SB0783_FAV_City of Rockville_Brighter Tomorrow Act
Uploaded by: Adam Van Grack
Position: FAV

Mayor and Council of Rockville

Telephone: 240-314-8870

Email: eshingara@rockvillemd.gov
CONTACT: Erica Shingara,
Chief of Environmental Management

SB 783: ELECTRICITY – RENEWABLE ENERGY – NET ENERGY METERING AGGREGATION, SOLAR RENEWABLE ENERGY CREDITS, AND TAXES ON SOLAR ENERGY GENERATING SYSTEMS (BRIGHTER TOMORROW ACT)

SUPPORT

Good afternoon, Chair Feldman, Vice Chair Kagan, and other members of the Senate Education, Energy, and the Environment Committee. My name is Adam Van Grack. I am a Rockville City Councilmember and the Council Liaison to the Rockville Environment Commission. Thank you for the opportunity to comment on SB 783, also known as the Brighter Tomorrow Act.

The City of Rockville, with its population of nearly 70,000, adopted a Climate Action Plan in 2022 with goals to increase the Maryland Renewable Energy Standard, increase the number of private solar installations in the city, and increase the number of solar systems installed on city-owned buildings and property.

Accordingly, the City of Rockville Mayor and Council unanimously support SB 783 as it demonstrates state leadership to increase investment in renewable electricity generating systems in Maryland. This important legislation codifies several of the recommendations from the Maryland Task Force to Study Solar Incentives and removes barriers to installing net-metered small solar systems, which are needed to meet the energy goals established in Maryland's Renewable Portfolio Standard. The legislation establishes a Small Solar Energy Generating System Incentive Program that increases the renewable energy credits for small systems located on rooftops, parking canopies, or brownfields. This incentive is needed to help offset the costs of building smaller systems in urban and suburban environments. The Brighter Tomorrow Act also eliminates state property taxes assessed for nonresidential rooftop or parking canopy solar and allows counties and municipalities to exempt parking canopy solar from their local property tax. While this reasonable adjustment may slightly impact revenue opportunities for local governments, this adjustment is a small trade-off to incentivize these important systems.

Succinctly, City of Rockville Mayor and Council strongly support the General Assembly's efforts to facilitate expansion of renewable energy systems in Maryland. We urge the Committee to provide this legislation with a favorable report. We thank the Committee for considering Rockville's comments as it deliberates the merits of this legislation.

SB 783 Comments.pdf
Uploaded by: Ally Niphakis
Position: FAV

Re: SB 783

Good morning, Council members and staff. Thank you for allowing this opportunity to submit comments supporting SB 783.

Xpansiv company, SRECTrade
SRECTrade is a management and transaction platform for Solar Renewable Energy Certificates (SRECs) and clean transportation markets across North America, with more than a gigawatt of environmental assets under management. Since 2008, SRECTrade has been a domain expert in environmental-commodity markets, bringing a wealth of knowledge and transparency to the clean-energy industry. Our platform and presence in REC and LCFS (Low Carbon Fuel Standard) markets complements Xpansiv's rapidly expanding ESG infrastructure, which includes CBL, the largest spot exchange for carbon, RECs, and Digital Fuels; XSignals, which provides end-of-day and historical market data; EMA, the leading multi-registry portfolio management system for all environmental commodities; and APX, the leading provider of registry infrastructure for energy and environmental markets.

SB 357
SRECTrade greatly supports SB 783.

SRECTrade currently manages over 19,000 assets in the state of Maryland. We also work with over 30 residential and small commercial solar installers.

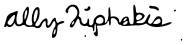
The Maryland SREC market has been greatly undersupplied since 2022. There are not enough SRECs for utilities to purchase to meet their Renewable Portfolio Standard (RPS) obligations. In 2022, $85 million in ACP payments were made by the utilities because there were not enough SRECs on the market to purchase. The build rates for solar projects are not enough to meet Maryland's Renewable Energy goals.

Creating an SREC multiplier will give a greater incentive for owners to adopt solar. SREC prices are set to decline as the Solar Alternative Compliance Payment (SACP) schedule declines. We've heard from numerous solar installers that the price of residential projects is going up and it's harder to sell these systems. Additional SRECs will make it attainable for more Maryland residents to afford solar systems on their houses and businesses.

SRECTrade is willing to provide additional information and resources if necessary.

125 S Highway 101 #1006, Solana Beach, CA 92075 | Toll Free: (877) 466-4606 | Direct: (415) 763-7732

Respectfully,



Ally Niphakis
SRECTrade

SB 783 Renewable Energy – Net Energy Metering Aggr

Uploaded by: Cait Kerr

Position: FAV

The Nature Conservancy
Protecting nature. Preserving life.

The Nature Conservancy
Maryland/DC Chapter
425 Barlow Pl., Ste 100
Bethesda, MD 20814

tel (301) 897-8570
fax (301) 897-0858
nature.org

Thursday, February 29, 2024

TO: Brian Feldman, Chair of the Senate Education, Energy, and the Environment Committee; Guy Guzzone, Chair of the Senate Budget and Taxation Committee, and Committee Members
FROM: Cait Kerr, The Nature Conservancy, State Policy Manager; Michelle Dietz, The Nature Conservancy, Director of Government Relations
POSITION: Support SB 783 Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

The Nature Conservancy (TNC) supports SB 783 offered by Senator Elfreth. SB 783 codifies recommendations from the Task Force to Study Solar Incentives through a solar energy incentives package to ensure that the State meets our solar energy goals established in the Renewable Energy Portfolio Standard. These recommendations include:

1) Extending a personal property tax exemption for community solar projects smaller than 2 megawatts on already developed land or using agrovoltaics, and serving at least 50% low- to moderate-income households;
2) Creating a personal property tax exemption for non-residential rooftop and parking canopies, and offering jurisdictions authority to offer additional real property tax abatements for parking canopies;
3) Creating a consistent across-the-board Payment In Lieu of Taxes structure for ground mounted solar installations;
4) Raising the Aggregate Net Meter cap from 2 megawatts to 5 megawatts, and;
5) Creating a short-term Solar Renewable Energy Credit (SREC) multiplier for certain projects as a bridge to long term structural SREC system reforms.

The state's Renewable Energy Portfolio Standard supports generating 14% of our energy from solar by 2030. We are lagging in meeting this target. The Climate Solutions Now Act of 2022 sets state goals to reduce emissions by 60% by 2031 and reach net-zero by 2045. Governor Moore has set an even more ambitious goal for 100% renewable energy by 2035. These goals are achievable, but only through bold and aggressive action starting today. Renewable energy sources and a clean energy economy are essential to reaching state, national, and global low-carbon energy goals and combatting fossil fuels' negative health and environmental impacts.

TNC commends Senator Elfreth on introducing this bill, which seeks to implement the recommendations from the Task Force to Study Solar Incentives in order to achieve our state's solar energy generation and emissions reduction goals.

Therefore, we urge a favorable report on SB 783.

SB0783 Written Testimony - Revolution Solar.pdf
Uploaded by: Carl Weidemann
Position: FAV

To: Education, Energy and the Environment Committee, Maryland General Assembly
From: Revolution Solar on behalf of MD Low-to-Moderate Income Households
Re: 2024 Senate Bill 0783 sponsored by Senators Elfreth, Augustine, Beidle, Brooks, Feldman, Guzzone, Hester, Hettleman, and Kagan. Cross-filed with HB1435

As a Maryland solar company experienced in working with Low-to-Moderate Income (LMI) households, we support Senate Bill 0783.

We believe that with the SREC multiplier, it is possible to promote the health of the general Maryland solar market as well as create low/no cost solar programs for LMI Maryland homeowners. Solar installers can utilize these tools to provide homeowners with solar systems capable of producing 100% of their annual electrical usage and greatly relieve overburdened households.

Revolution Solar is a Columbia, Maryland based company and the current solar installer for the Baltimore Shines project, funded by FY22 and FY23 MEA Solar Energy Equity Program (formerly known as the Low-Income Solar Grant Program) through Civic Works. We are also a 2022 and 2023 solar installer for the Washington DC Solar For All program. We have completed over 2000 solar installations in Maryland, DC, and Virginia with over 50% of those installations being Low-to-Moderate Income households.

Matthew Young

CEO of Revolution Solar, LLC

10746 Judy Ln. Columbia, MD 21044
D.C. GC#420318000062, MD MHIC#101139, VA GC#2705180735

SB0783_Brighter_Tomorrow_Act_MLC_FAV.pdf
Uploaded by: Cecilia Plante
Position: FAV

MARYLAND LEGISLATIVE COALITION

TESTIMONY FOR SB0783

Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Bill Sponsor: Senator Elfreth
Committee: Education, Energy, and the Environment
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of SB0783 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

If Maryland is to meet its 14.5% solar energy goal by 2030, we have to dramatically grow our solar capability and incentivize the installation of solar throughout the state. This bill is designed around the State Solar Incentives Task Force, which was tasked with recommending measures and incentives to boost solar production in Maryland.

It does several things –

- It requires the Public Service Commission to establish a Small Solar Energy Generating System Incentive Program that would provide certified solar energy generating systems with additional renewable energy credits and it extends those credits for the life-cycle of the system
- It requires that prevailing wage provisions apply to the construction of a certified solar system unless the system is already subject to a project labor agreement
- It extends the personal property tax exemption for community solar energy generating system projects and exempts nonresidential solar generating systems from State or local real or personal property taxes

Our members feel that these measures will help grow the solar industry in the state, which is an absolute necessity given the effect that climate change is having and the crisis that we find ourselves in. We support this bill and recommend a **FAVORABLE** report in committee.

CCSA testimony_SB 783_2-28-2024_v2.pdf
Uploaded by: Charlie Coggeshall
Position: FAV

1380 Monroe Street NW, #721
Washington, DC 20010
720.334.8045
info@communitysolaraccess.org
www.communitysolaraccess.org

RE: SB 783 – Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Favorable

Chair Feldman, Senator Eflreth, and members of the Senate Education, Energy, and Environment Committee,

The Coalition for Community Solar Access (CCSA) provides this written testimony regarding Senate Bill (SB) 783. CCSA's position on this legislation is Favorable.

CCSA is a national, business-led trade organization, composed of over 100 member companies, that works to expand access to clean, local, affordable energy nationwide through the development of robust community solar programs. Today, the majority of households and businesses do not have access to solar because they rent, live in multitenant buildings, have roofs that are unable to host a solar system, or experience some other mitigating factor. Community solar provides a solution to this gap by allowing local solar facilities to be shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced.

CCSA has been an active participant in the development and implementation of Maryland's community solar pilot program, and we are grateful to this Committee for supporting the passage of SB 613 (HB 908) in 2023, which made community solar a permanent solution in Maryland. The program will play a critical role in helping the state meet its clean energy requirements, while also ensuring electricity cost savings reach those that need it most (e.g., the program requires at least 40% project capacity to benefit low-to-moderate income (LMI) customers).

SB 783 would: 1) allow aggregate net metering projects to be up to 5 MW in size; 2) exempt nonresidential solar on rooftops or parking canopies from valuation or property tax; 3) create a payment in lieu of tax (PILOT) option of $2,500/MW/year for counties and developers regarding valuing ground-mount projects for real or personal property tax; 4) extend the current property tax exemption (see HB 1039 from 2022) for certain community solar projects so it is available through 2030, as opposed to 2025; and 5) create an SREC multiplier for certain solar projects.

CCSA applauds Chair Feldman, Senator Elfreth, and the other co-sponsors of SB 783 for pursuing these important policies for the solar industry. As has been stated often, Maryland is significantly behind in meeting its clean energy requirements, especially with regards to the solar-specific carve out. The various incentives that would be established or extended in SB 783 will provide a much-needed boost to the solar industry.

CCSA supports this bill's emphasis on supporting project economics and driving market interest toward certain community solar projects that involve greater expense and complexity. For example, SB 783 would extend the property tax exemption deadline from 2025 to 2030 for community solar projects that have at least 50% of its capacity dedicated to LMI participation, and that are either used for agrivoltaics or are located on a rooftop, brownfield, parking facility canopy, landfill, or clean fill site. Moving the deadline for this exemption from 2025

1380 Monroe Street NW, #721
Washington, DC 20010
720.334.8045
info@communitysolaraccess.org
www.communitysolaraccess.org

to 2030 aligns with the fact that the community solar program is now permanent (no longer sunsetting at the end of 2024) and is drawing increasing levels of interest from various segments of the solar industry. In addition, the SREC multiplier created by SB 783 would provide additional economic support and incentive for projects located on a rooftop, a parking canopy, or a brownfield. These incentives will "move the needle" with regards to the diversity of community solar projects moving forward in Maryland. Finally, CCSA supports the establishment of a PILOT option for ground-mounted solar projects, which is an industry best practice that has been utilized in other markets.

While this will not impact CCSA's favorable report on SB 783, we do suggest a couple areas where slight adjustments to the bill could be made to further enhance its impact on the market.

