

# **HB1233\_Solar\_Energy\_Systems\_Subscription\_Eligibili**

Uploaded by: Cecilia Plante

Position: FAV



## TESTIMONY FOR HB1233

### Community Solar Energy Generating Systems – Subscription Eligibility

**Bill Sponsor:** Delegate Johnson, A.

**Committee:** Economic Matters

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in favor of HB1233 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.

Our coalition members understand the getting more solar energy into our grid is an important step in reducing our greenhouse gases and making us less dependent on the predations of the oil and gas industry. But equally important is to get LMI (low- and moderate- income) residents switched over, particularly to solar farms where they can receive a credit on their utility bills.

Currently, a resident is prohibited from subscribing to a solar farm outside of their electric service territory. The issue is that there can be a wait for a solar farm to open in a particular electric service territory. This bill will allow LMI households to subscribe to a solar farm outside of their electric service area and still receive the credit on their utility bill. This will help LMI households reap the financial benefit of solar and avoid the wait time.

We support this bill and recommend a **FAVORABLE** report in committee.

# **HB1233\_FAV\_TPE.pdf**

Uploaded by: David Murray

Position: FAV

February 19, 2025

Honorable C. T. Wilson, Chair  
Economic Matters Committee Room 231  
House Office Building  
Annapolis, Maryland 21401

### **HB 1233 – FAVORABLE**

Dear Chair Wilson, Vice Chair Crosby and Members of the Economic Matters Committee,

TurningPoint Energy (“TPE”) is a solar and battery storage development company, with over 1.2 gigawatts of community solar developed or in operation across the United States and over 240 megawatts in development or operation in Maryland alone. We are proud to have been participating in Maryland’s community solar pilot program since its inception in 2015 and continue to invest heavily in the state’s clean energy future. Community solar projects are proving to be an invaluable tool for reducing electric bills and increasing access to clean energy, especially for those who cannot install solar on their own roofs, such as renters or apartment dwellers.

**HB 1233 stands to expand access to community solar tenfold. The legislation promises to increase the number of LMI customers served by community solar by at least 28,000, providing access to 160 MW of clean, in-state energy.**

Under HB 1233, an LMI household will be able to subscribe to any community solar facility in Maryland. The legislation directs the Public Service Commission to continue its work modernizing utility billing systems by implementing cross utility crediting for low- and moderate-income subscribers. This builds upon the program’s primary goal of broadening access to community solar savings.

**Today, fewer than 1% of LMI customers in the BGE and PEPCO service areas have access to community solar.** The program serves fewer than 4,000 qualifying residents, despite over 395,000 LMI customers in BGE and 180,000 residing in Pepco. Yet, their electric bills are projected to increase significantly, according to a recent report from the [Office of People’s Council](#). By subscribing to community solar facilities, these households could save up to 20% on their annual electricity bills.

Why are only a small share of low to moderate income BGE and Pepco customers poised to enjoy the benefits of community solar? Available sites are limited in these utility territories. While Chairman Wilson’s Renewable Energy Certainty Act should help address deployment in central Maryland – **the industry still forecasts community solar savings will not reach more than 3% and 7% of Pepco and BGE LMI customers, respectively, unless cross utility crediting is implemented.**



Meanwhile, community solar development will eventually come to halt in DPL, and potentially PE, as a result of market saturation. In fact, projected current community solar capacity far exceeds the likely number of potential LMI subscribers in the DPL territory. **Cross utility crediting for low- to moderate-income subscribers solves two issues at once: delivering bill savings to thousands of Maryland households while ensuring Maryland does not halt any progress achieving its clean energy deployment goals.**

HB 1233 is intentionally drafted as a concise bill designed to be a “Phase II” of the current work underway at the Public Service Commission workgroup related to the modernization of utility billing systems and allocation of community solar credits. In HB 908 (2023), the Economic Matters Committee directed the PSC to adopt a consolidated billing mechanism, which will greatly simplify the subscriber management process while enabling for utilities to streamline and upgrade their billing systems no later than January 1, 2026. As a consistent participant in these stakeholder discussions, TPE affirms that cross utility crediting is an appropriate next step for the PSC to ensure that the ambitious LMI participation goals of the program can be attained.

We applaud Delegate Johnson for seeking to expand access to community solar for low- and moderate-income (LMI) households in Maryland, particularly within the BGE and PEPCO utility territories. By enabling cross-utility crediting, Maryland can bring more clean energy projects online and ensure LMI customers are not left behind in the clean energy transition.

Thank you for your time and consideration.

