity authorized for net metered generating facilities to 5-megawatts (MW). The legislation also requires the Public Service Commission (Commission) to establish a Small Solar Energy Generating System Incentive Program and create property tax exemptions for certain types of solar projects.

While BGE remains dedicated to supporting the state’s decarbonization goals and efforts to promote renewable energy sources, we are concerned the implementation of the bill will impact our ability to continue providing a superior service to our customers.

BGE has two major concerns with *House Bill 1435*. First, this legislation takes effect June 1, 2024, and allows a generator participating in meter aggregation to receive excess generation from more than one generating system. Currently, BGE’s host/aggregation billing system only allows the aggregate to receive kilowatt hours (kWh) from a single host account. Our billing system cannot accommodate applying generation from two different sources to one account, and currently the host provides a list of priority account that is used to allocate the kilowatt hours for its multiple accounts. This legislation will require significant modifications to our existing billing system, which could be costly.

Furthermore, BGE is already undertaking significant upgrades to our IT systems to accommodate requirements associated with Supplier Consolidated Billing, which was approved by the Commission; and we are also implementing changes necessitated by making permanent the Community Solar pilot program (mandated in 2023 under House Bill 908). BGE cannot at this time comply with the timelines required in this legislation and would need more time to make the necessary operational and system changes to execute the requirements of the bill.

Additionally, §7-306 (g)(2) and (g)(3) requires that eligible customer-generators meet safety and performance standards for net metering established by the National Electrical Code, the

BGE, headquartered in Baltimore, is Maryland’s largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company’s approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation’s largest energy delivery company.

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Institute of Electrical and Electronic Engineers, and Underwriters Laboratories. BGE is concerned that this legislation fails to align with current practices and does not consider the need for electric companies to identify and develop additional standards that are the most feasible, and safe options for our customers. Delegating this authority presents significant operational challenges to the utility and safety risks to the system. We also believe regulations are not needed for utility to develop enhanced safety standards. BGE upholds “good engineering judgment and practice” for which it bears responsibility.

Furthermore, the Federal Energy Regulatory Commission (FERC) issued Order No. 2222 to address challenges with distributed energy aggregation, and the Maryland Public Service Commission (Commission) is already exploring the matter in the Interconnection Workgroup Phase 6. BGE recommends allowing the Commission to establish and approve the requirements for net-metering aggregation. We believe that an in-service date starting after the Commission has fully approved the requirements would provide the adequate time to implement the program.

Despite the company’s support of incentivizing customers to adopt renewable energy technology options, BGE has reservations related to the bill as proposed. We look forward to working with the bill sponsors to address our concerns with the timeline to implement the requirements of this legislation.

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