February 28, 2025

To: House Economic Matters Committee
Senate Education, Energy, and the Environment Committee

Re: **HB 1036 / SB 0931**: Public Utilities- Generating Stations- Generation and Siting- Renewable Energy Certainty Act - **FAVORABLE**

Chairs and members of the House Economic Matters Committee and the Senate Education, Energy, and the Environment Committee:

My name is John Miller. I live in Woodstock, Maryland located in Howard County. I represent Chaberton Energy ("Chaberton"). We are a Maryland based renewable energy company headquartered in Rockville, Maryland located in Montgomery County. We are a leading developer in the state's Community Energy Generating Systems ("CSEGS") Program. Just last year, Chaberton was named to the Inc. 5000 list as both the 34th fastest-growing private company and the 1st fastest-growing community solar company in the United States.

Chaberton's foundation was constructed around the framework that this body set up with the original Community Solar Pilot Program. In nearly five years, we have grown from just a company of just a few to one which now has over 50 employees. We have multiple solar projects operating in Maryland, as well as a robust pipeline of projects in construction and development. These projects are located in the very districts many of you represent.

The projects we develop deliver real and tangible benefits to your constituents. We save Marylanders an average of $150 per household annually on their utility costs. Each Community Solar project supports well over $2.5M in savings for subscribers, all of whom reside in Maryland and many of whom are Low-to-Moderate Income (LMI) subscribers. As an industry, we support ensuring the benefits of solar energy flow to those who need it most. The energy bill savings we can offer to LMI subscribers are often even greater than these average cost savings and provide a necessary lifeline to those struggling to meet basic needs, including increased energy costs.

These projects also support Maryland by delivering additional tax revenue to the state and its counties. Each project delivers hundreds of thousands of dollars in tax revenue while not requiring any local services or costs. Additionally, they support local job creation and retention. While delivering tangible financial benefits, these projects also provide significant environmental benefits to support Maryland's efforts of being a leader on climate change. Based on the EPA's Greenhouse Gas Equivalencies Calculator, a typical 2-megawatt ac project offsets carbon emissions by ~3,700 tons of CO2 per year compared with electricity generated from traditional sources. This saves equal to the emissions of over 3.7M pounds of coal burned and over 3.8M miles driven by gasoline-powered cars. It is also equal to the

same amount of carbon captured by nearly 4,000 acres of local forests. Those numbers are all for a single project!

Maryland offers a unique challenge in terms of permitting projects. Navigating the process can be both arduous and complex. As you may know, just over half of Maryland's local jurisdictions are primarily served by a utility that participates in programs like the Community Solar Program. This greatly restricts the amount of area available on which to develop distributed generation solar projects. Since the inception of the Community Solar Program, the area available for development has been severely restricted. Several local jurisdictions have imposed zoning ordinances that have either directly prohibited development, or enacted severe restrictions which have made development unviable. This has included temporary moratoriums, permanent and outright bans, and highly restrictive constraints on solar development as compared to other similar types of land uses. Chaberton has also experienced our projects meeting all local guidelines and ordinances, only to be denied by that same local jurisdiction. Complicating the picture further, most new projects in those Counties with a more practical approach to siting and permitting are facing highly expensive grid upgrades and limited available capacities given the existing solar generation already in place. This has led to an inequitable distribution of certain counties shouldering a much larger portion of the State's goals while others continue to fall further behind. Furthermore, the State of Maryland has one of the most aggressive clean energy goals in the country, and the State is being hindered at meeting these goals due to permitting challenges.

The most recent report on the Renewable Portfolio Standard (RPS) shows that the State is well behind in meeting its energy goals. Specifically, per the latest report for 2023, the State only met ~65% of its obligations of the solar-carve-out, which led to over $55M in penalty payments levied on the utilities. The solar carve-out is scheduled to increase significantly from 6.5% for 2024 to 14.5% by 2030, and based on current projections the State will continue to fall further behind on meeting these goals. As a Maryland developer, it's clear that a primary reason for this deficit is local permitting prohibitions and restraints. We simply are not going to be able to keep up with the increasing RPS goals, and most likely are going to continue to fall further behind unless we are able to get these projects permitted.

We commend the leadership of Chairs Feldman and Wilson on this important and deeply impactful issue. These bills seek to identify solutions to this growing energy crisis Maryland faces. Setting reasonable and regular standards for local jurisdictions to follow will encourage more solar development in the State, which is among the cheapest and is the fastest form of any energy type to develop. These bills will further enhance the speed and efficiency of development. Importantly, these policies will tangibly lead to increased deployment of renewable energy projects in the State while not increasing any burden on tax or rate payers. Too often, when targets are not met it leads to altering and increasing compensation or incentive levels without identifying the actual impediments to development. Rather, the Renewable Energy Certainty Act works to address these roadblocks while providing certainty to both the private development community and the local jurisdictions when it comes to the project standards. Furthermore, by enacting a standardized Payment-in-lieu-of-Taxes approach, this ensures that projects will provide tangible local financial

benefits, over $650,000 during the typical term of a project for a standard 5MWac project, while providing transparency to all on the financial structure of the tax benefits these projects provide.

For the State to meet its various clean energy and climate change goals, battery storage will be an important aspect of the state's energy profile. The Energy Storage- Targets and Maryland Energy Storage Program (HB 910) passed in 2023 set tangible targets for energy storage deployment of 3,000MW by the end of delivery year 2033. A successful energy storage market includes three key aspects: 1) a clear financial structure for battery storage systems that recognizes the full stack of value delivered by storage to the grid, 2) the ability to interconnect battery storage systems to the transmission and distribution grids, and 3) the ability to permit and construct battery storage systems. The Maryland Public Service Commission, and the Energy Storage Working Group, are working to address items one and two. However, it is necessary that the State address the ability to safely and properly permit and construct battery storage systems, as the entire industry expects significant roadblocks at the local level in this regard. By addressing these roadblocks proactively, the Renewable Energy Certainty Act is enabling Maryland to have a robust energy storage market, and to meet the goals set in HB 910.

Community Solar is about more than the financial and environmental benefits. It is also about land preservation, landowner rights, free market competition for electricity, and energy choice for all Marylanders. We are seeing utility bills increase at significant rates, which is not expected to slow. To combat these rising pressures, supporting clean energy generation in state that does not rely on fossil fuels or other commodities will help shield energy bills from the historic increases we are seeing, while increasing the health of our air and our population.

In order to keep building on the successes of Maryland, to keep fostering jobs for a strong local economy, stimulating tax revenue, saving the people of Maryland money on their energy bills, supporting energy equity to LMI residents, and providing energy choice to all residents, it is imperative that there is a path to get local solar projects permitted and approved. We respectfully request a favorable report on SB 931 and HB 1036.

Respectfully Submitted,

John Miller
Chaberton Energy
Vice President of Development