/s/

David Murray

dmurray[at]tpoint-e.com

# **Testimony HB1233 DAC.pdf**

Uploaded by: Debbie Cohn

Position: FAV

**Committee:** Economic Matters

**Testimony on:** HB1233 – Community Solar Energy Generating Systems – Subscription Eligibility

**Submitting:** Deborah A. Cohn

**Position:** Favorable

**Hearing Date:** February 21, 2025

Dear Chair Wilson and Committee Members:

Thank you for allowing my testimony today in support of HB1233. As a Maryland resident in the PEPCO service area since 1986, I am writing to underscore the benefits of encouraging more development of community solar as it can lower electricity costs for residents who cannot install rooftop solar where they live, help Maryland achieve its in-state solar energy generation targets, increase equity and take into account the financial interests of the utilities involved.

We have frequently priced out rooftop solar, but we have too large a “passive solar” tree canopy over our roof to justify the investment. So we subscribed to one of the early community solar projects built on a landfill in Prince George’s County. I have followed the development of community solar since then.

**The Problem:** Montgomery Prince George’s Counties are too densely developed to have many brownfields or unused industrial sites suitable for community solar development. Yet both counties have several low and moderate income (LMI) residents, whether homeowners or apartment dwellers, who save about 5-10 percent on their annual electricity costs. Baltimore City also has a large percentage of low and moderate income residents who might benefit from the savings afforded by community solar and insufficient development sites in BG&E’s service area.

Parts of the state served by Delmarva Power and Potomac Edison have the opposite problem. They have available acreage suitable for community solar projects but lack adequate numbers of low and moderate income residents to satisfy the requirement that at least 40 percent of the project’s output benefits low or moderate income subscribers.

**The Solution:** HB1233 addresses this mismatch between where community solar generating systems can be built and where low and moderate income residents live. It allows a low or moderate income resident in one utility’s service area subscribe to a community solar project in another utility’s service area. To address the financial interests of all involved utility companies, HB1233 requires that the LMI subscriber receives the same credit value on his or her utility bill as an LMI subscriber that resides in the service area of the utility in which the community solar project is located. HB1233 requires the Public Service Commission to establish a process for the exchange of community solar bill credits between the affected utilities in these circumstances.

**Benefits:** HB1233 promotes further development of community solar, helps LMI residents reduce their utility costs and brings Maryland closer to meeting its solar energy generation goals. The bill enhances equity, increases in-state generation of solar energy, and through rules establishing the amount of credit, takes into account the financial interests of the different utility companies involved.

For these reasons I support HB1233 and urge a FAVORABLE report in Committee.

Thank you.

# **HB 1233 - Community Solar Generating systems - Sub**

Uploaded by: Elizabeth Law

Position: FAV

**BILL NUMBER:** HB 1233  
**Community Solar Energy Generating Systems - Subscription Eligibility**

**COMMITTEE:** Economic Matters

**HEARING DATE:** February 21, 2025

**SPONSOR:** Delegates A. Johnson and S. Johnson

**POSITION:** Favorable

Chair C. T. Wilson, Vice Chair Brian M. Crosby and Members of the Committee,

As a resident of Maryland and a professional electric power engineer I ask for a favorable report on Bill HB 1233 – Community Solar Energy Generating Systems

This Bill facilitates the ease of exchanging community solar bill credits and therefore adds to the move to clean energy proposed in larger, grander bills.

The electric grid as a whole needs to move to distributed generation such as solar/battery systems and microgrids. The level of power generated by these facilities will not replace the old system of huge generating facilities with mile of invasive transmission lines, but locally distributed generation can reduce the need for peak power generators and enlarging the grid with more transmission lines.

I ask for a favorable report.

Thank you,

Elizabeth Law. P.E. (retired)

1758 Wheyfield Dr.

Frederick, Maryland 21701

# **ECA testimony on HB1233.pdf**

Uploaded by: Frances Stewart

Position: FAV



HB1233 - SUPPORT  
Frances Stewart, MD  
Elders Climate Action Maryland  
[frances.stewart6@gmail.com](mailto:frances.stewart6@gmail.com)  
301-718-0446

HB1233, Community Solar Energy Generating Systems – Subscription Eligibility

Meeting of the Economic Matters Committee

February 21, 2025

Dear Chair Wilson, Vice Chair Crosby, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge a favorable report on HB1233, Community Solar Energy Generating Systems – Subscription Eligibility.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Marylanders are concerned about their increasing electricity bills. These concerns are particularly serious for people with low or moderate incomes, including many elders.

At the same time, more and more people want to switch to solar energy because of its lower cost and its environmental benefits. Many of them are renters or others who cannot install solar panels on their homes. Low and moderate income people are overrepresented in that group.

Community solar provides an excellent option, but in some areas, there are no community solar projects with room for new subscribers. We've noted that problem particularly with our members in the PEPCO service area. But in other parts of the state, projects have plenty of room for new subscribers.

