



16 February 2026

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

Oral and Written Testimony

SB341: Public Utilities – Solar Energy Generating Systems and Solar Renewable Energy Credits (Affordable Solar Act)

Position: Favorable

Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and the Environment Committee, thank you for the opportunity to testify favorably on SB 341, the Affordable Solar Act.

I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association advocates for our member companies who represent 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. We are the regional affiliate of the national Solar Energy Industries Association.

I am here to provide favorable testimony on SB341, the Affordable Solar Act. This bill is laser focused on helping Maryland consumers avoid energy cost increases by increasing Maryland clean energy generation, reducing the need to overbuild the electric grid, creating downward pressure on Maryland energy prices, and side-stepping the problems in the PJM Interconnection in the process. The major sections of the bill will help with this by creating:

- A new distributed solar program to install at least 2 GW of new capacity on the Maryland distribution grid
- A new large-scale solar procurement to install at least 2 GW of new wholesale energy capacity in Maryland

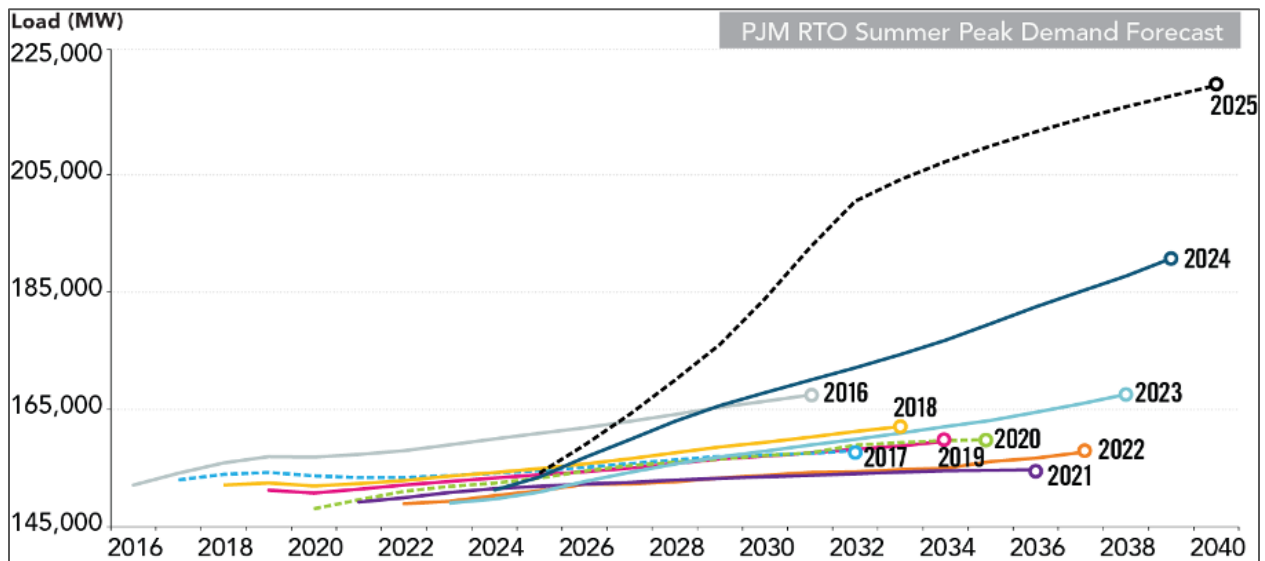
Maryland desperately needs more in-state generation to avoid record high prices coming from the regional grid operator, PJM. Solar is the only new generation coming online in Maryland, The Affordable Grid Act will lower the cost of the Renewable Portfolio Standard, keep the flow of new solar being deployed, and help Maryland avoid the high costs coming from PJM. And, in light of the repeal of the Federal Investment Tax Credit, it will create long-term business certainty for companies, signaling that Maryland is where solar companies should be doing business.

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The Problem: The Increasing Energy Deficit Makes Prices Go Up

Marylanders are becoming much more sensitive to grid disruptions and electric price spikes. Electric demand is increasing. And there is already straining in its electric system. Maryland only generates about 60 percent of the electric generation it demands¹. But importing electricity isn't an automatic solution because of the cost of new transmission and grid infrastructure that would be borne by the ratepayer. Nine of the 13 states in the PJM Interconnection (where Maryland resides) also must import electricity to serve their electric demand. There's growing demand and competition for an energy supply that needs to increase.