First, both the property tax exemption for certain qualifying community solar projects and the SREC multiplier for projects on rooftops, parking canopies, and brownfields, are all limited to a two-megawatt project-size cap. This is inconsistent with the community solar project size cap, which was increased from two megawatts to five megawatts through legislation passed in 2022. While there may be modest economies of scale gained through projects sized up to five megawatts as opposed to two megawatts, the types of projects on rooftops, parking canopies, and brownfields that would qualify for these incentives would still face challenging costs and complexity beyond typical ground-mounted projects. Further, these larger projects (above two megawatts) are subject to a state-level CPCN review and approval process which is significantly more complex and costly relative to the permitting process at the local county jurisdictional level. The changes to reflect this size increase are straightforward and include:

- Page 5, Line 24: Replacing "2" with "5"
- Page 6, Line 9: Replacing "2" with "5"
- Page 8, Line 22: Replacing "2" with "5"

Second, CCSA recommends incorporating agrivoltaics (as defined Article – Public Utilities 7–306.2) within the eligibility criteria for the SREC multiplier associated with projects that are otherwise on rooftops, parking canopies, or brownfields. Agrivoltaics is eligible for the property tax exemption and was also highlighted in the permanent program legislation passed in 2023. There is recognition by an increasing number of policy makers and interest groups representing the agriculture industry, that agrivoltaics represents a new and exciting frontier of combining solar and agricultural production. However, it is also carrying increased costs as a new solar segment and needs additional financial support and incentive to accelerate its competitiveness in the market.

CCSA urges a favorable report on SB 783 to provide a needed boost to the solar industry and drive more project diversity and competition.

Sincerely,

Charlie Coggeshall,
Mid-Atlantic Director, CCSA
charlie@communitysolaraccess.org

SB 783 MRSC FAV .pdf
Uploaded by: Chelsea Farrell
Position: FAV

February 29, 2024

The Honorable Brian J. Feldman
Chair, Senate Education Energy & Environment Committee
2 West Miller State Office Building
Annapolis, Maryland 21401

RE: Senate Bill 783: Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)
FAVORABLE

Dear Chairman Feldman and Members of the Committee,

Maryland Rooftop Solar Coalition (MRSC) appreciates the opportunity to provide testimony in support of Senate Bill 783. MRSC is comprised of a group of companies operating in Maryland whose business models are focused on promoting our State's clean energy policies through the installation and operation of rooftop and customer-sited solar systems.

We submit testimony today expressing our enthusiastic support for the Brighter Tomorrow Act, Senate Bill 783 (SB 783). This comprehensive legislation represents a significant stride towards advancing renewable energy initiatives in Maryland, fostering economic growth, environmental stability, and equitable access to clean energy resources. Last year, Senate Bill 469 established a task force to study types of solar energy incentives and to make recommendations on policy changes necessary to help the State meet their renewable energy portfolio standard (RPS). The task force was a collaboration of all segments and stakeholders in the solar energy circuit here in Maryland and aligns with their recommendation of an interim solution while a larger RPS reform is developed.

Maryland needs to make the transition to solar more affordable as gas and oil prices rise. Stabilizing energy costs though deployment of solar is crucial and we need to prioritize making the transition to solar for homeowners more affordable. Investing in attractive incentives that alleviate high costs of systems is key to a longer term goal of grid stabilization and greater energy storage adoption.

SB 783 incorporates several vital provisions aimed at promoting the adoption and expansion of renewable energy technologies. Of particular importance to MRSC is the provision regarding Solar Renewable Energy Credits (SRECs). Current market barriers are impeding Maryland from meeting its renewable energy targets, resulting in utilities making Alternative Compliance Payments (ACPs). This bill seeks to reform the current SREC market, providing a boost to the industry while larger reforms to the RPS are finalized. Specifically, SB 783 allows for additional SRECs for certain types of new solar projects, including residential and commercial rooftops, parking canopies, and brownfields. An SREC multiplier will encourage more in-state solar installations, providing immediate deployment opportunities and attractive incentives to homeowners.

Residential rooftop installations in Maryland have been on a steady and drastic decline since 2016, approximately by 80%. With the state's underperformance, we face an inability to meet our climate goals. It is imperative for Maryland to transition to more affordable solar energy and SB783 is a seamless gateway to

stabilizing energy costs through solar deployment and for getting Maryland back on track to meeting its climate goals.

In conclusion, SB 783 is a vital step for Maryland's solar industry. I wish to thank Senator Elfreth and many others for championing this bill and the Committee for their time. MRSC respectfully asks that a favorable report is issued.

Respectfully submitted,

Chelsea Farrell, Executive Director
Maryland Rooftop Solar Coalition

Cc: Rick Abbruzzese

Testimony on SB783 DAC.pdf
Uploaded by: Debbie Cohn
Position: FAV

Committee: **Education, Energy, and the Environment**
Testimony on: **SB783-Renewable Energy-Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)**
Submitting: **Deborah A. Cohn**
Position: **Favorable**
Hearing Date: **February 29, 2024**

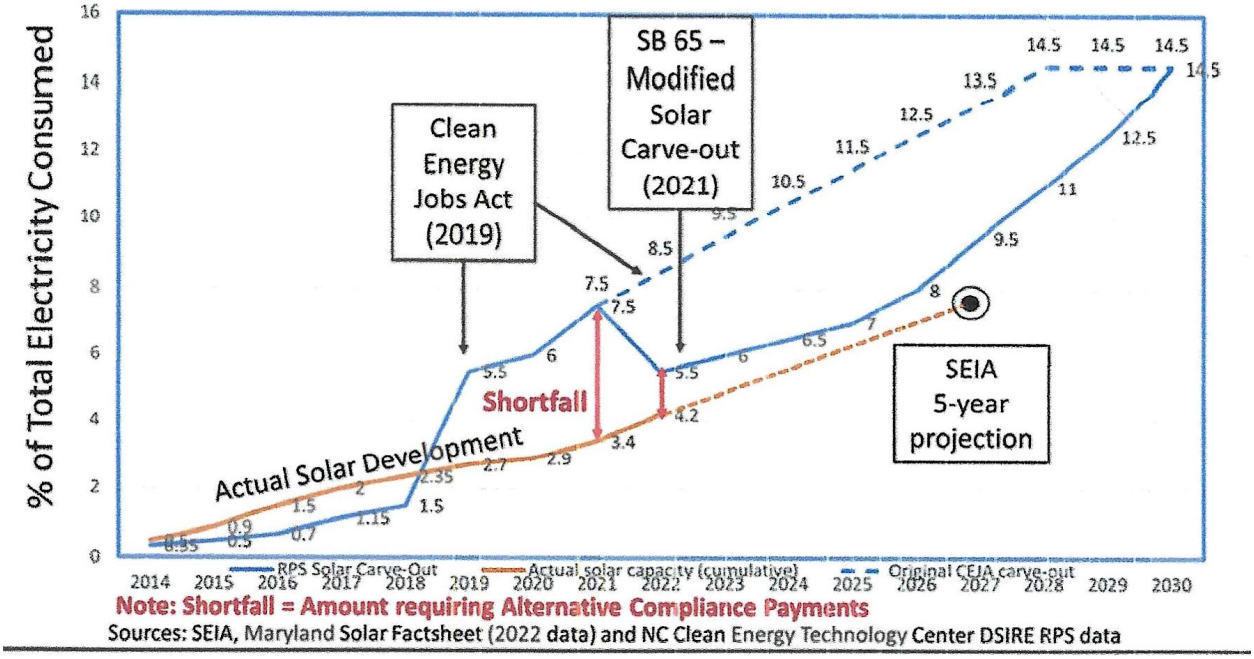
Dear Chair Feldman and Members of the Committee:

Thank you for allowing my testimony today in support of SB783, the Brighter Tomorrow Act. I urge you to vote favorably on SB783.

The Problem: As the State strives to attain its greenhouse gas (GHG) reduction goals, perhaps even more important than reducing energy demand and electrifying the building, transportation and manufacturing sectors will be ensuring that the electricity supply does not depend on the combustion of fossil fuels. For this reason, increasing the amount of solar energy generation, offshore wind, use of geothermal power and other fossil fuel free electricity generating sources will be critical.

The Renewable Portfolio Standard (RPS) calls for 14.5% of Maryland's clean electricity to be contributed by solar energy, but the State has repeatedly fallen significantly short of this goal.

Maryland Solar Progress
RPS Solar Requirements vs. 2015-2022 Actual



The Solution: Last year SB469 established a task force to recommend measures and incentives to enable Maryland to meet its solar energy goals, taking into account minority business participation, creating well-paying jobs, equitable access to renewable energy and efficient use of limited land. Some of the recommendations do not require legislative changes, but many do.

SB783, the Brighter Tomorrow Act, includes statutory changes needed to put in place many of the recommendations approved by the task force. The bill:

- **Raises the aggregated net meter (ANEM) cap** from 2MW to 5MW and provides even more liberal meter aggregated caps for certain customer-generators, thus bifurcating the ANEM standards into two groups. The changes create more opportunities for state and local governments and large nonprofit organizations to use their larger meters to access more solar generator projects and greater flexibility for customer-generators using meter aggregation with multiple generating systems.
- **Extends the LMI community solar personal property tax exemption through 2030.** Small community solar projects serving at least 50% low- or moderate-income households or overburdened or underserved communities, whether located on certain developed land, such as rooftops, brownfields, or parking facility canopies, or using agrivoltaics, are inherently harder to finance and build. This tax exemption otherwise would sunset at the end of 2025.
- **Creates a personal property tax exemption for non-residential rooftop and parking canopy solar installations. Affords local jurisdictions flexibility to reduce local real property taxes** on parking canopy projects, providing additional financial tools to jurisdictions that wish to reduce pressure for ground-mount solar on agricultural land. As a consequence, in certain communities the tax incentives may provide some building owners more flexibility in achieving building energy performance standards targets while providing co-benefits to occupants.
- Requires the Public Service Commission to **create a Small Solar Energy Generating System Incentive Program** to provide incentives for certified systems**.**
- Creates during a 3.5 year bridge period **short term SREC multipliers** for certified in-state solar installations up to 2MW. Larger multipliers are available for systems located on rooftops, parking canopies or brownfields which are typically more costly systems to build. Eligibility for the multipliers would last throughout the life cycle of the system, with individual credits lasting for five rather than three years from creation. When coupled with the increased aggregated net metering cap and tax incentives in the bill, these multipliers significantly incentivize community and other smaller solar projects. The bridge period reflects the time likely needed time to create structural reforms to the Renewable Portfolio System. These reforms could include redesigned pricing signals, such as raising the alternative compliance payments which set a limit on the auction value of SRECs, thus currently dampening incentives to install smaller, more expensive solar generating systems.
- Creates a **uniform rate** for payment-in-lieu of real or personal property taxes for counties and installers of ground-mounted solar generating systems entering into relevant payment-in-lieu agreements.

- Requires prevailing wages and other **worker protections** for all solar projects producing at least 1MW.

The Brighter Tomorrow Act will induce installation of more solar generating capacity in Maryland, helping the State reach its solar generation goals fairly and equitably while preserving significant local control in shaping this development. Accordingly, I urge a **FAVORABLE** report in Committee.

SB 783 - Solar Landscape - FAV testimony.pdf
Uploaded by: Jason Weintraub
Position: FAV

601 Bangs Ave, Suite 301
Asbury Park, NJ 07712
O. 844.765.2769

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

SB783

Dear Chair Feldman:

Solar Landscape strongly supports SB783, sponsored by Senator Sarah Elfreth, also known as the "Brighter Tomorrow Act," which aims to assist Maryland in achieving its ambitious solar goals by encouraging the development of solar projects in the state, with a particular focus on smaller solar projects and those located on preferred sites. **Solar Landscape urges a favorable report on SB783.**

Established in 2012, Solar Landscape brings access to the benefits of solar energy to more low- and moderate-income households than any other community solar developer nationwide. Specializing in building community solar on commercial and industrial rooftops, we have formed partnerships with commercial real estate owners across Maryland, New Jersey, Illinois, and other states. Nationwide, we have leased over 40 million square feet of commercial and industrial rooftops for community solar, including space for over 50 rooftop community solar projects in Maryland. Solar Landscape is dedicated to aiding Maryland in reaching its renewable energy targets and advancing energy equity.

The General Assembly has approved ambitious solar energy goals, aiming for 14.5% of the state's electricity consumption to come from solar generation by 2030. However, solar energy deployment has fallen short of the state's goals due to challenges with the Solar Renewable Energy Credit ("SREC") market and other policy issues. Installation rates for small solar projects, particularly those under 5 MW, including commercial and industrial rooftop community solar projects, have been notably low since 2018. Smaller solar projects incur higher costs than larger ones due to economies of scale, and with Alternative Compliance Payment ("ACP") values and, by extension, SREC values decreasing annually, there is inadequate revenue to support their development. Rooftop community solar projects, benefiting from simpler interconnection and permitting processes, as well as efficient site control, can be permitted and constructed in approximately one year. They are therefore crucial for meeting Maryland's clean energy objectives in the near term.