This bill offers an excellent opportunity to alleviate both problems. Making it easier for LMI customers to subscribe to a project outside their service area will reduce their bills and make the benefits of solar available to them wherever they live in Maryland. It will also be beneficial to community solar projects in areas that do not yet have high demand.

For these reasons, we strongly urge a favorable report on HB1233.

Thank you.

# **HB1233- Electricity - Community Solar Energy Gener**

Uploaded by: Kristen Harbeson

Position: FAV



MARYLAND  
LEAGUE OF  
CONSERVATION  
VOTERS

Kim Coble  
Executive Director

2025 Board of  
Directors

Patrick Miller, Chair  
The Hon. Nancy Kopp,  
Treasurer  
Kimberly Armstrong  
Caroline Baker  
Joe Gill  
Lynn Heller  
Charles Hernick  
The Hon. Steve Lafferty  
Bonnie L. Norman

February 20, 2025

**SUPPORT: HB1233 - Community Solar Energy Generating Systems - Subscription Eligibility**

Chair Wilson and Members of the Committee:

Maryland LCV supports HB1233: Community Solar Energy Generating Systems - Subscription Eligibility, and we thank Delegate Johnson for his leadership on this issue.

In 2023, Maryland made permanent its community solar program, which included a provision, strongly supported by Maryland LCV, requiring 40% of every project be reserved for those in Low and Moderate Income or Overburdened and Underserved communities. This mandate ensures that the most vulnerable Marylanders will be able to benefit from the program and ensure participation in a clean energy economy.

This legislation hopes to further expand that access by allowing low-and-moderate income families to subscribe to any community solar project in the state, regardless of their utility service area (a current restriction to the program).

Maryland LCV believes that the community solar program sits at the nexus of two significant state goals: clean energy generation, and environmental justice, and this modest change to the program furthers those goals. For this reason, we urge a favorable report on this important bill.

# **HB1233 Community Solar Energy Generating Systems -**

Uploaded by: Laurie McGilvray

Position: FAV



**Committee: Economic Matters**

**Testimony on: HB1233 – Community Solar Energy Generating Systems - Subscription Eligibility**

**Organization: Maryland Legislative Coalition Climate Justice Wing**

**Submitting: Richard Deutschmann**

**Position: Favorable**

**Hearing Date: February 21, 2025**

Dear Chair Wilson and Members of the Committee:

Thank you for your consideration of our testimony today in support of HB1233. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB1233.

The Community Solar program in Maryland has been incredibly effective, allowing residents the option to have locally generated, clean renewable energy delivered to their homes or small businesses. There are several reasons why this is an important option, such as residents not owning their own roof, or shade on their home. Additionally, there are strong provisions in the law to target Low-to-Moderate Income (LMI) residents, helping them to reduce their energy bills by 10-20%. In the current energy rate environment, this has been especially important, given the rise in utility rates due to the rapid escalation in capacity pricing on the PJM grid, as well as the steep rise in distribution charges for methane gas.

However, there is currently a mismatch between the development of Community Solar plants and the demand from LMI customers. This is primarily due to the lack of suitable site locations of solar plants within BGE and PEPCO territory. Currently, the law allows for residents to sign up for Community Solar *only within their own utility territory*. As LMI must be at least 40% of the makeup of each Community Solar project, this has had the effect of slowing in-state development of much needed clean energy generation. HB1233 would simply allow for LMI residents to sign up for Community Solar from any in-state facility.

It is estimated that this bill could help more than 28,000 LMI residents with access to the Community Solar program, and the accompanying utility bill savings that they so desperately need. This would, in turn, help improve the lives of the most vulnerable Marylanders, improving energy equity in the state. Additionally, this program could help to support an additional 160MW of solar development in the state, supporting our shared climate goals, improving in-state generation and reliability, and slowing the need for costly transmission buildout.

For all of these reasons, we strongly support HB1233 and urge a FAVORABLE report in Committee.

350MoCo

Adat Shalom Climate Action

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry  
Chesapeake Earth Holders  
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

# **HB1233 SEIA Testimony.pdf**

Uploaded by: Leah Meredith

Position: FAV

February 21, 2025

Delegate C. T. Wilson  
Chair  
House Economic Matters Committee  
231 Taylor House Office Building  
6 Bladen Street  
Annapolis, MD 21401

Delegate Brian M. Crosby  
Vice Chair  
House Economic Matters Committee  
231 Taylor House Office Building  
6 Bladen Street  
Annapolis, MD 21401

## RE: SEIA Support for HB1233: Community Solar Energy Generating Systems - Subscription Eligibility

Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee:

I am writing on behalf of the Solar Energy Industries Association (SEIA) in **support** of HB1233 (A. Johnson), which was referred to the House Economic Matters Committee on February 7, 2025.

