



**SB 966 – SUPPORT**

Jeff Mauk

Ceres

[jmauk@ceres.org](mailto:jmauk@ceres.org)

**TESTIMONY SUPPORTING SB 966**  
**Public Service Commission – Net Energy Metering – Successor Program**

Senate Education, Energy, and the Environment Committee

March 12th, 2026

Dear Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee;

Ceres is a nonprofit organization working with the business and investor community to build a sustainable economy. Our network of companies, investors, and capital market influencers works to accelerate the adoption of sustainable business practices and cleaner energy markets. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we assist over 80 major employers, including several companies doing business in MD, to advocate for more affordable and sustainable climate and clean energy policies. Ceres submits the following testimony in strong support of Senate Bill 966, creating a successor program to Net Energy Metering.

**The Need for a Net Energy Metering a Successor Program**

Maryland's existing net energy metering (NEM) program has been among the most effective state-level mechanisms for mobilizing private investment in distributed solar generation. Developers, project financiers, tax equity investors, and commercial offtakers have collectively committed hundreds of millions of dollars to Maryland projects under the assumption that a viable compensation framework would exist at and beyond the current 3,000-megawatt program cap.

Without a legislatively mandated successor program, the expiration of NEM at the 3,000-megawatt limit creates a regulatory cliff: a well-documented phenomenon that sharply curtails capital deployment in clean energy markets. When investors and lenders cannot model post-cap compensation with reasonable certainty, project finance can dry up, development pipelines stall, and in-state economic activity associated with solar

installation, operations, and manufacturing contracts. SB 966 resolves this by requiring the Public Service Commission to develop and implement a successor NEM program, and by establishing that the current NEM program does not terminate until the successor is in place. This prevents a gap in program availability that would otherwise impose severe disruption on active project pipelines.

The bill's contingency framework triggers full implementation upon either the Commission's submission of a successor program report or the State reaching 3,000 megawatts. This provides a logical, market-responsive transition mechanism. Critically, the successor program cap of 6,000 megawatts doubles the State's distributed generation ambition, signaling a long-term market commitment that supports sustained private investment well beyond the near-term horizon.

### **Statutory Design Principles Support Rational Compensation**

SB 966 establishes substantive design criteria for the successor program that align well with sound regulatory economics. The bill requires the Commission to develop a program that: (1) incentivizes distributed generation development; (2) minimizes ratepayer costs in both the short and long term; and (3) balances fair compensation for energy exports against grid needs, ratepayer impacts, and energy equity considerations. From an investor standpoint, these are the right statutory guardrails.

The requirement to balance fair compensation for exports against avoided grid costs mirrors the value-of-solar methodology that has gained traction in states with the most stable distributed energy investment climates. A compensation framework grounded in quantified grid value, such as energy, capacity, transmission, avoided distribution, and ancillary services, produces rates that are both defensible to regulators and modelable by capital markets.

We encourage the Committee to ensure the successor program's compensation methodology is required to account for these recognized value streams, and to direct the Commission to establish a multi-year rate-certainty period to protect investments made under the new program.

### **Maryland's Competitive Position Depends on Program Continuity**

Maryland competes with neighboring states and regional markets for clean energy investment capital, development talent, and supply chain activity. States that have managed NEM transitions poorly have experienced measurable reductions in distributed solar deployment and associated economic activity. SB 966 would position Maryland to manage this transition as a market leader, preserving the investment climate that has made the state one of the Mid-Atlantic region's most active distributed solar markets.

The emergency bill designation reflects the urgency of addressing program continuity before Maryland approaches the existing cap. We concur with this assessment and urge prompt, favorable action on SB 966 to ensure the successor program delivers the market certainty that investors, developers, and ratepayers require.

Respectfully submitted,

Jeff Mauk  
Director, State Policy, Eastern Region, Ceres