This bill proposes two key measures to maintain the viability of solar projects on commercial and industrial rooftops in Maryland over the next few years. First, to counteract the yearly declines in SREC value, the bill will introduce an SREC multiplier of 2x for rooftop and other preferred site projects up to 5 MW in size. By allowing rooftop community solar projects built by 2027 to generate 2 SRECs for every 1 MWh they produce, developers can generate sufficient revenue to construct more rooftop community solar projects statewide in the coming years. This 2x multiplier for solar on preferred sites is essential for supporting commercial and industrial rooftop community solar. Reducing the multiplier below 2x would be a significant concern for the health of the commercial and industrial rooftop community solar market in Maryland.

Second, the bill would extend the personal property tax exemption for community solar projects located on rooftops, brownfields, and parking canopies, serving low- and moderate-income communities with at least 50% of their capacity. Community solar projects on these preferred sites offer numerous public benefits, including generating clean energy in urban areas close to power demand and preserving working farmland. Current Maryland law provides a property tax exemption for such solar projects approved by December 31, 2025; the Brighter Tomorrow Act would extend this approval date through the end of 2030, encouraging community solar on preferred sites for years to come. Many other states exempt the value of community solar projects from property taxes, including Virginia, New Jersey, California, and New York.

Efforts are underway among clean energy stakeholders to consider structural changes to Maryland's Renewable Energy Standard and related renewable energy credit markets to support the transition to 100% clean energy. However, these reforms will require several years to formulate, adopt, and implement. Without legislative action in 2024 to sustain Maryland's smaller-scale solar market in the short term, deployment will continue to stagnate, jeopardizing critical renewable energy milestones and failing to provide jobs and local benefits at a time when accelerating renewable energy adoption is imperative.

While we wholeheartedly support the Brighter Tomorrow Act as is, we respectfully offer one additional amendment to enhance the bill further, which would allow community solar developers to "bank" unsubscribed bill credits for up to twelve months. Community solar projects inevitably have some subscriber attrition, as subscribed families can move out of the qualifying utility territory. Bill credit banking gives community solar projects reasonable leeway to find new subscribers to consume unused bill credits caused by such attrition. Bill credit banking enables more subscribers including low-income families to receive savings from community solar and facilitates financing of community solar projects as it makes project revenue more predictable. We have attached suggested amendment language to this written testimony.

The passage of SB783 will signify a commitment to environmental sustainability, job creation, and local economic benefits. By accelerating the transition to clean energy and fostering equitable access to solar power, the General Assembly can position the state leader in renewable energy innovation while addressing urgent climate concerns. Together, we can pave the way for a brighter and more sustainable future for Maryland and beyond.

Recommended Community Solar Bill Credit Banking Amendment Language

Article – Public Utilities

7-306.2

…

(d) (7) **(I)** Any unsubscribed energy generated by a community solar energy generating system that is not owned by an electric company shall **CREATE BANKED BILL CREDITS TRACKED BY THE ELECTRIC COMPANY THAT MAY BE ALLOCATED BY THE SUBSCRIBER ORGANIZATION OR SUBSCRIPTION COORDINATOR ASSOCIATED WITH THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM TO ONE OR MORE SUBSCRIBERS TO THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM WITHIN ONE YEAR FROM THE DATE THE BANKED BILL CREDIT WAS CREATED.**

(II) THE GENERATION ASSOCIATED WITH A BANKED BILL CREDIT NOT ALLOCATED TO A SUBSCRIBER WITHIN ONE YEAR FROM THE DATE THE BANKED BILL CREDIT WAS CREATED SHALL be purchased under the electric company's process for purchasing the output from qualifying facilities at the amount it would have cost the electric company to procure the energy.

For questions, please contact Jason Weintraub at (410) 963-3674 or jweintraub@gfrlaw.com.

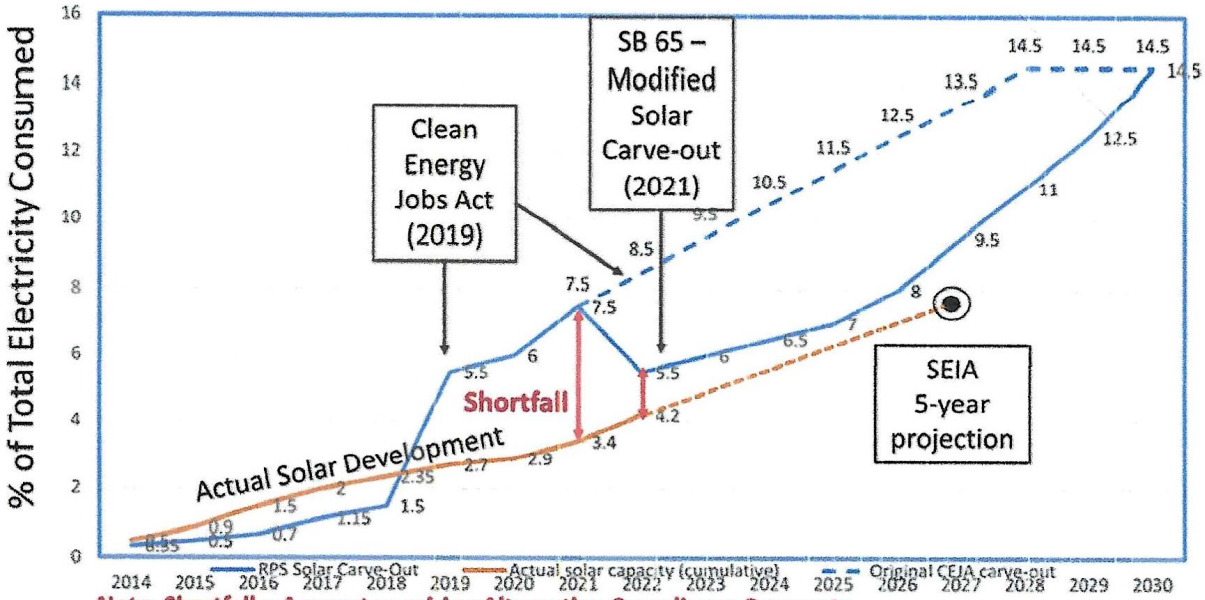
Testimony on SB783.pdf
Uploaded by: Karl Held
Position: FAV

Committee:	**Education, Energy, and the Environment**
Testimony on:	**SB783-Renewable Energy-Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)**
Organization:	**Climate Coalition Montgomery County**
Submitting:	**Karl Held**
Position:	**Favorable**
Hearing Date:	**February 29, 2024**

Thank you for allowing our testimony today in support of SB783, the Brighter Tomorrow Act. The Climate Coalition Montgomery County, a coalition of 20 organizations focused on climate and the environment, urges you to vote favorably on SB783.

The Problem: The Renewable Portfolio Standard (RPS) calls for 14.5% of Maryland's clean electricity to be contributed by solar energy, but the State has repeatedly fallen significantly short of this goal.

Maryland Solar Progress
RPS Solar Requirements vs. 2015-2022 Actual



History: Last year SB469 established a task force to recommend measures and incentives to enable Maryland to meet its solar energy goals, taking into account minority business participation, creating well-paying jobs, equitable access to renewable energy and efficient use of limited land. Some of the recommendations do not require legislative changes, but many do.

The Solution: SB783, the Brighter Tomorrow Act, includes statutory changes needed to put in place many of the recommendations approved by the task force. The bill:

- **Raises the aggregated net meter (ANEM) cap** from 2MW to 5MW and provides even more liberal meter aggregated caps for certain customer-generators, thus bifurcating the ANEM standards into two groups. The changes create more opportunities for state and local governments and large nonprofit organizations to use their larger meters to access more solar generator projects and greater flexibility for customer-generators using meter aggregation with multiple generating systems.
- **Extends the LMI community solar personal property tax exemption through 2030.** Small community solar projects serving at least 50% low- or moderate-income households or overburdened or underserved communities, whether located on certain developed land, such as rooftops, brownfields, or parking facility canopies, or using agrivoltaics, are inherently harder to finance and build. This tax exemption otherwise would sunset at the end of 2025.
- **Creates a personal property tax exemption for non-residential rooftop and parking canopy solar installations. Affords local jurisdictions flexibility to reduce local real property taxes** on parking canopy projects, providing additional financial tools to jurisdictions that wish to reduce pressure for ground-mount solar on agricultural land. As a consequence, in certain communities the tax incentives may provide some building owners more flexibility in achieving building energy performance standards targets while providing co-benefits to occupants.
- Requires the Public Service Commission to **create a Small Solar Energy Generating System Incentive Program** to provide incentives for certified systems**.**
- Creates during a 3.5 year bridge period **short term SREC multipliers** for certified in-state solar installations up to 2MW. Larger multipliers are available for systems located on rooftops, parking canopies or brownfields which are typically more costly systems to build. Eligibility for the multipliers would last throughout the life cycle of the system, with individual credits lasting for five rather than three years from creation. When coupled with the increased aggregated net metering cap and tax incentives in the bill, these multipliers significantly incentivize community and other smaller solar projects. The bridge period reflects the time likely needed time to create structural reforms to the Renewable Portfolio System. These reforms could include redesigned pricing signals, such as raising the alternative compliance payments which set a limit on the auction value of SRECs, thus currently dampening incentives to install smaller, more expensive solar generating systems.
- Creates a **uniform rate** for payment-in-lieu of real or personal property taxes for counties and installers of ground-mounted solar generating systems entering into relevant payment-in-lieu agreements.
- Requires prevailing wages and other **worker protections** for all solar projects producing at least 1MW.

The Brighter Tomorrow Act will induce installation of more solar generating capacity in Maryland, helping the State reach its solar generation goals fairly and equitably while preserving

significant local control in shaping this development. Accordingly, the Climate Coalition Montgomery supports SB783 and urges a **FAVORABLE** report in Committee.

Organizational Members of the Climate Coalition Montgomery County

350 Montgomery County
ACQ Climate (Ask the Climate Question)
Chesapeake Climate Action Network (CCAN)
Elders Climate Action
Environmental Justice Ministry Cedar Lane Unitarian Universalist Church
Friends of Sligo Creek (FoSC)
Green Sanctuary Committee of the Unitarian-Universalist Church of Silver Spring
Montgomery County Faith Alliance for Climate Solutions (MC-FACS)
Poolesville Green
Safe Healthy Playing Fields
The Climate Mobilization Montgomery County (TCM-MoCo)
Takoma Park Mobilization Environment Committee (TPMEC)
Zero Waste Montgomery County

SB783 Testimony.pdf
Uploaded by: Kelly Buchanan
Position: FAV

LIGHTSTAR

February 29, 2024

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

Testimony on SB783, An Act concerning renewable energy – net energy metering aggregation, solar Renewable Energy Credits, and taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Dear Chair Feldman and members of the Committee:

Thank you for the opportunity to provide written testimony on Senate Bill (SB) 783, the Brighter Tomorrow Act. **Lightstar Renewables, LLC (Lightstar) supports this proposed legislation**, which will ensure that a variety of important improvements are made to solar energy policy in Maryland.

Lightstar develops, builds, and owns community solar projects with more than 1000 megawatts (MW) of projects completed or in development across the country. Of that 1000 MW portfolio, nearly 300 MWs are agrivoltaics (the integration of agricultural and/or horticultural production and solar on a single parcel of land). In Maryland, we have 47 MWs of agrivoltaics under development across approximately 9 landowners/farmers and 7 counties. Lightstar is diligently working with Maryland's county leadership and other policy stakeholders to communicate the benefits of preferred siting methods like agrivoltaics. Our mission is to build solar for both the land and the community. Lightstar is focused on community solar development that is built with ecological and agricultural needs at the forefront, which we believe is key to the next phase of securing energy independence and meeting clean energy goals.

In short, SB783 would allow aggregated net metering up to 5 MW, exempt certain preferred siting solar from valuation and/or property tax, create a payment in lieu of taxes (PILOT) option for counties and developers to value ground-mounted projects for real or personal property tax, extend the property tax exemption for preferred siting community solar (including agrivoltaics), and would create a SREC multiplier for certain types of solar for the next four years. Lightstar appreciates these proposals and everything this bill aims to accomplish for the solar industry, particularly as it relates to support for preferred community solar siting. If passed, SB783 would improve opportunities for preferred siting projects, including rooftop solar, brownfields, and agrivoltaics. These siting mechanisms make the most efficient use of development space, have fewer visual impacts, and provide additional benefits to low- and moderate-income people. In particular, agrivoltaics presents a unique opportunity to incentivize preferred siting, especially in rural Maryland and could benefit from additional policy support.

The provision to extend the property tax exemption for preferred siting community solar (including agrivoltaics) to 2030 is essential. To our knowledge, there have not been any

agrivoltaics projects that have qualified for the property tax exemption, which per the current legislation the deadline for application for exemption is December 2024. Developers are not able to meet the 2024 deadline because the timeline for the exemptions do not line up with the opening of the permanent program, but on a more granular level administrative and permitting timelines are very long in Maryland. In Maryland specifically, agrivoltaics projects take, on average, 28 months to permit. Extending this incentive for preferred siting would enable developers to actually take advantage of agrivoltaics exemptions in particular.

Most importantly, SB783 would help alleviate critical financial barriers to developing preferred siting community solar and would encourage other developers to pursue this more challenging siting method. For these reasons, Lightstar requests this Committee's support of SB783, the Brighter Tomorrow Act. We greatly appreciate the opportunity to provide our input on this bill. Please feel free to contact me should you have any questions on our testimony or wish to discuss this bill any further.