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 the 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 home to more than 200 solar businesses with many more national firms also conducting business in the state.

### *Maryland's Community Solar Program*

Community solar projects are small-scale, local solar facilities shared by multiple individual subscribers who receive credit on their electricity bills for their share of the electricity the solar system produces. Community solar thus expands solar accessibility and gives all Marylanders the choice to take advantage of the cost-saving benefits of solar energy without needing to install a solar system where they reside.

Maryland's seven-year community solar pilot program became a permanent program when Governor Moore signed HB908, passed by this legislative body in 2023. HB908 removed the pilot program's capacity limits within electric utility service territories and, for the permanent program, instituted a requirement that 40% of the subscribers to any community solar project be low and moderate income (LMI) utility customers. Maryland also requires community solar subscribers to receive guaranteed savings, resulting in typical electric bill savings of 10-20% for participating utility customers. With these two requirements of the permanent community solar program, the state took a bold step to ensure that the benefits of solar energy can flow to all Marylanders. However, conflicting with community solar program's dual goals of maximizing bill savings to LMI households and deploying additional in-state renewable energy generation, is the requirement that community solar customers be located in the same utility service territory as the

solar facility to which they are subscribed. HB1233 would exempt LMI community solar subscribers from this locational requirement while keeping the 40% LMI subscriber requirement in place.

Maryland's utility service territories vary in their suitability for hosting sufficient community solar projects to meet the demand from LMI customers. Electric utilities serving rural areas tend to have the necessary grid hosting capacity and land available for solar projects but a smaller pool of LMI customers as a percentage of their customer base, while the utilities serving Maryland's urban and suburban areas have more LMI customers but limited infrastructure for hosting community solar projects. This leads to a mismatch of supply and demand, where the number of eligible LMI customers exceeds the market potential for viable community solar projects in the Baltimore Gas and Electric (BGE) and Pepco Electric (Pepco) service territories, while planned community solar development in the Potomac Edison (PE) and Delmarva Power and Light (DPL) service territories is already beginning to slow as the market for LMI subscribers will be saturated once a portion of planned projects are built.

**Percentage of LMI Eligible Utility Customers by Service Territory (estimated)**

Baltimore Gas and Electric	49.6%
Pepco Electric	32.8%
Delmarva Power and Light	9.3%
Potomac Edison	8.8%

In examining the number of eligible LMI customers in the four utility service territories, and assuming an aggressive 20% penetration of eligible LMI customers sign up for community solar, the total number of megawatts (MW) of community solar that could realistically be built are ~250 MW in DPL's territory and ~400 MW in Potomac Edison. Meanwhile, 1400 MW of community solar projects would need to be constructed in BGE's territory and 660 MW in Pepco's in order to serve eligible LMI customers, assuming the same 20% penetration, but this figure far exceeds the market potential for community solar projects located in BGE and Pepco territories.

Planned community solar projects in DPL currently exceed total demand from LMI households in DPL's service territory. Meanwhile, even if *all* the electricity from planned community solar projects in Pepco were directed to LMI households, less than one in six eligible LMI households would have access to bill savings. By 2029, total community solar capacity will exceed the LMI customer demand for electricity in DPL while just 7% of low to moderate income Pepco households will be able to subscribe to community solar. Allowing LMI Marylanders to subscribe to community solar projects located in another electric utility's service territory is a necessary change to the state's permanent community solar program if Maryland is to both meet the goals of the program and not arbitrarily restrict solar development.

### *Cross-Utility Crediting*

By allowing LMI utility customers to subscribe to any community solar project, regardless of where in Maryland that project is located, HB1233 institutes a policy mechanism known as cross-utility crediting. Cross-utility crediting does not require any new billing infrastructure beyond what the utilities already have in place to bill their own customers, nor does it require the utilities to provide bill credits for LMI customer accounts that are not their own electric customers. Rather, there is an exchange of funds from the hosting utility to the subscribing customer's utility and the bill credit the LMI customer would receive would be based on the calculated bill credit in the service territory where the community solar project is built. The utility where the community solar project is built would provide compensation to the community solar project owner for the generation the solar system provides. In the absence of cross-utility crediting, Maryland's policy goal of offering bill credit savings to LMI households will fall far short in BGE and Pepco's service territories due to the limited market potential for community solar projects there. HB1233 will help ensure that the Marylanders who have the greatest need for financial relief are able to take advantage of the bill savings associated with community solar.

