



## **Senate Bill 341/House Bill 345 – Public Utilities - Solar Energy Generating Systems and Solar Renewable Energy Credits (Affordable Solar Act)**

### **Position: Unfavorable**

Dear Chair, Vice Chair, and committee members,

We ask that you vote unfavorably on SB 341/HB 345, the Affordable Solar Act. SRECTrade currently manages over 24,000 assets in Maryland and works with over 40 residential and small commercial solar installers. SRECTrade is involved in all aspects of Solar Renewable Energy Credit (SREC) certification, reporting, and transacting. Our dedicated teams work with the Maryland Public Service Commission (PSC) to certify eligible systems. We also work closely with PJM's Generation Attribute Tracking System (GATS) to ensure systems are reporting correctly.

SB 341/HB 345 seeks to move away from a tradeable SREC market and introduce a new surcharge, new long-term procurements, and new administrative infrastructure when Maryland is now seeing the benefits of the Brighter Tomorrow Act passed by the General Assembly in 2024 (SB 783). This bill would increase complexity with no guarantee of meeting its clean energy goals, protecting ratepayers from rising energy costs, or promoting economic growth in the solar industry.

In addition, SB 341/HB 345 would create significant new financial exposure for Maryland ratepayers by requiring long-term, fixed payments for 4,000 MW of new solar projects without setting a clear cap on total program costs. Because developers are guaranteed 15-year SREC-II revenues regardless of market conditions, risk is shifted away from developers and onto customers. The bill's "5% net bill impact" safeguard is not a firm limit, since it allows projected "benefits" to offset real costs. With the State explicitly exempt from project risk, any cost overruns, price spikes, or procurement errors would fall to ratepayers, compounded by a new non-bypassable surcharge applied to all customers.

The bill proposes a new distributed solar incentive structure that may unintentionally slow market growth. It introduces first-come, first-served capacity blocks with 15-year fixed incentives but does not define the actual incentive values, reducing pricing transparency compared to the current system. By shortening SREC banking from five years to two years, the bill further limits flexibility and weakens project economics. A similarly structured ADI program in New Jersey saw declining solar deployment after launch, with build rates in 2023–2025 falling to less than half of their 2022 levels, raising concerns that Maryland could experience the same outcome.



Additionally, the bill would create a new escrow-based administrative system that adds cost and complexity. The PSC would face new responsibilities — including setting initial incentive values and capacity blocks. The bill also requires a jointly managed escrow account, annual recalculations of obligations and surcharges, and new tax-revenue redirections, along with expanded reporting requirements for large users. Collectively, these measures introduce more bureaucracy, administrative expense, and uncertainty into the program’s long-term funding structure.

I respectfully ask you to consider the potential ratepayer impact and significant uncertainty of SB 341/HB 345. Expanding solar is an important goal that our company shares with the sponsor of the bill. However, SB 341/HB 345 risks slowing deployment when continued progress is critical. Maryland has been a leader in clean energy, but this bill risks moving us backward by creating a costly, complex, and ratepayer-funded procurement system that places nearly all financial risk on customers, adds new mandates, and expands bureaucracy. We should strengthen existing programs rather than replace them with an expansive, untested structure. For these reasons, we respectfully urge an unfavorable report on SB 341/HB 345. Thank you for your time and consideration.

SRECTrade is willing to provide additional information and resources if necessary.

Respectfully,

Caleb Einwechter  
Manager, Renewables, SRECTrade

**Xpansiv company, SRECTrade**

SRECTrade is a management and transaction platform for Solar Renewable Energy Certificates (SRECs) and clean transportation markets across North America, with more than a gigawatt of environmental assets under management. Since 2008, SRECTrade has been a domain expert in environmental-commodity markets, bringing a wealth of knowledge and transparency to the clean-energy industry. Our platform and presence in REC and LCFS (Low Carbon Fuel Standard) markets complements Xpansiv’s rapidly expanding ESG infrastructure, which includes CBL, the largest spot exchange for carbon, RECs, and Digital Fuels; XSignals, which provides end-of-day and historical market data; EMA, the leading multi-registry portfolio management system for all environmental commodities; and APX, the leading provider of registry infrastructure for energy and environmental markets.