Sincerely,

Kelly Buchanan
Policy Manager, Lightstar
Kelly.buchanan@lightstar.com
303-956-1246

SB783 - Maryland LCV SUPPORT - Brighter Tomorrow A

Uploaded by: Kristen Harbeson

Position: FAV

MARYLAND LEAGUE OF CONSERVATION VOTERS

February 22, 2024

SUPPORT: SB783- Renewable Energy - Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Chair Feldman and Members of the Committee:

Maryland LCV supports SB783 - Brighter Tomorrow Act, and we thank Senator Elfreth for her continued leadership on this issue.

In 2019, the Maryland General Assembly, and this Committee passed the Clean Energy Jobs Act which set ambitious goals for renewable energy development in Maryland, including a requirement that 14.5 percent of our Renewable Energy Portfolio Standard be achieved from solar generation by 2030. These goals were further strengthened by the Moore-Miller Administration's commitment to reaching 100% clean energy by 2035.

In 2022, Maryland fell short of the interim solar generation targets on the way to the 2030 goal. In the 2023 Session, Maryland LCV supported a bill introduced by Senator Elfreth to create a task force to offer comprehensive recommendations for incentives to develop solar on preferred siting of rooftops, parking lots, brownfields, and as part of an agrivoltaic installation. SB783 advances the recommendations from the Task Force to Study Solar Incentives including:

1) Extension of a personal property tax exemption for <2MW community solar projects on already developed land or using agrivoltaics, and serving at least 50% LMI households.
2) Creation of a personal property tax exemption for non-residential rooftop and parking canopies, and offering jurisdictions authority to offer additional real property tax abatements for parking canopies
3) Creating a consistent across-the-board Payment In Lieu of Taxes structure for ground mounted solar installations
4) Raises the Aggregate Net Meter cap from 2 to 5MW
5) Creates a short-term SREC multiplier for certain projects as a bridge to long term structural reforms of the SREC system.
6) Requiring prevailing wage and other labor standards for all projects covered by this legislation.

While it does not address the challenges faced by larger-scale projects, SB783 takes substantive steps to help support the robust deployment of solar energy by helping to overcome the unique financial barriers faced by small projects, less than 5MW to meet our state's climate goals. Future legislation may be necessary to identify and overcome the specific needs of utility scale projects, however taking a holistic approach to

the needs of small projects as distinct from utility-scale ensures that limited state resources are invested to the greatest impact.

Additionally, Maryland LCV recognizes that provisions on labor standards for solar projects covered under this legislation falls short of the broader recommendations by the Task Force. Maryland LCV supports the implementation of the recommendations that would guarantee prevailing wage and other labor standards for all energy projects 1MW or above. We urge the committee to incorporate any amendments that would fulfill this commitment.

Maryland LCV urges a favorable report on this priority legislation.

Testimony - SB783 - Brighter Tomorrow Act.pdf
Uploaded by: Kristin King
Position: FAV

LEGISLATIVE TESTIMONY

To: Chair Feldman and members of the Senate Education, Energy, and the Environment Committee

Date: February 29, 2024

Re: **SUPPORT SB783 / HB1435 – Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)**

Tradepoint Atlantic (TPA), the owner, manager, and developer of Sparrows Point, the former home of Bethlehem Steel in Southeast Baltimore County respectfully submits this testimony and strongly supports SB783/HB1435 (Brighter Tomorrow Act).

Since 2014 TPA has taken on the challenge to clean up and remediate the environmental impacts of a century of steel making and prepare the former Sparrows Point steel mill in Baltimore for re-development into what is today a thriving global center of excellence as a leading tri-modal transportation, distribution, manufacturing, and logistics hub, with over 50 world class tenant companies that directly employ over 13,000 Marylanders.

Tradepoint Atlantic believes the Brighter Tomorrow Act will properly incentivize the development of roof top solar energy production to help Maryland achieve its renewable energy production and carbon reduction goals. With over 14 million square feet of large-scale industrial facilities in place, and more planned, Tradepoint Atlantic is actively considering a rooftop solar energy program to support our sustainability goals. This program will greatly enhance those efforts and further encourage larger installations of on-site green energy production.

Tradepoint Atlantic is also considering on-site solar energy generation to sustainably power the planned Sparrows Point Container Terminal, an all-new fully electric 163-acre container terminal that will significantly expand the capacity of the Port of Baltimore. The Brighter Tomorrow Act will help make this plan a reality through the exemption of personal property taxes and by further incentivizing rooftop solar projects over greenfield projects with the doubling of solar renewable energy credits to 200%, a provision that promotes sustainable development strategies for solar. This bill is a smart investment by the State of Maryland that will help align businesses with good policy to achieve the state's clean energy and carbon reduction goals so future generations of Marylanders can enjoy a "brighter tomorrow". We urge the committee's support and favorable report.

About Tradepoint Atlantic

The 3,300-acre former steel mill and industrial site in Baltimore, Maryland, offers a gateway to markets around the United States and the world, featuring a unique and unmatched combination of access to deep-water berths, rail, and highways. Groundbreaking agreements signed with federal and state environmental regulators in 2014 to remediate the legacy from a century of steelmaking have enabled the redevelopment of the site into a global center for trade and commerce. With 50 world class companies on site employing over 13,000 Marylanders, jobs are created, communities prosper, and industry is set in motion.

Contact: Aaron Tomarchio, EVP, Corporate Affairs I atomarchio@tradepointatlantic.com I 443-299-9803

SB0783_Brighter Tomorrow Act_EEE-CJW FAV.pdf
Uploaded by: Laurie McGilvray
Position: FAV

Committee: **Education, Energy, and the Environment**
Testimony on: **SB0783-Renewable Energy-Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)**
Organization: **Maryland Legislative Coalition Climate Justice Wing**
Submitting: **Laurie McGilvray, Co-Chair**
Position: **Favorable**
Hearing Date: **February 29, 2024**

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB0783. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on SB0783.

The Brighter Tomorrow Act is based on recommendations from a statutorily-created task force charged with studying the types of solar energy incentives that would ensure Maryland can meet its solar energy goals in the renewable energy portfolio standard (RPS), as well as ensure minority business participation, creation of good quality jobs, equitable access to renewable energy, and efficient use of land.

Maryland's RPS calls for 14.5% of clean electricity to come from solar energy. Unfortunately, the State has repeatedly fallen very short of this goal. SB0783 is intended to boost the development of solar energy generation by making some key changes. Specifically, the bill:

- **Raises the aggregated net meter cap** from 2MW to 5MW. It also creates more opportunities for state and local governments and large nonprofit organizations to use their larger meters to access more solar projects and greater flexibility for customer-generators using meter aggregation.
- **Extends the LMI community solar personal property tax exemption through 2030.** Small community solar projects serving at least 50% low- or moderate-income households or overburdened or underserved communities are inherently harder to finance and build, but will now benefit from the existing property tax exemption through 2030.
- **Creates a personal property tax exemption for non-residential rooftop and parking canopy solar installations and a real property tax abatement authorization.** The bill gives local jurisdictions the flexibility to reduce local real property taxes on solar parking canopy projects, and provides additional financial tools to reduce pressure for ground-mounted solar on agricultural land. Additionally, the tax incentives may provide some

building owners in certain communities more flexibility to meet building energy performance targets while providing co-benefits to tenants.

- **Creates a short-term program for SREC multipliers** for certified in-state solar installations up to 2MW. Larger multipliers are available for more costly systems located on rooftops, parking canopies or brownfields. Eligibility for multipliers would last throughout the life cycle of the system, with individual credits lasting five years rather than three years. These multipliers will significantly incentivize community and other smaller solar projects when combined with the increased aggregated net metering cap and tax incentives. This provision is intended as a bridge period during which time more structural reforms to the RPS can be adopted.
- **Creates a uniform rate for payment-in-lieu of real or personal property taxes** for counties and installers of ground-mounted solar systems entering into relevant payment-in-lieu of taxes agreements.
- **Requires prevailing wages and other worker protections** for all solar projects producing at least 1MW.

We strongly recommend a FAVORABLE report in committee for SB0783.

350MoCo
Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Parents of Prince George's
Climate Reality Project
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists
DoTheMostGood Montgomery County
Echotopia
Elders Climate Action
Fix Maryland Rail
Glen Echo Heights Mobilization
Greenbelt Climate Action Network
HoCoClimateAction
IndivisibleHoCoMD
Maryland Legislative Coalition
Mobilize Frederick
Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland
WISE

SEIA Testimony SB0783.pdf
Uploaded by: Leah Meredith
Position: FAV

February 29, 2024

Senator Brian J. Feldman
Chair
Senate Education, Energy, and
Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Cheryl C. Kagan
Vice Chair
Senate Education, Energy, and
Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: SEIA Support for SB0783– Brighter Tomorrow Act

Dear Chairs and members of the Senate Education, Energy, and Environment Committee:

I am writing on behalf of the Solar Energy Industries Association ("SEIA") in **support** of SB0783 (Elfreth, Augustine, Beidle, Brooks, Feldman, Guzzone, Hester, Hettleman, and Kagan), which alters the maximum generating capacity authorized for certain net metered generating facilities; authorizes an eligible customer-generator participating in certain meter aggregation to receive excess generation from more than one generating system; and requires the Public Service Commission to establish a Small Solar Energy Generating System Incentive Program to provide certain certified systems with a certain additional percentage of renewable energy credits toward meeting the renewable energy portfolio standard for solar energy. It was referred to the Senate Education, Energy, and Environment Committee on February 1, 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.

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. Rising inflation rates, lingering supply chain disruptions from the 2019 global coronavirus pandemic, and impacts of legacy international trade fights have made it harder for Maryland consumers to adopt solar. SB0783 is informed by the important work completed by the recent Solar Incentives Task Force and some of

its most important recommendations, in order to boost Maryland's ability to deploy clean energy for its residents. If enacted, SB0783 would make much-needed adjustments to Maryland's renewable energy portfolio solar renewable energy credits ("SREC") market to encourage new solar generation coming online.

Specifically, SB0783 would assign an SREC multiplier for individual solar systems to produce additional SRECs. Only new solar projects, those that begin generating electricity after July 1, 2024, but before January 1, 2028, would be eligible to earn additional SRECs beginning in January 2025. The number of those additional SRECs is capped in order to prevent any flooding of the market. This legislation thus creates a bridge period to jumpstart new solar development in Maryland, placing the state on a path to meet its existing renewable energy targets at no new or additional cost to Maryland ratepayers, and without additional financial support to existing solar projects. SB0783 also supports traditionally harder-to-finance solar projects, including those sited on residential and commercial rooftops, parking canopies, and brownfields by allowing those projects to earn additional SRECs.

SEIA has been collaborating with Maryland's other solar industry partners on ways to improve this bill to support all market segments, including a rooftop market that is underperforming, utility-scale projects that are at risk due to the unforeseen and devastating effects of trade and supply chain hurdles and higher interest rates, and projects sited on brownfields or carports, which are great places to site solar but more costly to build. We look forward to engaging with Senator Elfreth and this committee on how to best ensure a brighter tomorrow, and more vibrant solar industry in the state of Maryland.

SEIA respectfully requests your support and thanks you for your consideration of this important legislation. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Leah Meredith

Leah Meredith
Senior Manager, Mid-Atlantic Region
Solar Energy Industries Association (SEIA)
lmeredith@seia.org

SEIA Testimony SB0783.pdf
Uploaded by: Leah Meredith
Position: FAV

February 29, 2024

Senator Brian J. Feldman
Chair
Senate Education, Energy, and
Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Cheryl C. Kagan
Vice Chair
Senate Education, Energy, and
Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: SEIA Support for SB0783– Brighter Tomorrow Act

Dear Chairs and members of the Senate Education, Energy, and Environment Committee:

I am writing on behalf of the Solar Energy Industries Association ("SEIA") in **support** of SB0783 (Elfreth, Augustine, Beidle, Brooks, Feldman, Guzzone, Hester, Hettleman, and Kagan), which alters the maximum generating capacity authorized for certain net metered generating facilities; authorizes an eligible customer-generator participating in certain meter aggregation to receive excess generation from more than one generating system; and requires the Public Service Commission to establish a Small Solar Energy Generating System Incentive Program to provide certain certified systems with a certain additional percentage of renewable energy credits toward meeting the renewable energy portfolio standard for solar energy. It was referred to the Senate Education, Energy, and Environment Committee on February 1, 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.

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. Rising inflation rates, lingering supply chain disruptions from the 2019 global coronavirus pandemic, and impacts of legacy international trade fights have made it harder for Maryland consumers to adopt solar. SB0783 is informed by the important work completed by the recent Solar Incentives Task Force and some of

its most important recommendations, in order to boost Maryland's ability to deploy clean energy for its residents. If enacted, SB0783 would make much-needed adjustments to Maryland's renewable energy portfolio solar renewable energy credits ("SREC") market to encourage new solar generation coming online.