Source: Summer 2025 PJM Reliability Assessment

[A January 2025 report from the U.S. Department of Energy](#) shows that projected peak demand growth is only increasing, with electricity supply and demand data from the North American Energy Reliability Council showing the estimates being revised upwards each year since 2022.² If Maryland's electric future follows the projected national trend, it needs to step up the clean energy build-out throughout the state at the same time as handling fossil fuel retirements. Maryland has been experiencing energy inflation without demanding more electricity, but that is about to change. To prevent the problem from getting worse, scaling up statewide solar adoption of all kinds, needs to happen as soon as possible.

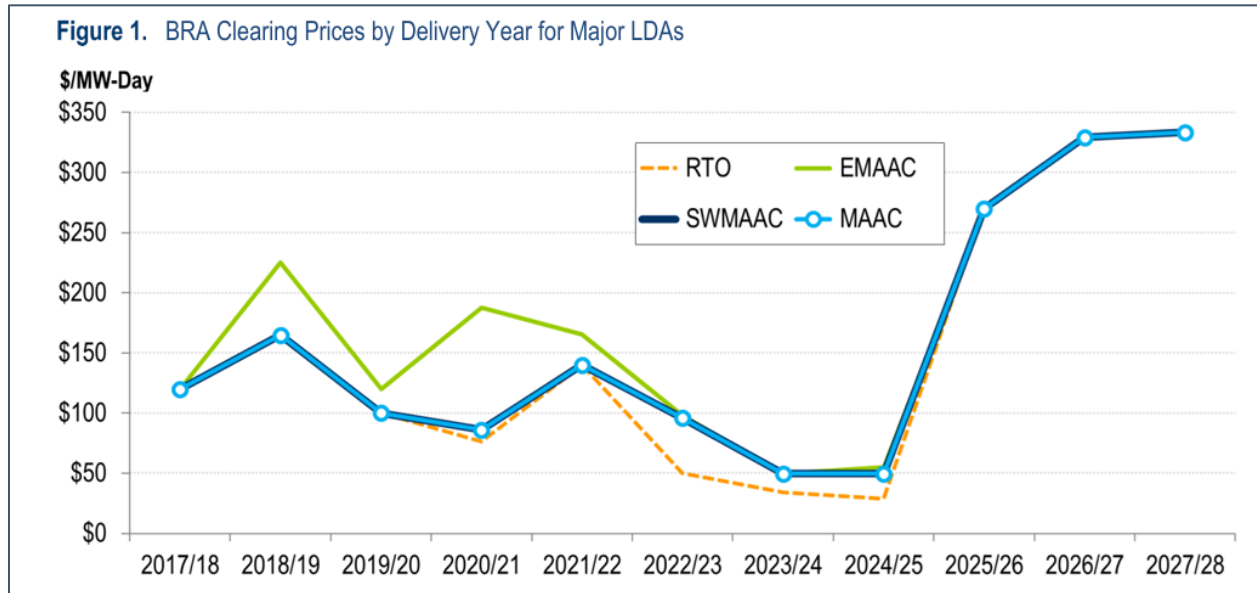
Layering on the problem are the faults within the PJM Interconnection, both with their capacity markets and their interconnection processes. The 2025/26 PJM forward capacity auction was calculated to increase as much as 24 percent by the Office of People's Counsel, according to [an August 2024 report](#). The 2027/28 PJM auction cleared at a higher value than the 2025/26 auction, making a bad trend even worse. That auction clearing price (\$333/MW-day) was a

¹ <https://www.eia.gov/state/analysis.php?sid=MD>

² U.S. Department of Energy. "Pathways to Commercial Liftoff: Virtual Power Plants 2025 Update". January 2025. p.7



record high, despite an auction ceiling price, and the fear was that without the ceiling price, the auction results would have eclipsed \$500/MW-Day. A big reason was that there was not enough generation relative to the demand for electricity. As of today, there will be no ceiling price in the next capacity auction and the same supply dynamics.



