

**Written Testimony of Ian Ayers, President, RECMint
In Opposition to SB 341
Maryland House Environment and Transportation Committee
February 19, 2026**

Chair Feldman, Vice Chair, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 341, the “Affordable Solar Act.”

My name is Ian Ayers, and I am the President of RECMint. We operate in multiple Renewable Portfolio Standard markets, including Maryland, and work directly with more than 1,500 Maryland households and small businesses that have invested their own capital in rooftop solar. We help them monetize their RECs and participate in Maryland’s clean energy market.

We share the goal of accelerating solar deployment while preserving affordability. However, SB 341 replaces Maryland’s market-based framework with a centralized, administratively determined incentive (ADI) model that has already produced serious structural problems in peer states that have enacted similar policies. For that reason, we respectfully urge an unfavorable report.

We know that Maryland’s current RPS structure is not functioning perfectly. In 2024, electricity suppliers paid roughly \$360 million in Alternative Compliance Payments. That signals the need for recalibration — including review of ACP levels, Tier I eligibility, and supply-demand alignment — not abandonment of market-based pricing. The Brighter Tomorrow legislative package from 2024 included REC multiplier and siting reforms that are early steps toward correction. Further targeted reform is warranted. A wholesale replacement is not.

SB 341 would replace competitive REC pricing with fixed, administratively determined incentive contracts lasting up to 15 years. Utilities are authorized to recover all program costs through a nonbypassable surcharge, including incentive payments and administrative costs. We recognize that clean energy incentives are commonly and appropriately funded through electric rates, and allocating a larger share of costs to high-load customers may address fairness concerns. But the central question is whether the long-term price contracts contemplated in the legislation will undermine the discipline that a competitive, open market brings.

Illinois provides a clear cautionary example. When Illinois shifted from an open market to an administratively determined Adjustable Block Program, the program was immediately oversubscribed and had to use lotteries to allocate capacity. The costs of administering the program alone now total approximately \$17 million per delivery year. The Illinois Power Agency must update long-term procurement plans every two years through extensive regulatory proceedings. Most importantly, the program is structurally running out of money. The RPS budget — fixed as a percentage of historic sales — is projected to face a shortfall in the 2028–2029 program year. The Illinois Power Agency has formally warned that absent additional funding from ratepayers, it would be obligated to cease new renewable energy procurement events and program activities while continuing to pay the existing 15- to 20-year

contracts it has already obligated. In other words, long-term fixed contracts are consuming future program capacity. Either rates must increase, or the program stalls.

Similarly, New Jersey's transition to an ADI framework under the Successor Solar Incentive program faced administrative roadblocks. It required nearly three years of stakeholder proceedings before implementation. The shift did not substantially or immediately increase non-residential deployment. After the first year, incentives were cut for residential projects and reallocated to the non-residential segments after missing procurement targets. REC prices must be reviewed at least every three years, and if no action is taken they automatically decline by 10 percent — a blunt mechanism that does not reflect real-time market conditions.

In both states, administrative price setting did not eliminate volatility or complexity. It replaced market corrections with recurring regulatory proceedings. It created long-term fixed obligations that reduce flexibility. And it shifted risk directly to ratepayers who are now obligated to pay for these long-term fixed contract prices.

Under an open REC market, risk is shared. Developers must price projects against uncertain forward REC pricing curves. If supply increases, prices decline. If incentives are too high, market prices adjust downward. This structure requires precision and discipline to reduce cost overruns on projects. Under an ADI model, developers receive fixed 15-year pricing. If those prices prove too high relative to future market conditions, customers remain locked into those contracts. The risk does not disappear; it moves.

SB 341 also creates an escrow funding mechanism and mandates procurement of 4,000 MW of solar by 2036. Long-term contracts must be funded before new procurements can occur. As Illinois has demonstrated, once a large share of annual program revenue is committed to existing contracts, flexibility disappears. Policymakers are left with two options: increase rates or stop procuring.

Maryland's RPS is under strain, but it is not beyond repair. Adjusting ACP calibration, tightening geographic eligibility, aligning supply and demand, and continuing siting and interconnection reform are all tools available within a market-based structure. These approaches preserve price discovery and competitive discipline while allowing targeted corrections.

SB 341 fundamentally restructures Maryland's renewable energy market around administratively set, long-term pricing. The experiences of Illinois and New Jersey demonstrate that this model introduces administrative burden, long-term budget risk, and fixed pricing exposure without clear evidence of superior deployment outcomes.

For these reasons, RECMint respectfully urges an unfavorable report on Senate Bill 341.

Thank you for your consideration.

Respectfully submitted,
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President, RECMint