Specifically, SB0783 would assign an SREC multiplier for individual solar systems to produce additional SRECs. Only new solar projects, those that begin generating electricity after July 1, 2024, but before January 1, 2028, would be eligible to earn additional SRECs beginning in January 2025. The number of those additional SRECs is capped in order to prevent any flooding of the market. This legislation thus creates a bridge period to jumpstart new solar development in Maryland, placing the state on a path to meet its existing renewable energy targets at no new or additional cost to Maryland ratepayers, and without additional financial support to existing solar projects. SB0783 also supports traditionally harder-to-finance solar projects, including those sited on residential and commercial rooftops, parking canopies, and brownfields by allowing those projects to earn additional SRECs.

SEIA has been collaborating with Maryland's other solar industry partners on ways to improve this bill to support all market segments, including a rooftop market that is underperforming, utility-scale projects that are at risk due to the unforeseen and devastating effects of trade and supply chain hurdles and higher interest rates, and projects sited on brownfields or carports, which are great places to site solar but more costly to build. We look forward to engaging with Senator Elfreth and this committee on how to best ensure a brighter tomorrow, and more vibrant solar industry in the state of Maryland.

SEIA respectfully requests your support and thanks you for your consideration of this important legislation. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Leah Meredith

Leah Meredith
Senior Manager, Mid-Atlantic Region
Solar Energy Industries Association (SEIA)
lmeredith@seia.org

SB 783 - CBF - FAV.pdf
Uploaded by: Matt Stegman
Position: FAV

CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

Senate Bill 783

Renewable Energy - Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Date:	February 29, 2024	Position:	**Favorable**
To:	Senate Education, Energy, & Environment Committee Senate Budget & Taxation Committee	From:	Matt Stegman MD Staff Attorney

Chesapeake Bay Foundation (CBF) **SUPPORTS** SB 783, the Brighter Tomorrow Act.

In 2019, the Maryland General Assembly passed the Clean Energy Jobs Act, which set ambitious goals for renewable energy development in Maryland, including a requirement that 14.5 percent of our Renewable Energy Portfolio Standard be achieved from solar generation by 2030. Recently, Governor Moore articulated an even more ambitious goal of reaching 100% clean energy by 2035.

In the 2023 Session, CBF supported SB 469, a bill introduced by Senator Elfreth to create a task force to offer comprehensive recommendations for incentives to develop solar on preferred siting of rooftops, parking lots, brownfields, and as part of an agrivoltaic installation. SB783 advances several key recommendations from the Task Force to Study Solar Incentives.

CBF urges the Committee's FAVORABLE report on SB 783.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

SB0783 - TSO - Brighter Tomorrow Act_LOS_FINAL.pdf
Uploaded by: Patricia Westervelt
Position: FAV

MARYLAND DEPARTMENT OF TRANSPORTATION

Wes Moore
Governor

Aruna Miller
Lieutenant Governor

Paul J. Wiedefeld
Secretary

February 29, 2024

The Honorable Brian J. Feldman
Chair, Education, Energy, and the Environment Committee
2 West, Miller Senate Office building
Annapolis MD 21401

RE: Letter of Support – Senate Bill 783 – Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Dear Chair Feldman and Committee members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 783, as it supports the State's Renewable Energy Portfolio Standard (RPS) targets, increases the total capacity of a net metered facility that is meter aggregating, and creates a small solar energy generating system incentive program, where a "certified" system is eligible to receive additional solar renewable energy credits (SRECs) for the life of the project.

When a solar array becomes certified, the small solar energy generating system incentive program would allow MDOT to receive a multiplier attached to any SRECs that may be generated from that system. The increased number of credits received would help MDOT or its contractor to receive an increased revenue potential, all while incentivizing an increase in the State's RPS participation, which is not currently close to the target.

MDOT has developed a renewable energy development Request for Proposals, which qualified six master solar contractors. The contract is being used by MDOT, and other counties in the State, such as Howard County. Other State agencies, counties, municipalities, quasi-State agencies, and non-profits are also able to use this contract. This contract helps to transition MDOT's electricity use, from a potential non-renewable package from the utility to clean and renewable solar energy.

Additionally, Senate Bill 783 would allow MDOT to net meter a greater amount of renewable energy instead of being restricted to 2 Megawatts. This can be incredibly advantageous as multiple sites can generate solar energy and transmit it to another meter in the same service territory. This added flexibility will provide help MDOT and other State agencies in meeting ambitious net zero carbon emission, and other State climate goals.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 783 a favorable report.

Respectfully submitted,

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
410-865-1090

CHESSA - Brighter Tomorrow Act One Pager.pdf
Uploaded by: Robin Dutta
Position: FAV

Chesapeake Solar & Storage Association

The Brighter Tomorrow Act

SB783 Elfreth et al HB1435 Fraser-Hidalgo et al

Targeted reforms to improve Marylanders' ability to adopt and benefit from solar, unlocking a more equitable clean energy future

* **This bill would enact much needed Solar Renewable Energy Portfolio adjustments.**
  - ◊ Maryland is far behind meeting its nation-leading solar targets. This reform would increase consumer solar value and make it easier for the state to catch up.
  - ◊ Inflation, supply chain disruptions, and legacy international trade fights have made it harder for Maryland consumers to adopt solar for themselves.
  - ◊ Specific types of **NEW** solar projects, such as residential, commercial rooftops and parking canopies, and brownfields will be able to earn additional Solar Renewable Energy Credits (SRECs)
  - ◊ Maryland will see more in-state solar installed as a result of this bill to benefit communities.
  - ◊ Even when individual systems produce additional SRECs, there is no additional ratepayer impact.
* **Aggregate Net Metering systems' maximum size would be increased to 5 MW and participating local governments, non-profits, and agriculture consumers would be allowed greater ability to contract for this local solar. This will help them lower costs and contribute to state decarbonization goals.**
* **The Brighter Tomorrow Act extends and creates common sense tax treatment for solar projects.**
  - * Commercial rooftop and parking canopy solar projects would not subject to property tax valuation, making it easier for solar to be constructed on the built environment.
  - * The Low-to-Moderate Community Solar personal property tax exemption would be extended to 2030.
  - * The bill would establish a Payment In Lieu of Taxes for ground-mount solar projects. This would create consistency for solar developers and create an additional revenue for counties.
* **Renewable energy projects greater than 1 MW in size would need to meet certain prevailing wage requirements, just as was established for the community solar permanent program in 2023.**

The Brighter Tomorrow Act takes the work of the recent Solar Task Force and some of the most needed recommendations, in order to boost Maryland's ability to deploy clean energy for its residents.

Have questions? Robin K. Dutta robin@chessa.org Executive Director Chesapeake Solar and Storage Association (CHESSA)

CHESSA - MD - EEE Testimony SB783 Favorable 202402
Uploaded by: Robin Dutta
Position: FAV

29 February 2024

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

Written Testimony
SB783: Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Position: Favorable

Chair Feldman, Vice Chair Kagan, Members of the Committee, thank you for the opportunity to testify on Senate Bill 783, Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act). I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association advocates for our over 100 member companies in all market segments across 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 SB783, Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act). This bill would adjust multiple key pieces of solar policy in order to encourage easier solar adoption for Maryland consumers at a time when Maryland has fallen far behind its statewide solar goals. It would be a major step towards Maryland building a smarter, affordable, and more equitable electric grid.

Solar Headwinds

Solar cost declines are not something that can be assumed year-over-year as the industry matures. While global solar module pricing is currently declining, that is due to Chinese module production that cannot be imported into the United States due to various trade and high tariff barriers. Rising interest rates have increased financing costs across all sectors, impacting cost of capital from residential loan and lease rates to utility-scale construction loans.

Each solar market segment faces their own complications. The independent research firm Wood Mackenzie details the current cost trends for solar market segments in their latest quarterly report[1].

[1] Wood Mackenzie and Solar Energy Industries Association. "US Solar Market Insight, Executive Summary". Q4 2023. Released December 2023.

Residential systems have seen increased pricing by about 3% year-over-year. Solar on commercial rooftops, parking canopies, and brownfields are generally more complicated and expensive projects because they must be custom-designed and constructed on a commercial built-environment. Larger, utility-scale solar faces its own headwinds. Those wholesale market solar projects saw 5-6% cost increases year over year. There are also supply chain issues still being dealt with, even as broader economic issues from the COVID-19 pandemic have subsided.

The state of Maryland solar reflected these national headwinds. The PSC's Renewable Energy Portfolio Standard Report for Calendar Year 2022 showed that the state fell far short of meeting the solar carve-out target. Only 55% of the state's 2022 solar target was met, showing that there was not enough deployment of solar capacity across residential, commercial, community solar, and wholesale market solar projects in Maryland. Maryland's nation-leading solar targets ramp up considerably over the upcoming years while its incentives are scheduled to decline, and. economic realities continue to hamper the needed growth in the state's solar industry. Without adjustment to its solar policies, Wood-Mackenzie projects that Maryland will fall from 19th to 32nd in solar installations over the next 5 years, despite the opportunities for bringing in more federal investment from the Inflation Reduction Act.

Solar is Key to Maryland's 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 electricity, natural gas system, and gas stations have. For the grid to serve those roles, it will need to look and act differently. It will have 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. By lowering peak demand, clean energy can lower 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. If Maryland's electric future follows 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.

A Brighter Tomorrow for Maryland

SB783 takes the work of the 2023 Solar Task Force and implements some of the most needed recommendations to boost Maryland's ability to deploy clean energy for its residents. In addition to several tax amendments that came out of the task force, the Brighter Tomorrow Act would adjust the solar portion of the Renewable Portfolio Standard to improve solar value to consumers and jumpstart new solar projects over the next three years.

Specific types of new solar projects, such as residential, commercial rooftops and parking canopies, and brownfields will be able to earn additional Solar Renewable Energy Credits (SRECs) if they are installed after this bill goes into effect and before 2028. The number of eligible projects is capped to avoid the risk that the program becomes over-subscribed. SRECs help solar customers benefit from going solar. New projects that product these additional SRECs will become more valuable for energy

consumers who want to install solar. And, by utilizing the policy method laid out in the bill—a method that has been used for many years in other jurisdictions—the pace of solar installations can increase without any additional ratepayer impact. This could lead to as much as 375 more MWs of installed solar than is currently forecasted. CHESSA analysis suggests this growth in clean energy could make up for a trend of Maryland solar job losses since 2017[2], and begin a new trend of job growth.

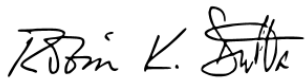
By implementing these task force recommendations, Maryland can catch up to its solar targets, and so much more. It can pair improved state solar policies with historic federal climate laws, tax credits, and grant programs. SB783 is the right bill for the right time. If Maryland enacts SB783 this year, it can more effectively leverage those federal investments for new economic growth, climate investments, and progress on decarbonization.

It is not enough to just deploy solar. It needs to be deployed in an "all of the above" strategy – on the built environment, for wholesale energy markets and the transmission grid, paired with energy storage, interacting with other advanced energy technologies, actively supporting grid management, and more. For Maryland to have the lowest cost clean electric grid, there needs to be mainstream adoption of solar and storage technologies, especially to combat the increasing grid impact of electric vehicles. A brighter future for Maryland comes through not only increased solar deployment, but on the benefits that all-of-the-above solar contributes to create a lower cost, more reliable, electric grid.

For these reasons, CHESSA requests a favorable report on SB783.

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

Sincerely,



Robin K. Dutta
Executive Director (acting)
Chesapeake Solar and Storage Association
robin@chessa.org

[2] https://irecusa.org/maryland-solar-and-clean-energy-jobs/

SC Brighter Tomorrow Act (SB 783) testimony (1).pd
Uploaded by: Rosa Hance
Position: FAV

P.O. Box 278
Riverdale, MD 20738

Committee: Education, Energy, and the Environment

Testimony on: SB 783 "Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)"

Position: Support

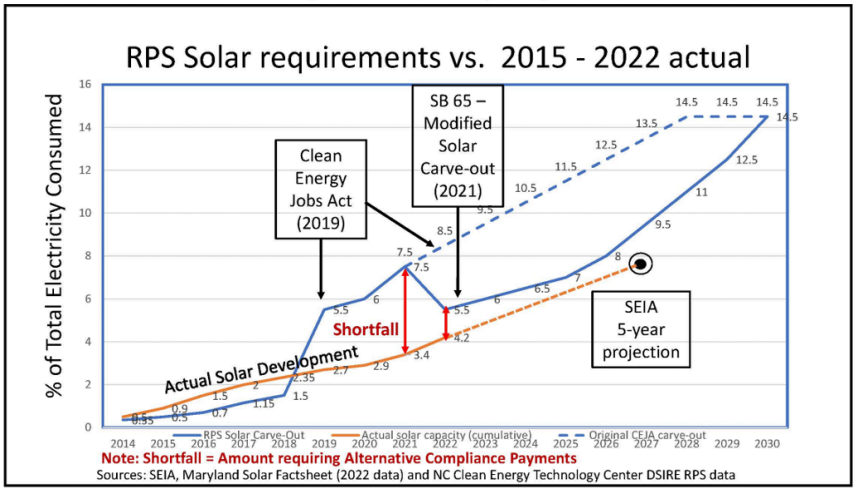
Hearing Date: February 29, 2024

The Maryland Chapter of the Sierra Club urges this Committee to favorably report SB 783, the Brighter Tomorrow Act.

