



Committee: Education, Energy and the Environment / Economic Matters
Testimony on: SB931 / HB1036 “Public Utilities – Generating Stations – Generation and Siting (Renewable Energy Certainty Act)”

Position: Favorable
Hearing Date: February 28, 2025

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in support of SB931 and HB1036, which provide important provisions and requirements regarding solar and battery development in the state, as well as requirements and protections related to residential solar. These forms of “Distributed Energy Resource” are among the lowest cost forms of energy now available – they are readily buildable, affordable, and essential to the clean energy transition the state is committed to. They can be built across the state, adding low-cost energy and stability to the electricity system in all utility territories.

This category of distributed resource includes the state’s Community Solar Energy Generating System (CSEGS) program, which the legislature made a permanent part of our energy system in 2023. As a permanent program, Community Solar creates the possibility for the estimated three-fourths of Maryland residents who can’t have solar on their own roof to get power from low-cost locally generated truly clean renewable energy. Under the program, Community Solar projects are required to include at least 40 percent of their customers from households with low- or moderate income (LMI). They are also required to provide their electricity at a discount from standard utility service, with deeper discounts for those LMI households.

However, the ability to develop these distributed energy resources is extremely uneven, with a wide array of local approaches even within a given utility area, creating an uncertain development process. From 2015 until the passage of the Community Solar permanent program, CPSR participated in the Public Service Commission’s Work Group that developed the regulations and monitored and managed the CSEGS pilot program. During the PSC Work Group’s work on the CSEGS pilot program, it became clear that this variability and uneven restrictions were a rate-limiting step on Community Solar development.

Since that time, experience has confirmed that basic provisions and requirements governing these essential Distributed Energy Resources are overdue. Their passage will establish needed order that will enhance the appropriate development of the clean renewable energy that we need to meet our clean energy and Greenhouse Gas Reduction goals.

Among this bill’s provisions are:

- For ground-based projects – including Community Solar Energy Generating Systems (CSEGS) – that are larger than 2 megawatts (MW) size and therefore require approval under a Certificate of Public Convenience and Necessity (CPCN), or that otherwise require approval by the state’s Public Service Commission (PSC), the bill provides standard requirements including –
 - When applying for approval, full notification of the state and local government representatives of the site location and other potentially affected nearby area;
 - Also, full notification of local residents and property owners, with extra attention to residents and property owners if a project is located in an overburdened or underserved community;
 - Substantial but not excessively burdensome experience-based siting requirements, including setbacks, visual and spatial buffers, fencing, preservation of topsoil, and runoff control using native plantings.
 - A decommissioning agreement secured with a fully funded surety bond;

- Relief from personal and real property taxes, while allowing the establishment with the local jurisdiction of a Payment in Lieu of Taxes (P.I.L.O.T.) agreement.
- In appropriately adapted form, these requirements and conditions also are established for energy storage devices, *i.e.*, batteries.
- Local jurisdictions are empowered to establish – by ownership, operation, or management through a contracted subscriber organization – one or more CSEGSs that will provide Automatic Enrollment for persons living within a designated area.
 - This enrollment will automatically provide local customers and ratepayers with access to low-cost locally produced clean renewable energy, at a cost that is mandated to be discounted from utility Standard Offer Service.
 - Customer choice is ensured by including a no-fault opt-out option for all customers.
 - Participation is limited to residential customers, but includes eligible households living in multi-family housing, who otherwise often cannot participate in Community Solar.
 - Importantly, at least 51 percent of participating households in such an Automatic Enrollment Project must be LMI households.
 - For those LMI households, the Act maintains the possibility of participation in energy assistance programs.
- Finally, for residential rooftop solar development, the Act provides for critical standardized customer protections that have been missing, including:
 - Five-year warranty of installation and equipment;
 - Certification that installation and equipment comply with all established standards;
 - Appropriate safety standards for installation and maintenance of residential rooftop solar systems and minimum required qualifications for residential solar installers and maintenance, to be developed by the PSC.

Despite the Automatic Enrollment component, one area the bill does not completely address is the limited ability of families living in some multi-family housing to participate in Community Solar. Although exact figures aren't available, it's estimated that about one of every three Maryland households live in multi-family housing. A large proportion of such housing is "master-metered," meaning that individual households don't have their own separate account and billing... and therefore can't sign up for Community Solar. The PSC has been charged with developing a solution to this problem, but so far has not. Since we don't have the answer, we cannot propose an amendment; but we would encourage the legislature and the Administration not to forget these families, many of whom are renters and would greatly benefit from the dependably low-cost electricity that Community Solar provides.

Overall, however, establishing the straightforward, experience-based requirements in SB931/HB1036 will provide essential clarity and certainty that has been lacking from the state's Distributed Energy Resource development environment. These straightforward, essentially cost-free requirements will substantially improve that development, resulting in greater access to locally produced clean renewable energy for our citizens and accelerated progress toward our climate and clean energy goals.

We therefore respectfully request a favorable report on SB931/HB1036.

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