Source: PJM 2027/28 Base Residual Auction Report

The latest report from the [Maryland Public Service Commission's 10-Year Plan for Electric Companies](#) shows Maryland's annual electric demand growth was revised upwards in their 2025 filings versus 2024³. That revision nearly doubles Maryland's anticipated annual load growth.

The Solution: More Maryland Solar Means Fewer PJM Problems

Firm capacity and generation to be relied upon does not have to come from incumbent generation technologies, such as coal, natural gas, or nuclear energy. Solar and wind technologies are ready to scale up at an increasing rate, when part of a portfolio that includes battery storage, to provide firm, reliable generation when consumers need it. And currently, solar and storage are the new generation coming online in Maryland.

For starters, large-scale solar and land-based wind now represent [the cheapest new electric generating sources in the United States](#), according to the firm Lazard. New clean energy generation can be built and energized to generate when electricity demand is greatest during the day. When building portfolios of energy storage, those cheap solar and wind facilities can charge those assets to be used day or night.

³ Maryland Energy Administration. "Reaching 100 Percent Net Carbon-Free Electricity in Maryland". January 2025. p.19



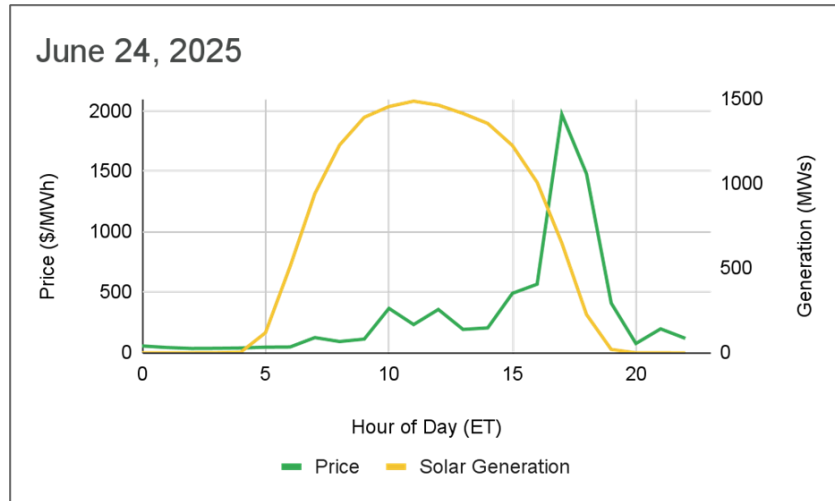
The data shows that distributed solar and storage strategies are scalable and help the electric grid. According to a study from the independent consulting firm The Brattle Group, distributed resources, which include a range of advanced energy technologies (such as local solar, storage, smart appliances, internet-connected thermostats, and energy management software) [provide the same resource adequacy as a natural gas plant at 40-60 percent lower cost](#). The firm Deloitte analyzed the benefits that distributed energy resources including rooftop solar could deploy throughout local distribution grids [in a 2024 report](#). Their conclusion was that scaling up the deployment and adoption of residential solar and related distributed resources would contribute to improved resiliency, reliability, and resource adequacy.

50 MW solar		\$7 million/yr avoided capacity costs for utilities
2,628 MW in-state solar		\$28-40 million/yr estimated reduced grid costs
2,628 MW solar + 4-hr storage pairing		\$183 million/yr potential reduced grid costs

Source: Witness Aloo, Case No. 9820 and PJM's ELCC Class Ratings for the 2026/27 Base Residual Auction and analysis of public utility data by Align Energy Advisors

The figure above highlights what benefits distributed solar provides Maryland today, as well as what it could provide. More solar should be paired with storage, and more solar means more ability to lower peak demand for all utility territories. As the PJM Base Residual Auction clearing price increases, distributed solar becomes more valuable for reducing Maryland's exposure to those high-price auctions.

As Maryland consumers generate and use more distributed solar generation, the utilities do not have to procure as much energy via PJM or from out-of-state.



Source: PJM BGE Real Time LMP v. PJM Mid Atlantic Solar Generation Profile

The graph titled “June 24, 2025” shows the spike in energy prices and solar generation in Maryland for that day. Solar generation naturally helps to offset demand in peak periods, which occur during the day. The concentration of electricity costs occurs during peak demand periods, and when solar offsets some or all of that demand, it helps to lower prices across the grid. All ratepayers can benefit from avoiding those costs.

