8 February 2024

Senator Brian Feldman, Chair
Education, Energy, and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

Oral and Written Testimony
SB416: Renewable Energy – Customer-Sited Solar Program

Position: Favorable

Chair Feldman, Vice Chair Kagan, Members of the Committee, thank you for the opportunity to testify on Senate Bill 416, Renewable Energy – Customer-Sited Solar Program. I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association has over 100 member companies in the solar and energy storage industries. Many members are Maryland-based. Others are regional and national companies with an interest and/or business footprint in the state. Our purpose is to promote the mainstream adoption of local solar, large-scale solar, and battery storage throughout the electric grid in order to realize a stable and affordable grid for all consumers.

I am here to provide favorable testimony on SB416, Renewable Energy – Customer-Sited Solar Program, which would create new residential solar grants that prioritize solar adoption for low-income households in Low and Moderate Income communities, Overburdened communities, and Underserved communities. This bill would lower obstacles to solar development and help Maryland move closer to unlocking the lowest cost path to a clean energy future.

As Marylanders fully electrify their buildings and purchase electric vehicles, they will become more reliant on the electric grid than at any previous point. The grid of the future will have the combined roles that today's grid, natural gas system, and gas stations have. For the grid to serve those roles, it will need to look and act differently. It will need to account for higher statewide electric loads, and greater electric demand in peak periods. And, the higher peak demand gets, the more expensive the electric grid becomes, due to expensive infrastructure expansion and higher peak energy pricing. If clean energy policy lowers peak demand, it lowers the cost of the grid.

States across the country, including Maryland, are just beginning to incorporate assumptions for building and transportation electrification into their projections. In a 2023 report, the U.S. Department of Energy estimates that nationwide peak demand will increase by over 40 percent by 2050. However, there is a lag in Maryland data and modeling. The November 2023 report from the Public Service Commission to the Department of Natural Resources, "Ten-Year Plan (2023-2032) of Electric Companies in Maryland", does not even reference electric vehicles and their anticipated grid

impact. The Maryland energy grid problem is vastly understated as a result. If Maryland's electric future follows anywhere near the projected national trend, it needs to step up the clean energy build-out throughout the state at the same time as handling fossil fuel retirements. That means scaling up statewide solar adoption of all kinds, as soon as possible.

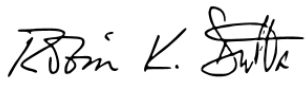
It is essential that Maryland's clean energy scale up comes at the lowest cost with the highest value. Put another way, Maryland needs to lower that runaway peak demand that could come from electric vehicle adoption. Not prioritizing such a path could burden already-burdened families with higher costs for electric grid projects that are unnecessary. That requires implementing a proactive strategy of deploying Distributed Energy Resources (DERs), such as distributed solar and storage, across all geographic areas and communities. When there are more distributed clean energy systems in communities, there is greater potential for not only increased reliability and resiliency assets, but there are also key grid assets that can support local energy demand and help off-set peak demand. Coupled with a build-out of large-scale renewables in and near Maryland, the state can advance its clean energy future while prioritizing a stable and affordable electric grid.

In order for Low and Moderate Income communities, Overburdened communities, and Underserved communities to not be left behind, it is imperative that state policy helps lower barriers for consumers in those communities to adopt distributed solar (paired with energy storage wherever possible). Since all geographic areas need to lower their peak demand and increase their local clean energy, state programs like the one proposed in SB416 should help consumers adopt energy strategies that not only lower energy bills but also can be leveraged (through other types of programs) to lower peak demand and lessen strain on the electric grid. The first step is to deploy DERs in an effective and equitable manner, as SB416 aims to do.

For these reasons, CHESSA strongly supports SB416. It can be a vital policy tool to help those communities deploy distributed solar and storage and contribute to a stable and affordable grid of the future. No community should be left out of the clean energy transition, and every community can be a part of the clean energy solutions.

Please reach out with any questions on solar and storage policy. CHESSA is here to be a resource to the committee.

Sincerely,



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