It is critical that Maryland maximize the economic and business opportunities associated with all electric power generation sources and HB1233 will drive additional investment in clean, domestic, local job-producing solar generation while allowing more Marylanders to take advantage of the bill savings associated with community solar. With the permanent Community Solar program going live in 2025, it is vital that the state address the barriers to participation from LMI Marylanders without delay. HB1233 lays the groundwork for long-term success of Maryland's community solar program and its goal of benefitting Marylanders statewide. For these reasons, SEIA strongly **supports** this legislation and respectfully urges the Committee to issue a favorable report on HB1233. Should you have any questions, please do not hesitate to contact me.

Sincerely,

*Leah Meredith*

Leah Meredith  
Mid-Atlantic Regional Director  
Solar Energy Industries Association  
[lmeredith@seia.org](mailto:lmeredith@seia.org)

# **CHESSA - MD - ECM Favorable HB1233 20250221.pdf**

Uploaded by: Robin Dutta

Position: FAV



21 February 2025

Delegate C.T. Wilson, Chair  
Economic Matters Committee  
Room 231  
House Office Building  
Annapolis, Maryland 21401

### **Written Testimony**

#### **HB1233: Community Solar Energy Generating Systems - Subscription Eligibility**

#### **Position: Favorable**

---

Chair Wilson, Vice Chair Crosby, Members of the Economic Matters Committee, thank you for the opportunity to testify on House Bill 1233, Community Solar Energy Generating Systems - Subscription Eligibility.

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 to realize a stable and affordable grid for all consumers.

I am here to provide favorable testimony on HB1233, Community Solar Energy Generating Systems - Subscription Eligibility.

A major part of Maryland community solar program is the requirement to sign up 40 percent of the system capacity for low-and-moderate income (LMI) consumers. However, those LMI consumers may not be located in an area with available community solar capacity. Community solar has proven to be an effective way to reduce energy expenses for its subscribers, with households seeing between 10% and 15% in bill savings by participating in these programs. For LMI families, these savings can make a significant difference in managing their household budgets, especially given the increasing financial strain many are facing.

However, current utility regulations often create barriers to participation, as customers are limited by the utility provider they have access to. Increasing access in the program for low to moderate income households will benefit thousands of Maryland residents in more population dense areas, particularly in Pepco and BGE territories.

HB1233 aligns with Maryland's ongoing efforts to keep energy costs down, as well as promote clean energy adoption in a more equitable manner.

CHESSA asks for a favorable report on HB1233. 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*

Robin K. Dutta

Executive Director

**Chesapeake Solar and Storage Association**

[robin@chessa.org](mailto:robin@chessa.org)

# **HB1233 PHI Oppose 02.21.25.pdf**

Uploaded by: Anne Klase

Position: UNF

February 21, 2025

112 West Street  
Annapolis, MD 21401

**Oppose – House Bill 1233 - Community Solar Energy Generating Systems - Subscription Eligibility**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose HB 1233- Community Solar Energy Generating Systems - Subscription Eligibility. House Bill 1233 Authorizes a certain low- and moderate-income (LMI) subscriber to hold a subscription to a community solar energy generating system located in a different electric service territory from the one in which the LMI subscriber resides, provides that a certain LMI subscriber shall receive the same bill credit value as an LMI subscriber who resides in a certain electric service territory, and requires the Public Service Commission (PSC) to establish a process for exchanging community solar bill credits between systems located in different electric service areas.

Pepco and Delmarva Power are powering a cleaner and brighter future for our customers and communities. Today, our customers have more choices than ever before in receiving reliable, clean, affordable and innovative energy products, and we are committed to driving that progress. As part of our commitment, we support community solar as an opportunity for customers to benefit from solar energy. While Pepco and Delmarva Power recognize the tremendous benefits of the community solar energy program in providing renewable energy options to Maryland customers, we have significant concerns about this legislation.

Pepco and Delmarva Power are concerned about the technical implications of this bill. To create a mechanism to settle energy in one PJM Zone and credit at a different rate will not work. Even if energy prices are slightly different, short falls/win falls would be created with no way to properly credit a subscriber. There would be jurisdictional issues associated with the recovery of the credit value and for load settlement. With the solar export benefitting the service territory of one electric company and the subscriber credit issued in a different service territory at a different electric company's rates, the value of the credit would be inappropriately funded by customers in the subscriber's service territory who did not benefit from the generated solar. Currently, a subscriber can already be assigned to multiple community solar facilities in Maryland as long as they are in their service territory. A mechanism to create a system to try and allow customers to subscribe to another community solar energy generating system located in a different electric service territory would be incredibly costly.

Pepco and Delmarva Power respectfully oppose House Bill 1233 and look forward to continuing conversations with the bill sponsor and all stakeholders involved.