Meeting resource adequacy needs and growing electric demand can be an expensive proposition for the ratepayer. Utility-centric solutions are fully funded by the ratepayer. Wholesale energy solutions do not address local resiliency and reliability needs. All-of-the-above solar and storage strategies mean creating incentives that leverage private capital instead of directing ratepayers to foot the entire bill. Maryland has an energy problem that clean energy is ready to solve.

The Solution: Build More Firm, Clean Energy Resources in Maryland Despite PJM

The Affordable Solar Act is designed to increase in-state solar generation and relieve grid congestion by unlocking deployment potential for Maryland solar and storage assets that either do not need PJM approval or are in economic limbo after receiving PJM interconnection approval.

This legislation leverages nearly 20 years of Maryland investment in solar energy through the Renewable Portfolio Standard, and the federal policy investments mostly through the Investment Tax Credit. According to a 2021 National Renewable Energy Laboratories (NREL) study, residential rooftop, commercial rooftop, and large-scale solar systems [achieved cost reductions](#) of 64, 69, and 82 percent, respectively, since 2010. And, in the last ten years, as measured by



the Solar Energy Industries Association and the research firm WoodMackenzie, solar costs have declined by nearly 40 percent⁴.

By creating deploy-first solar programs, the Affordable Solar Act recognizes the massive cost declines in the solar industry and tackling head-on the generation shortfall in Maryland:

New Distributed Solar. The Affordable Solar Act proposes creating a new distributed solar program that calibrates incentives based on different market segments and project types. It pre-sets them to make financing these projects easier and cheaper. This new program locks in the incentive through administrative action, which will mean that ratepayer dollars are used more efficiently. And it empowers the Public Service Commission to modify values if there are significant changes in economic conditions (ie. supply chain or labor disruptions) or federal policy (ie. tariffs, repeal of Solar Investment Tax Credit). They can adjust incentive levels accordingly without requiring subsequent legislative approvals.

Under this new program, funding for the Renewable Portfolio Standard would only go to projects that are online and generating. For the solar programs, that would mean only Maryland solar projects generating electricity would be receiving any support from the program.

If passed, there would be at least 2 GW of new distributed solar in Maryland, helping to meet growing energy demand and improve the grid so it costs less for all Maryland residents.

New Large-Scale Solar Procurement. This legislation would also create new competitive procurements starting right away for large-scale solar, creating a pathway for mature and ready-to-build utility-scale solar projects to lock in financing, get built, and then energized in Maryland's grid. There are already over 900 MW of Maryland-sited solar plus storage projects in the PJM queue. By creating a clear procurement pathway, the Maryland PSC can create an onramp from the PJM interconnection queue for newly approved projects to quickly secure financing and move into the construction phase. This competitive process also allows for the prospect that if there are changes to federal clean energy policies (ie. tariffs, repealing the Investment Tax Credit), they can automatically be account for.

In the near-term, the procurement can enable mature and ready-to-build solar projects can be built throughout Maryland. In the longer term, when the PJM interconnection process is approving new projects, there will be a pipeline of ready-to-build projects ready to participate in this procurement process. And by 2035, there can be at least 2 Gigawatts of new large-scale solar in Maryland, serving Maryland's consumers, and reducing the need for importing electricity.

⁴ SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight Q4 2024. <https://seia.org/research-resources/solar-industry-research-data/#:~:text=The%20cost%20to%20install%20solar,deploy%20thousands%20of%20systems%20nationwide.>



Conclusion

In conclusion, the Affordable Solar Act is designed to deploy new solar in Maryland, leveraging private capital, avoiding fully funded ratepayer projects, avoiding unnecessary transmission expansion projects, and creating downward pressure on energy costs for Maryland consumers. It will make sure that dollars in the Renewable Portfolio Standard only supports new generation systems that produce energy. It has the added benefit of helping meet Maryland's decarbonization goals, which shows that clean energy has matured to the point where it can solve today's grid issues and contribute to environmental solutions.

CHESSA urges a favorable report on SB341.

Please reach out with any questions. CHESSA is here to be a resource to the committee.

Sincerely,

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