Solar energy is an essential component of Maryland's strategy in transitioning the state to clean renewable energy. Accordingly, through the Clean Energy Jobs Act (2019), Maryland set the statutory target of achieving 14.5% of the state's electricity consumption from solar generation by 2030. This goal was incorporated as a core element of MDE's recently released Climate Pollution Reduction Plan, which serves as the roadmap to achieve the goals in the Climate Solutions Now Act.

Unfortunately, Maryland is falling far short of achieving its annual solar energy targets.

Maryland solar progress



This means we are falling short not only on our clean energy goals, but also endangering our climate goals. It is clear that our financial incentive structure and regulatory framework must be adjusted to accelerate solar deployment. The Chapter supports well-designed legislation, like SB 783, to better incentivize increased deployment of solar in order to reach the state's goals and help address the climate crisis.

SB 783 would allow non-profits, municipal or county governments, or state government units to generate a larger amount of meter aggregated energy, increasing use of renewable energy, lowering emissions, and helping to stabilize the grid. The bill would also direct the PSC to create a *Small Solar Energy Generating System Incentive Program* that will provide additional solar renewable energy credits (RECs) to solar energy generating systems that are certified by the PSC. Under the bill, the new PSC program would incentivize locating solar generating systems on existing infrastructure like rooftops, parking canopies, or brownfields, which will lower impacts on open space and water quality.

Different types of solar provide different benefits to the grid and to society. For example, rooftop solar provides increased distributed generation, while development on brownfields and parking lots maximize use of previously developed land. Providing differentiated incentives for different types of solar is a more sophisticated and effective strategy to accelerate solar deployment.

Other appropriate incentives provided by the bill would include mandating a prevailing wage for workers unless a project labor agreement is in place, extending by five years the time period by which a community solar energy generating system can claim a property tax exemption, exempting non-residential solar energy generating systems built on rooftops or parking canopies from valuation or property tax, and providing local governments a pathway for payments in lieu of taxes. All of these provisions will help further deploy solar energy within our state, increasing the likelihood of achieving our solar RPS goals.

The Sierra Club believes that Maryland should increase its incentives for solar generation and deployment. This bill would create well-designed additional tools to be added to the toolbox.

For these reasons, we recommend the Committee favorably report SB 783.

Mariah Shriner
Climate Campaign Representative
Mariah.Shriner@MDSierra.org

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

SB 783 - Elfreth Testimony.docx (1).pdf
Uploaded by: Sarah Elfreth
Position: FAV

Senator Sarah Elfreth
Legislative District 30
Anne Arundel County

Budget and Taxation Committee
Subcomittees
Capital Budget
Pensions
Chair, Public Safety, Transportation, and Environment

Joint Committee on the Chesapeake and Atlantic Coastal Bays Critical Area
Chair, Joint Subcommittee on Program Open Space/Agricultural Land Preservation

THE SENATE OF MARYLAND
Annapolis, Maryland 21401

James Senate Office Building
11 Bladen Street, Room 104
Annapolis, Maryland 21401
410-841-3578 · 301-858-3578
800-492-7122 Ext. 3578
Fax 410-841-3156 · 301-858-3156
Sarah.Elfreth@senate.state.md.us

February 29, 2024

Testimony in Favor of SB 783
The Brighter Tomorrow Act

Chairman Feldman, Vice-Chair Kagan, and members of the Education, Energy, and the Environment Committee,

I respectfully request a favorable report of Senate Bill 783 to ensure that Maryland moves toward achieving our renewable energy goals by effectively incentivizing solar development in high-priority, high-impact, yet hard-to-build settings. The problem we seek to solve: Maryland is on pace to meet only half of our solar energy goals by 2030. Our solution: the Brighter Tomorrow Act will strategically incentivize harder-to-build projects on commercial rooftop and parking canopy, produce more energy for low and moderate income Marylanders, tilt incentives back to projects in the built environment, and ensures that we can both meet our critical energy goals AND support family-sustaining jobs. Our consensus-based approach to drafting this bill, including the forthcoming consensus amendments, has ensured that we have a broad-base of support across the stakeholders.

In 2023, this General Assembly passed SB 469 which established a Task Force to study solar incentives, and I was proud to serve, along with Senator Brooks, on this Task Force and engage in its work throughout the interim. The dedicated work of the Task Force and the diverse perspectives of State agencies, legislators, local governments, the solar industry, organized labor, and advocates resulted in a list of recommendations[1] upon which SB 783, the Brighter Tomorrow Act, is based.

Solar energy has proven to be effective, efficient, and environmentally impactful. Research shows that solar produces no pollution upon installation[2], reduces the stress on power grids and prevents power loss[3], and provides green jobs within communities[4]. The environmental and economic benefits are long-lasting with immediate positive impacts on communities.

Maryland has made a strong commitment to expanding and prioritizing clean energy, with significant goals set for the next decade. The Clean Energy Jobs Act of 2019[5] set the statewide goal of 50% of Maryland's energy to be

[1] https://energy.maryland.gov/Pages/SolarTaskForce.aspx
[2] https://www.nachi.org/advantages-solar-energy.htm
[3] https://www.globalsolarcouncil.org/solar-energy-and-its-countless-benefits-for-the-power-grid/
[4] https://www.greenbiz.com/article/renewable-energy-transition-creating-green-jobs-boom
[5] https://mgaleg.maryland.gov/2019RS/Chapters_noln/CH_757_sb0516e.pdf

derived from renewable energy sources, 14.5% of which is to be specifically solar. Governor Wes Moore expanded on this goal in April of 2023 by committing to Maryland achieving 100% clean energy by 2035[6]. These State efforts are in alignment with Federal initiatives to prioritize and incentivize clean energy nationwide, striving toward 50% of all energy in the United States derived from clean energy sources by 2050. [7]

These ambitious goals are achievable only through innovative action to effectively incentivize community, commercial, and residential solar development. The Brighter Tomorrow Act innovates the incentive structure for solar energy in Maryland by establishing an SREC multiplier, raising the Aggregate Net Meter cap, restructuring personal property tax to a payment in lieu of taxes structure for qualified projects, and codifying prevailing wage in the solar industry.

SB 783 establishes an SREC multiplier to jumpstart new, targeted, and harder-to-build projects. Solar Renewable Energy Credits (SRECs) are performance-based financial incentives which allow for solar energy produced from qualifying projects to count toward the Renewable Portfolio Standards (RPS) requirements for renewable energy[8]. SRECs are bought and sold among the market, and their value fluctuates based on supply, demand, and Alternative Compliance Payments (ACPs). SB 783 establishes an SREC multiplier structure which provides enhanced incentives by multiplying SREC credits, for projects on preferred sites, including commercial rooftop sites and parking canopies. This will promote development of solar projects on existing infrastructure to reduce construction timelines and protect soil from potential disturbance. It is important to note that, based on CEJA, the ACPs are set to step-down in value beginning next year, making it difficult for solar developers and investors to fund and build these harder-to-build projects.

The SREC multiplier is intentionally structured as a "bridge multiplier", meaning that it would be in effect only for projects that begin construction within the designated three year period, during which time a more permanent SREC enhancement will be studied and considered by the Maryland Energy Administration. The program would be limited only to projects that begin generating electricity before January 1, 2028 and would support harder-to-finance smaller projects. It also includes a cap in order to prevent any flooding of the market. Forthcoming consensus amendments, negotiated with the Maryland Energy Association, will further narrow the scope of the multiplier to meet the crisis of the moment.

SB 783 restructures personal property tax to a payment in lieu of taxes structure for qualified projects. Currently, the personal property tax rates and application varies throughout the State, resulting in inconsistency and confusion. The solar industry uplifted this issue to the Task Force and expressed interest in finding a streamlined method Statewide. Based upon the Task Force recommendations and in partnership with the Maryland Association of Counties (MACo), the bill extends the sunset for the existing personal property tax exemption for community solar to 2030, eliminates personal property tax on commercial rooftop and parking canopy, and allows jurisdictions the option to provide additional incentives to lower the tax burden on parking canopy projects. In place of these varying separate taxes, developers would be responsible for one Payment In Lieu Of Taxes (PILOT) at a rate of $2500 per MW generated. This would provide consistency across the State and undoubtedly lead to more interest in developing solar projects in Maryland.

SB 783 extends the current tax incentives for projects providing energy to predominantly low and moderate income households. The current exemption was enacted by legislation in 2022 to make possible projects that are harder to finance and build: small projects serving predominantly low and moderate income households located on already developed land or using agrivoltaics. Based on the Task Force recommendations, the Brighter Tomorrow Act will extend the exemption's sunset to 2030 and allow for more projects to be built that benefit LMI households.

---

[6] https://www.cbsnews.com/baltimore/news/governor-moore-announces-maryland-commitment-100-clean-energy-by-2035/
[7] https://www.eia.gov/todayinenergy/detail.php?id=46676
[8] https://www.energysage.com/solar/srecs/

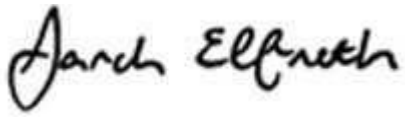
SB 783 raises the Aggregate Net Meter cap. Net Metering is a process by which solar users tied to an electrical grid may sell excess energy produced back to utilities in exchange for a credit which may be applied to their electricity bills. Net Metering is aggregated when a large-scale solar system is designed as a combination of several smaller systems on the same property, improving overall efficiency[9]. This has a particularly positive impact on non-profit, government, and agricultural entities which may have multiple solar systems on different rate plans throughout one property. Implementing Aggregate Net Metering (ANEM) means that the solar systems on the same property are considered as one large system and allows the farmer to sell excess energy generated to utilities in exchange for an electric bill credit. SB 783 raises the cap for ANEM projects from 2MW to 5MW of production, broadening the scope of allowable excess energy to be utilized to resource electrical systems throughout Maryland.

SB 783 codifies a prevailing wage requirement for solar projects. The community solar permanent program currently includes a requirement for a prevailing wage for solar projects over 1MW. The Brighter Tomorrow Act, with the forthcoming consensus amendments, codifies this language and applies it to all solar projects in the State, bringing Maryland code up to Federal labor standards. This ensures that we can both meet our critical energy goals AND support family-sustaining jobs.

Maryland is proud to be a leader in clean, renewable energy. Senate Bill 783, with the forthcoming consensus amendments, is the result of intense collaboration among State agencies, legislators, local governments, the solar industry, organized labor, and solar advocates and represents an innovative investment in Maryland's ambitious clean energy goals. The collective decision to focus the bill on community and residential solar projects is intentional in an effort to expand renewable energy opportunities to low and moderate income communities while utilizing existing infrastructure to rapidly expand solar production and limiting ratepayer impact. SB 783 establishes continuity, broadens opportunity, and elevates our State's large-scale impact.

I urge a favorable report on Senate Bill 783.

Sincerely,



Senator Sarah Elfreth
District 30

[9] https://coldwellsolar.com/commercial-solar-blog/net-metering-aggregation-matters/

SB0783 - Solar - Bonus Credits - NAIOP - FAV - EEE

Uploaded by: Tom Ballentine

Position: FAV

NAIOP
MARYLAND CHAPTERS
THE ASSOCIATION FOR COMMERCIAL REAL ESTATE

February 28, 2024

The Honorable Brian J. Feldman, Chair
Education, Energy, and the Environment Committee
Miller Senate Office Building, 2 West
Annapolis, MD 21401

Support: SB 783 – Renewable Energy – Net Energy Metering Aggregation, Credits and Taxes

Dear, Chair Feldman and Committee Members:

NAIOP represents 22,000+ commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets.

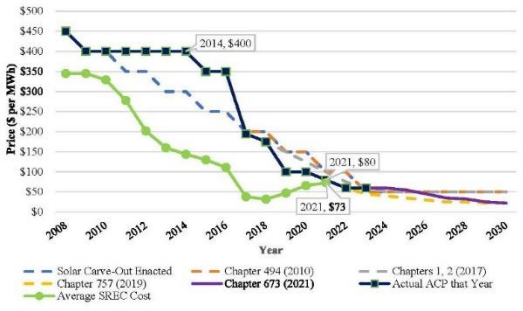
NAIOP members deliver office, mixed use, multi-family, and warehouse developments that meet the changing ways that people work, live, shop and play. On behalf of our member companies, I am writing to support SB 783 which provides important incentives for installation of solar generating facilities.

NAIOP members have corporate sustainability and building performance objectives that, under the right conditions, can be met with solar installations. NAIOP member Prologis, a global leader in logistics real estate, has installed five hundred megawatts (MW) of rooftop solar energy on its way to a company goal of one gigawatt (GW) by 2025.

Our members also serve tenants that desire to include solar in leased space or new construction; some companies see leasing rooftop space for solar or generating power for use on-site as a value-added investment. At the building level, the age and size of the roof, whether the building is multi-tenant or a single user, competing uses for rooftop space such as skylights, communications equipment outdoor amenities, utility interconnection costs, or the community solar subscriber mix can be influential factors.