Pepco Holdings, the parent company of Pepco, an electric utility serving Washington, D.C., and suburban Maryland; Delmarva Power, an electric and gas utility serving Delaware and portions of the Delmarva Peninsula; and Atlantic City Electric, an electric utility serving southern New Jersey. Anthony and his team are responsible for guiding the company's delivery of reliable and excellent service to more than two million customers in the Mid-Atlantic. Pepco Holdings is a subsidiary of Exelon Corporation, one of the nation's leading energy services companies.

**Valencia McClure | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347**

# **BGE\_HB1233\_OPP\_ECM\_ Community Solar Energy Generat**

Uploaded by: Brittany Jones

Position: UNF



AN EXELON COMPANY

## Position Statement

OPPOSE  
Economic Matters  
2/21/2025

### **House Bill 1233- Community Solar Energy Generating Systems - Subscription Eligibility**

Baltimore Gas and Electric Company (BGE) strongly opposes *House Bill 1233 - Community Solar Energy Generating Systems - Subscription Eligibility*. This bill proposes to repeal the requirement that a community solar subscriber and the community solar energy generating system (CSEGS) be located in the same electric service territory for the subscriber to receive monthly electric bill credits. Specifically, it mandates the Public Service Commission (PSC) to develop a protocol for utilities to transfer these credits to a low-income community solar subscriber's bill, regardless of the location of the CSEGS.

While BGE acknowledges the benefits of the community solar energy program in providing renewable energy options to Maryland customers, we have significant concerns about the implications of *House Bill 1233*. *House Bill 1233* presents several challenges. If a CSEGS and a Low-to-Moderate Income (LMI) subscriber are in different service territories, the electric company receiving the solar power export cannot credit the LMI subscriber, as they are not a customer of that company.

This bill will create a logistical (but more importantly a jurisdictional) challenge. Even if a process were developed, it would lead to complications in credit value recovery and load settlement. The solar export benefits one service territory, while the subscriber credit is issued in another, funded by customers who do not benefit from the generated solar. This disparity would result in inappropriate funding and differences in credit value due to varying retail rate structures across jurisdictions.

Moreover, creating a mechanism to settle energy in one PJM Zone and credit it at a different rate is impractical. Differences in energy prices would lead to shortfalls or windfalls, with no proper way to credit a subscriber accurately. Ultimately, if the CSEGS is outside the BGE service territory, its generation output would not be settled with PJM for BGE, providing no monetary value for BGE to pay the applicable CSEG subscribers. Additionally, standard offer services energy offset by the subscriber's utility would not match the generator's location pricing, complicating the protocol development further.

Given these very significant concerns, BGE respectfully requests an unfavorable committee report for *House Bill 1233*.

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

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

# **FirstEnergy - UNFAV HB1233 - Community Solar.pdf**

Uploaded by: Timothy Troxell

Position: UNF

Timothy R. Troxell, CEcD  
Advisor, Government Affairs  
301-830-0121  
ttroxell@firstenergycorp.com

10802 Bower Avenue  
Williamsport, MD 21795

---

**OPPOSE – House Bill 1233**

**HB1233 – Community Solar Energy Generating Systems - Subscription Eligibility**

**Economic Matters Committee**

**Friday, February 21, 2025**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 285,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, New York, West Virginia, and Maryland.

**Unfavorable**

**Potomac Edison opposes House Bill 1233 – Community Solar Energy Generating Systems - Subscription Eligibility.** HB-1233 seeks to amend existing code pertaining to community solar subscriptions by providing an exception to the requirement of community solar subscribers and community solar generating facilities being located within the same electric utility service territory. If passed, the bill would require the Public Service Commission to establish a mechanism to exchange community solar credits between electric utility territories.

**FirstEnergy requests an Unfavorable report on HB-1233 for the following reasons.**

In 2015, the Maryland General Assembly required the Public Service Commission to create the Community Solar Energy Generating System Pilot Program. Since its inception, Potomac Edison has been an active participant in the program, however the alterations proposed in HB-1233 completely ignore the long-standing franchised service territories of electric utilities. The bill also does not take into account the very different Transmission and Distribution infrastructure between utilities in the state.

HB-1233 would create an unnecessary and confusing intermingling of wholesale transactions and retail transactions between the electric utilities. In the PJM transmission zones, there are value differentials caused by transmission congestion that create differences in energy prices. If a community solar facility were in a different zone than the subscriber, the value of the electricity could be significantly different. (For example, generation in the APS zone may be less valuable than generation in BGE zone). Implementing the needed cross-utility billing structure would be a technical challenge, an accounting nightmare, and very burdensome from an administrative and systems perspective.

In addition, electric distribution companies would need to be made whole for any value differential – and the credit would need to be based on the value of the electricity at the point of generation, not based on the retail rate of electricity for the customer located in a different zone. The jurisdictional issues associated with the recovery of the credit value and for load settlement could lead to the value of the credit inappropriately being funded by customers in the subscriber's service territory who did not benefit from the generated solar.

