

Maryland REC Aggregators Coalition

House Bill 1532

Senate Education, Energy, and the Environment Committee

March 25, 2026

Favorable with Amendment Testimony

Chair Feldman, Vice Chair Kagan, and members of the Committee:

On behalf of the Maryland REC Aggregators Coalition, we respectfully offer **favorable with amendment** testimony on House Bill 1532.

HB1532 is a comprehensive, omnibus energy bill that advances a number of important policy objectives related to ratepayer relief, energy programs, and the use of funds within the Strategic Energy Investment Fund. The Coalition appreciates the work to advance a broad and thoughtful approach to addressing Maryland's current energy challenges.

Within that broader framework, HB1532 establishes, for the first time, an Alternative Compliance Fee-funded reverse auction to support new renewable energy generation. The Coalition supports the inclusion of this tool. If implemented correctly, it has the potential to more efficiently deploy ACP dollars and bring new energy generation online in a cost-disciplined manner.

The reverse auction is a novel concept for Maryland. This will be the first time the State uses this mechanism to incentivize renewable energy generation. For that reason, the structure should not be artificially constrained at the outset. The net should be as wide as possible and should contemplate the full extent of deployment opportunities across solar technologies. A broader, technology-inclusive approach will allow the market to function as intended, drive true price discovery, and ensure that Maryland captures the lowest-cost, most deliverable projects in this first-of-its-kind procurement.

As currently drafted, however, HB1532 limits participation in the reverse auction by restricting the definition of "renewable energy" to certain categories of generation, including utility-scale solar that does not participate in net energy metering . This restriction excludes a significant portion of Maryland's solar market, including distributed and community solar resources, and in doing so materially reduces competition.

A reverse auction is, at its core, a market mechanism designed to drive price discovery through broad competition. Limiting participation to only certain categories of solar projects distorts that market signal and prevents the State from identifying the most cost-effective and executable projects. Maryland's solar market is diverse, and project type is not a proxy for cost, deliverability, or readiness. What matters is whether a project can interconnect, be financed, and be constructed on time.

Restricting eligibility reduces the pool of bidders, weakens competitive pressure, and increases the likelihood that the auction will clear at higher prices or fail to procure sufficient supply. That

outcome would run counter to the bill's intent and increase exposure to ACP payments rather than reducing them.

For these reasons, the Coalition recommends a targeted amendment to remove restrictions on eligible solar resources and allow all qualifying renewable energy resources to participate in the auction.

AMENDMENT TO HOUSE BILL 1532

On page 73, in lines 10 through 13, strike "UTILITY-SCALE" and strike "THAT DO NOT PARTICIPATE IN NET ENERGY METERING UNDER § 7-306, § 7-306.2, § 7-306.3, OR § 7-306.4 OF THE PUBLIC UTILITIES ARTICLE".

This amendment preserves the integrity of the reverse auction framework while ensuring that Maryland maximizes competition, minimizes ratepayer costs, and improves the likelihood of a successful first implementation.

The Coalition respectfully urges a **favorable report with amendment**.

Thank you for your consideration.