The overall feasibility of rooftop solar projects is influenced by a host of variables and depends on meeting the financial and performance requirements of solar providers, owners and tenants of host buildings, utility operators and rate payers. Some factors are market or policy based. Some factors influence all projects, some are location specific.

Exhibit 1.4
Statutory Changes in Solar Energy ACP Price Under the RPS Compared to Actual ACP Price by Year and Average SREC Cost by Year



Source: Public Service Commission; Department of Legislative Services

For Maryland, finding the right balance point in solar policymaking has been challenging. Rooftop solar installations have lagged other states for reasons related to policy and market conditions. Policy changes to improve the economics of solar projects are

U.S. Mail: 12 Francis Street, Annapolis, Maryland 21401 **Phone:** 410.977.2053 **Email:** tom.ballentine@naiop-md.org

necessary to reinvigorate the market, accelerate progress toward Maryland's renewal power goals and counter the decline in the value of Solar Renewable Energy Credits. (SRECs)

The most visible factor is the statutory reduction in the value of Alternative Compliance Payments (ACP) that apply to utilities under the Renewable Portfolio Standard. The value of ACP as illustrated by the purple line in Exhibit 1.4 above, is scheduled to decline by approximately 70% by 2030. Since ACP payments serve as a benchmark for the value of SRECs, their declining value raises concerns about the long-term financial viability and return on investment for solar generating facilities.

SB 783 counters the scheduled decline in price by providing bonus SRECs for qualifying solar generating facilities. The bill also takes other sensible and beneficial steps by increasing the cap on the size of net metered generating systems and establishing tax exemptions for equipment and related real estate.

Together, the proposed changes and incentives balance the needs of various stakeholders and improve the value proposition in ways that have the potential to accelerate the market adoption of small solar generating facilities.

For these reasons NAIOP respectfully requests your favorable report on SB 783

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Education, Energy, and the Environment Committee Members
Manis – Manis, Canning Assoc.

SB0783 - FWA.pdf
Uploaded by: Evie Schwartz
Position: FWA

Maryland Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee

FROM: MEA

SUBJECT: SB0783 - Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

DATE: February 29, 2024

MEA Position: FAVORABLE WITH AMENDMENTS

This bill would incentivize solar energy development through the following measures: a) increasing the net metering cap from 2 megawatts to 5 megawatts; b) enabling new tax incentives for certain solar systems; and c) providing additional solar renewable energy credits for certain solar systems.

Maryland is currently falling short of the State goals established in the Renewable Energy Portfolio Standard (RPS), which requires electricity suppliers to provide at least 14.5 percent of their electricity from solar sources by 2030. According to the study recently conducted by the Task Force to Study Solar Incentives, chaired by MEA Director Paul Pinsky, Maryland is approximately 20 percent behind on meeting our solar carveout.

MEA supports the provisions in this bill that are consistent with the recommendations of the Solar Task Force. MEA has worked with the sponsor and stakeholders, and supports the sponsor's conceptual amendments. These amendments make changes to SREC multipliers discussed below.

Increasing the Net Metering Cap

This was a recommendation from the Solar Task Force with unanimous support. Increasing the net metering cap from 2 megawatts to 5 megawatts would reduce the number of interconnection points for large co-located developments (i.e., multiple large solar arrays at the same site with multiple interconnection points). Raising the cap would reduce overall project costs, by saving on interconnection fees, while also simplifying the approval and interconnection process and shortening construction and interconnection timelines. These factors currently impose costs that slow progress towards meeting the State's RPS goals. Last year, the General Assembly increased the net metering cap to 5 MW for community solar energy generating systems[1]. This bill would do the same for other commercial and utility scale solar systems of a similar size.

[1] Electricity - Community Solar Energy Generating Systems Program and Property Taxes, HB908 (2023).

Tax Incentives

The three (3) new tax incentives outlined in the bill each received unanimous support from the Solar Task Force:

- In Maryland, equipment for non-utility electric generator solar farms including solar panels, mounting structures, wiring, transformers, and others are taxed as personal property at 50 percent of its value per Tax-Property Article §7-237(b)(2). By exempting non-residential rooftop and parking canopy solar installations from personal property taxes, the tax exemption will help offset high costs of solar installations on commercial rooftops and parking canopies. Incentivizing these types of solar systems provides co-benefits, helping accelerate progress toward meeting the State's RPS goals and promoting the efficient use of land by encouraging dual use of previously developed property.
- Similarly, this bill identifies an opportunity to offset the high costs of solar canopies, by granting authority for local jurisdictions to offer assessment abatements for real property that is host to a solar parking canopy. Solar canopies are more costly, largely due to the material cost of the steel used to build the canopy structure. This bill will enable local jurisdictions to support the State's RPS goals, while directing more solar on previously developed property.
- This bill would also grant authority to local jurisdictions to enter into a P.I.L.O.T. (Payments in Lieu of Taxes) agreement – instead of real property or personal property tax – in the amount of $2,500 per MW-AC of installed capacity of ground-mounted solar systems. Enabling legislation offers counties another tool to incentivize more solar and improve progress toward meeting the State's RPS targets.

SREC Multipliers

The Solar Task Force recommended adopting a temporary policy in the 2024 session to incentivize solar, while the Maryland Energy Administration conducts a study to inform long-term RPS reform. While specific incentive policies were not voted on, "SREC Multipliers" were discussed by the Solar Task Force.

Conceptual amendments proposed by the sponsor would provide 1.5 or 2 Solar Renewable Energy Credits (SRECs) to certain solar projects, such as smaller solar systems on residential homes and larger solar systems sited on previously developed property. The amendments also reduce the cap on the total solar capacity that would be eligible for additional SRECs and limit the duration for the additional SRECs. Finally, the amendments clarify the SREC certification process for the Public Service Commission.

MEA urges the committee to issue a **favorable report with the sponsor amendments.**

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Evie Schwartz directly (evie.schwartz@maryland.gov, 443.537.5538).

MML-SB 783 -FWA.pdf
Uploaded by: Justin Fiore
Position: FWA

Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 29, 2024

Committee: Senate Education, Energy, and the Environment Committee

Bill: SB 783 – Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports Senate Bill 783 with amendments, which seeks to help Maryland reach its solar goals, in part, through a strategic give-and-take of local revenues.

MML generally applauds the approach taken by the sponsor. We understand the balance of foregoing some property tax revenues on projects that are cited in harder to build but community-favorable locations in return for a better deal on larger, ground-mounted projects. However, we would need some amendments to achieve this balance.

1. Include municipalities in the PILOT program in 7-522.
2. Make $2,500 per megawatt the floor for PILOT deals, authorizing local jurisdictions to strike a better deal to achieve proper compensation.
3. Restructure the optional assessment reduction for parking facilities in 7-250 to property tax credits so that a county reduction does not impact a municipalities revenue structure.

We believe these amendments are necessary to avoid a potentially determinantal loss of necessary revenues that cities and towns use to provide essential public services.

For these reasons the League respectfully requests that this committee provide Senate Bill 783 with a favorable report with amendments.

FOR MORE INFORMATION CONTACT:

Theresa Kuhns Chief Executive Officer
Angelica Bailey Thupari, Esq. Director, Advocacy & Public Affairs

Maryland Municipal League

The Association of Maryland's Cities and Towns

Bill Jorch — Director, Public Policy & Research

Justin Fiore — Deputy Director, Advocacy & Public Affairs

SB783-FWA-AdvocatesForHerringBay.pdf
Uploaded by: Kathleen Gramp
Position: FWA

Testimony of the Advocates for Herring Bay[1]
Regarding SB 783 – Renewable Energy
Submitted by Stephen Marley, February 28, 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 SB 783 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, SB 783'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, SB 783 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 projects[6] 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 weaking 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.

WRITTEN TESTIMONY Climate Access Fund SB 783. 02.2
Uploaded by: Lynn Heller
Position: FWA

February 28, 2024

SUPPORT WITH AMENDMENT:
SB 783 - Renewable Energy - Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Chair Feldman and Members of the Committee:

The Climate Access Fund ("CAF") is a statewide nonprofit Green Bank that uses innovative finance to increase low-income participation in community solar. We specialize in community solar project finance, and we seek to fill gaps in the market that are preventing more low-income households from participating in the clean energy economy and benefitting from discounted electricity bills. It is based on that expertise and mission that the **Climate Access Fund supports SB 783 with amendment.** We also want to thank Senator Elfreth for her continued leadership on this issue.

In 2023, SB469 established a task force to study the types and impact of solar energy incentives and make recommendations regarding measures and incentives needed to ensure that the State meets the solar energy goals established in the State's renewable portfolio standard. Maryland is falling significantly short of meeting these goals. The task force also considered how to enhance minority business participation, create good quality jobs, **ensure equitable access to renewable energy**, and promote efficient use of land. The "Brighter Tomorrow Act" is the result of the approved recommendations.

The Climate Access Fund supports the Brighter Tomorrow Act with one amendment: that **an additional SREC multiplier**, of 250%, be included for systems that are both located on a rooftop, a parking canopy, or a brownfield and reserve at least 75% of generated power for the benefit of low-income households, with power being offered at a minimum 20% discount to the prevailing utility rate.

As currently written, SB 783 does not address the important stated goal of the task force related to ensuring equitable access to renewable energy. Smaller solar projects, those built on rooftops and parking lots, and those serving low-income customers are more expensive to build and to operate than larger projects, those built on open space, and those serving higher-income customers. As currently written, SB 783 incentivizes smaller projects and those on the built environment, but it does not incentivize projects that target low-income households. Projects that serve a majority of low-income customers are more expensive to construct and manage due to increased marketing costs and credit risk. The Climate Access Fund urges the Committee to amend SB 783 to extend the use of multipliers to incentivize equitable access to solar as well as smaller systems and those located on the built environment.

Thank you.

Lynn Heller, Founder and CEO
Climate Access Fund Corporation
lynn@climateaccessfund.org
(410) 371-6276

SB783 Support W Amendments.pdf
Uploaded by: Michael McHale
Position: FWA

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:
Baltimore-D.C. Metro Building Trades Council - AFL-CIO
Baltimore Port Council
Baltimore Metro Council - AFL-CIO
Central MD Labor Council - AFL-CIO
Del-Mar-Va Labor Council - AFL-CIO
Maryland State - D.C. - AFL-CIO
National Safety Council

C. SAMUEL CURRERI, President
DAVID W. SPRINGHAM, JR., Recording Secretary
JEROME T. MILLER, Financial Secretary
MICHAEL J. MCHALE, Business Manager

OFFICE:
2701 W. PATAPSCO AVENUE
SUITE 200

AFL-CI0-CLC

BALTIMORE, MARYLAND 21230

Phone: 410-247-5511
FAX: 410-536-4338

Written Testimony of
Michael McHale, Business Manager, IBEW LOCAL 24
Before the Senate Education, Energy, and the Environment Committee On
SB 783 Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Support With Amendments

February 28, 2024

Chairman Feldman and Committee Members,

My name is Michael McHale, Business Manager and 39-year member of IBEW Local 24. I am writing to express our strong **support** of **SB 783** with the sponsor amendments. We recognize its pivotal role in advancing Maryland's renewable energy landscape while prioritizing the creation of high-quality, middle-class jobs.

The Brighter Tomorrow Act signifies a significant step forward in maximizing the efficiency and effectiveness of renewable energy systems. By allowing eligible customer-generators to receive excess generation from multiple systems, it streamlines operations and encourages broader adoption of clean energy technologies. Likewise, the establishment of the Small Solar Energy Generating System Incentive Program is a commendable initiative.

Especially important are the measures to ensure fair labor practices within the industry. The inclusion of prevailing wage provisions, underscores our commitment to upholding labor standards and protecting the livelihoods of workers involved in solar energy projects.
In essence, the Brighter Tomorrow Act represents a comprehensive and balanced approach to advancing renewable energy while simultaneously fostering economic development and job creation. We urge you to give **SB 783** with amendments a **favorable** report.

Sincerely,

Michael McHale
Business Manager
IBEW Local 24

SB 783 Renewable Energy - Net Energy Solar Renewab

Uploaded by: Cyndy Watts

Position: UNF

CAROLINECOUNTY
you belong here
CAROLINE COUNTY COMMISSIONERS OFFICE

JAMES TRAVIS BREEDING, PRESIDENT
LARRY C. PORTER, VICE PRESIDENT
NORMAN FRANKLIN BARTZ, III., COMMISSIONER
109 Market Street, Room 123
Denton, Maryland 21629

Senate Bill 783

Renewable Energy - Net Energy Metering Aggregation, Solar Renewable Energy Credits, And Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Position: **UNF** Date: **February 29, 2024** To: **Education, Energy, and the Environment, Budget and Taxation**

The Caroline County Commissioners **OPPOSE** SB 783. This bill seeks to promote renewable energy by reducing carbon emissions. However, we believe that certain provisions of this bill could have negative impacts on our community and hinder our ability to effectively manage our resources. Specifically, we are concerned about the following aspects of the bill:

- **Increasing Maximum Generating Capacity**: The proposed increase in the maximum generating capacity authorized for net metered generating facilities from 2 megawatts to 5 megawatts could lead to larger-scale solar energy projects that may not be suitable for our county's landscape and infrastructure.
- **Exemption from Property Taxes**: The bill proposes exemptions or reductions in property taxes for various types of solar energy generating systems, including ground-mounted systems. This could result in a loss of revenue for our county, impacting essential services and infrastructure development.
- **Prevailing Wage Provisions**: While we support fair wages for workers, the requirement for prevailing wage provisions on solar energy projects could increase construction costs and deter developers from investing in our county, thereby limiting job opportunities and economic growth.
- **Annual Reporting Requirements**: The bill imposes annual reporting requirements on the status of the net metering program and solar energy generating systems, which could create administrative burdens for local governments like ours.
- **Existing Pilot and Land Use Provisions**: It is important to note that Caroline County already has a pilot program and provisions on the amount of land that can be used for solar energy projects. We believe that these existing regulations are sufficient to address the needs of our community without the need for further state intervention.