Potomac Edison broadly supports a climate strategy to reduce greenhouse gas emissions through the integration of renewable energy on the electric grid, however participation in community solar should continue to be limited to the electric service territory of the subscriber. Under the guise of increasing opportunity and equity for low-to-moderate income customers, HB-1233 would buoy undersubscribed community solar systems at the expense of the remainder of the rate base.

HB-1233 appears unworkable and will result in higher costs for all electric utility customers in Maryland. For these reasons, **Potomac Edison respectfully requests an Unfavorable vote on House Bill 1233.**

# **OPC Testimony HB1233.pdf**

Uploaded by: David Lapp

Position: INFO

DAVID S. LAPP  
PEOPLE'S COUNSEL

WILLIAM F. FIELDS  
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL  
DEPUTY PEOPLE'S COUNSEL

— **OPC** —  
**OFFICE OF PEOPLE'S COUNSEL**  
**State of Maryland**

6 ST. PAUL STREET, SUITE 2102  
BALTIMORE, MARYLAND 21202  
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND  
DIRECTOR, CONSUMER  
ASSISTANCE UNIT

CARISSA RALBOVSKY  
CHIEF OPERATING OFFICER

BILL NO.: House Bill 1233 – Community Solar Energy Generating  
Systems – Subscription Eligibility

COMMITTEE: Economic Matters

HEARING DATE: February 21, 2025

SPONSOR: Delegates A. Johnson and S. Johnson

POSITION: Informational

\*\*\*\*\*

The Office of People's Counsel ("OPC") offers the following informational comments on House Bill 1233. HB 1233 would allow low-moderate income ("LMI") customers to subscribe to community solar energy generating systems ("CSEGS") located in different utility service territories than where the LMI customer resides. To achieve this goal, the bill directs the Public Service Commission ("PSC") to establish a process for the exchange of community solar bill credits between the utility in whose service territory the LMI customer resides ("home utility") and the utility in whose service area the CSEGS facility is located ("hosting utility"). OPC generally supports initiatives to increase LMI customers benefiting from Maryland's CSEGS program but recognizes and identifies below some of the challenges in implementing HB 1233.

Currently, a CSEGS facility generates electricity for customers of the hosting utility. Because both the CSEGS facility and customers are located in the same utility service territory, the utility uses CSEGS generation to offset its purchases from wholesale electricity suppliers. If a customer and CSEGS facility are located in different utility service areas, this direct offset will no longer be feasible. Instead, there will be a revenue mismatch between the home and hosting utilities. These mismatches would affect both the commodity costs and distribution costs that are reflected on customers' bills.

The commodity portion of a community solar customer's utility bill includes a credit for the kilowatt-hours ("kWh") purchased from the CSEGS facility. That credit reduces what the customer pays the utility. The customer, however, actually uses those kWhs, and because the kWhs are used, the customer's utility is billed for that electricity

by the regional wholesale electricity market. Where the CSEGS facility is in a different utility's service territory than where the customer resides, the customer's utility (the home utility) will receive lower revenue to pay for that electricity from the customer—who now will receive credits from the hosting utility to offset their home utility bill. The customer's home utility, however, will not receive the energy output from the CSEGS facility to offset this revenue deficit. Rather, the utility that hosts the CSEGS facility will receive revenue from the regional market for the output of the project. Put otherwise, the hosting utility will receive the benefit of the CSEGS while the home utility will incur the costs. To address this mismatch, the PSC would need to establish a method, workable for all utilities, that facilitates a transfer of funds from the CSEGS facility's hosting utility to the customer's home utility.

Additionally, the customer's home utility will not collect revenue for much of the distribution portion of the bill for a customer who is receiving credits from a hosting utility. That revenue is made up by the home utility's other customers. To more closely align costs and benefits between the customers of the home utility and the customers of the hosting utility, there would be an additional transfer of funds needed between the two utilities. The PSC would need to adopt regulations on how to calculate the amounts to be transferred, how the funds will be transferred, and how the amounts will be tracked in order to ensure that the process is fair for all customers involved.

HB 1233 does not address the transfer of funds between utilities, and the drafting of regulations to address the revenue transfer will require a substantial amount of time and resources. Ultimately, someone—whether participating LMI customers, all utility customers, or the participating CSEGS themselves—will have to pay for the increased costs associated with the administration of the complex system needed to track and transfer revenue between the utilities.

OPC appreciates the opportunity to provide comments on HB 1233.

