



March 12, 2026

Senator Brian Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Written Testimony

SB 966: Public Service Commission – Net Energy Metering – Successor Program

Position: Favorable with Amendments

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

Thank you for the opportunity to testify “favorable with amendments” on SB 966. My name is Scott Elias, and I am the Director of Policy and Market Development at CleanCapital, a leading independent power producer that develops, owns, operates, and invests in distributed solar and energy storage projects across the United States. I also serve as Vice President of the Chesapeake Solar & Storage Association (CHESSA) and as Co-Chair of SEIA’s Mid-Atlantic Committee.

CleanCapital has invested more than \$1.5 billion in clean energy projects serving corporations, municipalities, universities, schools, hospitals, utilities, and community solar subscribers. In Maryland, we own and operate 20 projects totaling more than 26 megawatts, with more than a dozen additional projects in construction or development. Many of these projects will participate in Maryland’s community solar program, delivering savings to low- and moderate-income ratepayers across the state.

We appreciate the legislature tackling energy affordability and proactively considering how distributed solar projects – and those under the state’s 3-gigawatt net metering cap – can best deliver benefits to the grid and Maryland ratepayers. While Marylanders are facing extraordinary utility bill prices, distributed solar helps to mitigate these costs. Distributed solar serves local load, smooths peak demand, and improves resilience, which reduces strain on the grid rather than adding to it. On today’s congested system, that makes distributed solar a critical part of the affordability solution.

For more than a decade, net metering has helped drive the growth of distributed solar across Maryland. It is also worth remembering that the 3-gigawatt cap itself was not established decades ago — it was adopted by this legislature only a few years ago to send a clear market signal that distributed solar would play a meaningful role in Maryland’s energy future. Businesses and investors responded to that signal by deploying capital, advancing projects through interconnection and permitting, and building development pipelines around the expectation that the statutory framework would remain stable long enough for projects to move from concept to construction.

We support the evolution of Maryland’s net metering framework and the development of a successor program that reflects the full value of distributed generation. However, CleanCapital is not only a project developer — we are also a long-term owner and capital provider to distributed generation developers across the country. Many Maryland projects currently under development are being financed with the expectation that institutional capital providers like CleanCapital will acquire and own them once operational. Regulatory uncertainty at the transition point between programs directly affects our ability — and the broader market’s ability — to commit capital to complete those projects.

For that reason, the success of this transition will depend not simply on whether a successor program is created, but on whether the transition between programs is designed in a way that preserves investor confidence and allows projects already advancing through the development pipeline to reach completion.

As currently drafted, the bill directs the Public Service Commission (PSC) to develop and implement a successor program for net metering but leaves significant discretion to the PSC regarding transition timing and the treatment of existing projects and those that will begin construction shortly.

Energy infrastructure cannot be built on constantly shifting policy frameworks. Without clear statutory guardrails, the transition to a successor program could introduce material uncertainty for operating facilities and projects that have already deployed substantial capital, while simultaneously freezing financing for projects currently advancing toward construction.

Moreover, this comes at a time of broader federal uncertainty, with a changing clean energy financing landscape due to the phase out of federal tax credits. Investors can adapt to forward-looking policy changes. What is far more difficult for capital markets to absorb are retroactive or ambiguous transition rules that alter the expected treatment of projects already well into development.

We therefore respectfully submit the following amendments to ensure a transition that is grounded in principles that are fair for Marylanders, supports the continued growth of the Maryland solar industry, and ensures that prior investments retain value:

- **Safeguard Existing and Mature Solar Capacity Under Development:** SB 966 should be revised to clarify that operating projects remain eligible for net metering until they are decommissioned, and that projects that have satisfied clearly defined interconnection and permitting milestones under existing law prior to implementation of the successor program—including projects that have secured a position in the community solar energy generating systems approved program queue and satisfied applicable interconnection deposit requirements prior to July 1, 2027—remain eligible under the current net metering framework. Such projects were financed and advanced under the assumption of the current program compensation structure, and any retroactive or unclear transition treatment would materially disrupt investments made in reliance on existing law.
- **Establish a PSC-Led Valuation Process:** The bill should also use a Public Service Commission (PSC)-led process to fairly account for the full suite of values that distributed solar and storage bring to the grid and ratepayers, including avoided generation, transmission, and distribution costs, improved system resilience, and reduced peak

demand. This will ensure that Maryland's fastest-growing in-state energy resource is properly compensated for these benefits and will ensure sufficient notice for market participants to adjust financing and development timelines accordingly.

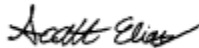
By adopting these amendments, Maryland can utilize distributed solar projects as a central tool to lower consumer and utility energy costs without destabilizing the industry that can bring one of the fastest and most cost-effective sources of new capacity available to the grid.

CleanCapital stands ready to continue investing in Maryland and to serve as a long-term owner of distributed generation assets developed by Maryland-based and national developers alike. Clear transition mechanics will allow institutional capital providers to confidently deploy capital into projects currently under development and maintain Maryland's leadership in distributed clean energy.

We respectfully urge the Senate to incorporate these proposed amendments going forward.

Thank you for the opportunity to testify.

Respectfully submitted,

A handwritten signature in black ink that reads "Scott Elias". The signature is written in a cursive, slightly slanted style.

Scott Elias,
Director of Policy and Market Development
CleanCapital
selias@cleancapital.com