Overall, we believe that the proposed changes in House Bill 1435 may not be in the best interests of Caroline County and could undermine our ability to make decisions that align with the needs and priorities of our community. The Commissioners respectfully urge your committee to issue an unfavorable report on SB 783. By enacting thoughtful legislation that considers the needs of rural communities, we can ensure a sustainable future for Caroline County and the state of Maryland as a whole.

Sincerely,

J. Travis Breeding, President

SB0783-BT_MACo_OPP.pdf
Uploaded by: Dominic Butchko
Position: UNF

MARYLAND Association of COUNTIES

Senate Bill 783

Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

MACo Position: **OPPOSE**

To: Education, Energy, and the Environment and Budget and Taxation Committees

Date: February 29, 2024

From: Kevin Kinnally and Dominic J. Butchko

The Maryland Association of Counties (MACo) **OPPOSES** SB 783. This bill generally provides broad tax incentives for specified solar projects, increases the maximum generating capacity for specified aggregated net-metered generating facilities, and creates an incentive program to offer certain certified systems additional solar renewable energy credits (SRECS).

While MACo appreciates the intent of the bill, counties are concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

This bill extends and creates new property tax exemptions for specified solar energy generating systems, including commercial rooftop solar, and authorizes a county to enter into a payment-in-lieu-of-taxes (PILOT) for $2,500 per megawatt for ground-mounted solar systems. In addition, the bill increases the maximum generating capacity for specified aggregated net-metered generating facilities from two to five megawatts and allows an eligible customer-generator participating in meter aggregation to receive excess generation from more than one generating system. Under the bill, the Public Service Commission must establish a program to certify specified solar energy generating systems as eligible to receive additional SRECS for the lifetime of the systems.

MACo appreciates the goal of incentivizing solar panels on rooftops and parking canopies as alternatives to large-scale ground-mounted energy generation facilities. However, according to the bill's fiscal note, counties could lose millions in personal property tax revenues. Further, the fiscal note indicates that as additional solar energy generating systems come online to meet the State's ambitious climate goals, the impact on local property tax revenues will be substantially higher than the current estimate.

MACo will continue working with policymakers and stakeholders to balance the need to reach clean energy targets while protecting local revenues and ensuring local input on large solar projects to ensure communities can help guide their own historical, agricultural, and residential character. However, the bill's impact on local revenues is simply untenable, especially as counties face ballooning budget pressures to fund the Blueprint for Maryland's Future and backfill hundreds of millions of dollars in proposed cuts to local road funding.

Accordingly, MACo respectfully requests an **UNFAVORABLE** report on SB 783.

SB0783-BT_MACo_OPP.pdf
Uploaded by: Kevin Kinnally
Position: UNF

MARYLAND Association of COUNTIES

Senate Bill 783

Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

MACo Position: **OPPOSE**

To: Education, Energy, and the Environment and Budget and Taxation Committees

Date: February 29, 2024

From: Kevin Kinnally and Dominic J. Butchko

The Maryland Association of Counties (MACo) **OPPOSES** SB 783. This bill generally provides broad tax incentives for specified solar projects, increases the maximum generating capacity for specified aggregated net-metered generating facilities, and creates an incentive program to offer certain certified systems additional solar renewable energy credits (SRECS).

While MACo appreciates the intent of the bill, counties are concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

This bill extends and creates new property tax exemptions for specified solar energy generating systems, including commercial rooftop solar, and authorizes a county to enter into a payment-in-lieu-of-taxes (PILOT) for $2,500 per megawatt for ground-mounted solar systems. In addition, the bill increases the maximum generating capacity for specified aggregated net-metered generating facilities from two to five megawatts and allows an eligible customer-generator participating in meter aggregation to receive excess generation from more than one generating system. Under the bill, the Public Service Commission must establish a program to certify specified solar energy generating systems as eligible to receive additional SRECS for the lifetime of the systems.

MACo appreciates the goal of incentivizing solar panels on rooftops and parking canopies as alternatives to large-scale ground-mounted energy generation facilities. However, according to the bill's fiscal note, counties could lose millions in personal property tax revenues. Further, the fiscal note indicates that as additional solar energy generating systems come online to meet the State's ambitious climate goals, the impact on local property tax revenues will be substantially higher than the current estimate.

MACo will continue working with policymakers and stakeholders to balance the need to reach clean energy targets while protecting local revenues and ensuring local input on large solar projects to ensure communities can help guide their own historical, agricultural, and residential character. However, the bill's impact on local revenues is simply untenable, especially as counties face ballooning budget pressures to fund the Blueprint for Maryland's Future and backfill hundreds of millions of dollars in proposed cuts to local road funding.

Accordingly, MACo respectfully requests an **UNFAVORABLE** report on SB 783.

2024- SB783- PHI- LOI.pdf
Uploaded by: Anne Klase
Position: INFO

February 29, 2024

112 West Street
Annapolis, MD 21401

Letter of Information – Senate Bill 783- Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) submit this letter of information on **Senate Bill 783- Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act).** Senate Bill 783 authorizes an eligible customer–generator participating in meter aggregation to receive excess generation from more than one generating system. The bill alters the maximum generating capacity authorized for net metered generating facilities to 5MW. The legislation also requires the Public Service Commission (PSC) to establish a Small Solar Energy Generating System Incentive Program and create property tax exemptions for certain types of solar projects.

Pepco and Delmarva Power have concerns regarding Senate Bill 783's implementation timeline for a generator participating in net metered aggregation to receive excess generation from more than one generating system, including a combined generating capacity of all net metered facilities exceeding 5 megawatts. As drafted, Senate Bill 783 does not provide enough time for the necessary billing system changes needed to meet the requirements in the bill. We respectfully ask for additional time for implementation.

Pepco and Delmarva Power are committed to working with the bill sponsor on an appropriate timeframe for implementation.

Contact:
Anne Klase
Senior Manager, State Affairs
240-472-6641
Anne.klase@exeloncorp.com

Katie Lanzarotto
Manager, State Affairs
410-935-3790
Kathryn.lanzarotto@exeloncorp.com

BGE_LOI_Senate Bill 783- Renewable Energy – Net En

Uploaded by: Charles Washington, Vice-President of Government & Externa
Position: INFO

bge
AN EXELON COMPANY

Position Statement

Letter of Information
Education, Energy, and the Environment
2/29/2024

Senate Bill 783- 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 *Senate Bill 783* - *Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act). Senate Bill 783* 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 *Senate Bill 783*. 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

Charles Washington| Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

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.

Brittany Jones | Guy Andes| Dytonia Reed| 410.269.5281

SB 783_Information_PSC.pdf
Uploaded by: Frederick Hoover
Position: INFO

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

February 28, 2024

Chair Brian J. Feldman
Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

RE: **SB 783 – Information - Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)**

Dear Chair Feldman and Committee Members:

Senate Bill 783 adds new sections to the Public Utilities Article (PUA) and the Property Tax Article, and impacts the Public Service Commission (PSC) in various different ways. The PSC provides the following informational comments on SB 783 for your consideration.

First, SB 783 adds § 7-306(8) and § 7-306(8)(I) to the PUA to increase the maximum size of a solar net metered facility that is meter aggregated from 2 MW to 5 MW, and allows a customer-generator participating in meter aggregation to receive excess generation from more than one generating facility, even if the combined capacity of the facilities is over 5MW. This increase in the size of aggregated projects will allow larger projects to qualify as net metered facilities, which will increase the number and size of projects, and may result in the State reaching the net metering cap of 3,000MW sooner than anticipated.[1] The definition of an aggregated net metering facility in § 7-306.3 of the PUA states that eligible customer generators are those that use electrical service for agriculture, non-profit organizations, a municipal or county government, a unit of State government, or is a public higher education facility. Therefore, if aggregated facilities are authorized to be larger, it would be expected that more commercial customers would begin to become customer generators and net metered customers, possibly limiting residential participation. The proposed legislation in § 7-306(8)(I) also allows a customer-generator participating in meter aggregation to receive excess generation from more than one generating facility, even if the combined capacity of the facilities is over 5MW. This section does not have a maximum capacity limit, meaning that multiple 5MW projects could be combined to virtually create a much larger facility. These eligible customer-generators may, therefore, use up large portions of the net metering capacity limit which otherwise might have

[1] As of June 30, 2023, the State has 1,135 MW of installed net metered capacity

been used to benefit residential customers or small businesses. A reasonable capacity limit on these facilities could alleviate this concern.

Second, SB 783 adds § 7-709.1 to the PUA which requires the Commission to establish a Small Solar Energy Generating System Incentive Program. This section provides that solar generation that qualifies for the program can receive up to 150% or 200% (depending on the size of the system) of SRECs towards meeting the solar carve-out requirement of the RPS program. This provision poses serious compliance concerns. In the current RPS construct, 1 SREC is equal to 1 MWh of renewable generation. Under the proposed legislation, a hypothetical solar system that produces 1 MWh of generation and is certified under the Program could receive 1.5 to 2 SRECs towards meeting the Renewable Portfolio Standard. In other words, a qualifying system that is producing 1 MWh of solar generation would receive SRECs equivalent to producing 2 MWh of generation, even though the system would still be producing 1 MWh of solar generation in actuality. This could create a disparity between the amount of renewable generation that the SRECs are recording in the State via the RPS, and the actual amount of renewable generation that is being produced in the State. Furthermore, a solar generator under the existing programs cannot apply for SRECs beyond what the system can generate. The PJM Generation Attribute Tracking System (GATS), which is used to trade SRECs to satisfy the Maryland RPS requirements, would not recognize these extra SRECs proposed by this legislation. The Commission would need to create an administrative process to account for the extra RECs given to these systems in a different way than what is currently being used.

Additionally, § 7-709.1 provides that the SRECs provided under the program will exist for 5 years, which is different than the current 3-year life cycle for SRECs. The 5-year life of SRECs created under this program will make ensuring compliance with the RPS more complex, as all other SRECs have a 3-year life.

Third and final, the proposed legislation has an effective date of June 30, 2024. This deadline does not afford the Commission sufficient time to implement the requirements of the bill, which will likely require procuring the services of an independent contractor, promulgating any necessary regulations, or hiring additional staff. Accordingly, the legislation should extend the effective date of the legislation by 12 months, or specify deadlines for individual provisions of the bill.

The Commission asks that you consider these comments when reviewing SB 783. We will continue to work with stakeholders on the language of SB 783. Please direct any questions you may have to Christina Ochoa, Director of Legislative Affairs, at christina.ochoa1@maryland.gov.

Sincerely,

Frederick H. Hoover, Chair
Maryland Public Service Commission

SB783_LOI_ Renewable Energy – Net Energy Metering

Uploaded by: Kevin O'Keeffe

Position: INFO

INDEPENDENT ELECTRICAL CONTRACTORS
CHESAPEAKE
Educate. Empower. Energize.

T 301.621.9545
800.470.3013
F 301.912.1665
www.iecchesapeake.com

8751 Freestate Drive
Suite 250
Laurel, MD 20723

February 29, 2024

To: Members of Senate Education, Energy, and the Environment Committee
Member of Senate Budget and Taxation Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Letter of Information for Senate Bill (HB) 783 – Renewable Energy – Net Energy Metering Aggregation, Solar Renewable Energy Credits, and Taxes on Solar Energy Generating Systems (Brighter Tomorrow Act)

Independent Electrical Contractors (IEC) Chesapeake represents more than 200 electrical and low voltage businesses who employ approximately 15, 000 workers in the mid-Atlantic region. In addition, IEC Chesapeake has approximately 1,000 electrical apprentices.

IEC Chesapeake would like to provide the Committees with informational comments opposing the required use of Project Labor Agreements (PLAs) in SB 783. The required use of PLAs creates a disadvantage for merit shop contractors in Maryland. More than eighty percent (80%) of construction in Maryland is performed by non-union contractors. It is unwise public policy to put merit shop contractors at a competitive disadvantage on construction projects in Maryland. Most certified MBE contractors are non-union.

In addition, the mandated requirement of PLAs may significantly drive up the costs of projects at time when the state is facing significant budgetary challenges. We respectfully ask that the Committees eliminate the requirements for the use of PLAs.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 1-301-621-9545, extension 114 or at gshmelzer@iec-chesapeake.com or Kevin O'Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, West Virginia, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.

IEC PRIDE