# **HB1233\_Information\_PSC.pdf**

Uploaded by: Frederick Hoover

Position: INFO

FREDERICK H. HOOVER, JR.  
CHAIR

MICHAEL T. RICHARD  
KUMAR P. BARVE  
BONNIE A. SUCHMAN



## PUBLIC SERVICE COMMISSION

Chair C.T. Wilson  
Economic Matters Committee  
230 House Office Building  
Annapolis, MD 21401

### **RE: HB 1233 – Informational – Community Solar Energy Generating Systems – Subscription Eligibility**

Dear Chair Wilson and Committee Members:

The Public Service Commission (the Commission) provides the following informational comments on House Bill 1233 (HB 1233) for your consideration.

HB 1233 adjusts the geographical relationship between Community Solar Subscriber Organizations (SO's), Community Solar subscribers, and electric distribution companies, as well as altering the bill crediting processes and procedures that exist amongst these entities. Furthermore, the bill requires the Commission, via order or regulations, to establish a process for the exchange of community solar bill credits between community solar energy generating systems that are located in different electric service territories.

The bill amends the Maryland Public Utilities Article (PUA) 7-306.2 (a)(4) by removing the requirement that a Community Solar Energy Generating System must be located in the same electric service territory as its subscribers. In light of this change, the bill modifies PUA 7-306.2 (d)(3) to allow Low-to-Moderate Income (LMI) subscribers to subscribe to a Community Solar Energy Generating System that is located in a different electric service territory than the one in which the LMI subscriber resides. However, the amendment to PUA 7-306.2 (d)(3) continues to require a non-LMI subscriber to reside in the same electric service territory as the Community Solar Energy Generating System they subscribe to. The practical effect of these proposed changes is to allow an LMI subscriber the ability to subscribe to a community solar project that is located outside of their utility service territory, whereas a non-LMI subscriber is still required to subscribe to a community solar project that is located within their utility service territory. Because of this, a Community Solar Energy Generating System will no longer be restricted to enlisting LMI subscribers that are solely within the same electric service territory. For example, a community solar project that is located in western Maryland within Potomac Edison's utility service territory, will be able to subscribe LMI subscribers that reside in Baltimore Gas and Electric's (BGE) utility service territory. These changes may make it easier for Community Solar Energy Generating Systems to meet the 40% LMI subscriber requirement as described in PUA 7-306.2 (a) (4) (VIII). Because of this, the number of Community Solar projects developed within the State may increase, which may lead to the State reaching the 3000-Megawatt cap on Net Metering projects faster than previously anticipated as described in PUA 7-306 (d).

HB 1233 also creates subtitle (o) within PUA 7-306.1, of which (o)(1) allows for an LMI subscriber that resides in a different electric service territory than the Community Solar Energy Generating System to receive the same bill credit value as an LMI subscriber that resides in the same electric service territory as the Community Solar Energy Generating System. It is currently unknown what the feasibility of ensuring that LMI subscribers receive the same bill credit value regardless of what utility service territory they reside in will be. This is due to the fact that each electric utility calculates community solar bill credits differently than one another due to the variance of inputs in the calculation. Furthermore, PUA 7-306.2 (o)(2) requires the Commission, by order or regulation, to establish a process allowing for the exchange of community solar bill credits between Community Solar Energy Generating Systems that are located in different electric service territories. It is currently unknown what the implementation processes to exchange bill credits will be and what procedures will need to be put in place to implement these changes.

HB 1233 alters some of the overarching concepts and connections that guide community solar as a policy. One of the original intentions of Community Solar is to align with traditional Net Metering and provide the same value, on an energy-basis, as the energy produced and credited to a traditional Net Metering rooftop solar system (hence why community solar is a form of virtual net metering). HB 1233 is united with this original intention; however it reevaluates the alignment of community solar with traditional net metering because with these changes, an LMI subscriber can receive distribution bill benefits from a solar system located in a different electric service territory, whereas a traditional Net Metering rooftop solar system is not awarded this freedom. These changes slightly askew the conceptual connection of community solar with traditional net metering.

If the genesis of HB1233 is the result of community solar developers' inability to reach the 40% LMI subscriber requirement in PUA Section 7-306.2(a)(4)(ix), in more rural parts of the State, the General Assembly could grant the Commission flexibility, on a case-by-case basis, to approve a project below the 40% threshold. This would prevent the requirement that a mechanism be established for utilities to process an exchange of community solar bill credits.

The Public Service Commission appreciates the opportunity to provide informational testimony on HB 1233. Please contact the Commission's Director of Legislative Affairs, Christina M. Ochoa, if you have any questions.

Sincerely,

A handwritten signature in blue ink, reading "Frederick H. Hoover". The signature is written in a cursive, flowing style.

Frederick H. Hoover, Chair  
Maryland Public Service Commission