

12 March 2026

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

Written Testimony

SB966: Public Service Commission – Net Energy Metering – Successor Program

Position: Favorable with Amendments

Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and the Environment Committee, thank you for the opportunity to testify “favorable with amendments” on SB 966, Public Service Commission – Net Energy Metering – Successor Program.

My name is Jamie Borell, Senior Vice President of Policy at New Energy Equity. We develop, build, own, and operate solar projects across the US. As New Energy Equity is headquartered in Annapolis with a significant presence in the state, Maryland is a special place for our business and employees who live here.

I am writing to provide “favorable with amendment” testimony on SB966, Public Service Commission – Net Energy Metering – Successor Program.

New Energy Equity thanks Senator Feldman and the General Assembly for tackling energy affordability issues in this legislative session, and for recognizing the role of distributed solar as being part of a strategy to put downward pressure on energy costs.

By doubling down on its commitment to local power, Maryland would recognize that distributed generation is essential to the State’s future. As regional electricity demand increases, Maryland has few tools in its toolbox to mitigate rapidly rising costs. These assets are uniquely valuable due to their small footprint and rapid ability to deploy: mitigating capacity price increases, keeping money in the pockets of Maryland ratepayers.

Maryland residents are facing extraordinary utility bill prices because of three main reasons:

1. We are primarily dependent on a natural gas heavy market
2. The infrastructure is old, and needs significant upkeep and capital investment
3. The PJM market is seeing historic prices due to projected capacity challenges as the region faces rising electricity demand, which is due to historic projected load growth

Clean, distributed generation helps to mitigate all of these costs, period. These projects are primarily financed using private capital, and their role as grid assets bring unique benefits to the distribution grid that lowers consumer energy costs by lowering utility costs. It is in Maryland's best interests to double down on distributed generation because that local generation is created when Marylanders demand the most electricity (during the day).

It is essential to maximize how much distributed generation comes online. Hundreds of megawatts of capacity are currently under development within the current net metering program. Changes to existing rules could pull the rug out from this in-development capacity.

It is important that any changes to the net metering program, and the creation of a successor program, protects such investments in the state. Of note, a reasonably timed and transparent transition period to a successor Maryland net metering program is critical to ensuring this power continues to benefit ratepayers.

Proposed Amendments: A Transition That Doesn't Give Up Grid Benefits

New Energy Equity respectfully proposes a predictable glide path as part of this program transition. While we support the evolution of Maryland's energy tariffs to reflect the value of distributed generation, we believe the current bill language would unintentionally disrupt current projects under development, especially as the entire industry is focused on meeting the phase-out deadlines associated with Solar Investment Tax Credit repeal by Congress in H.R. 1. We respectfully submit the following amendments to ensure a transition that is both firm and fair for everyone:

- **Safeguard Existing and Under-Development Solar Capacity:** Projects currently in development are racing to meet construction deadlines set by H.R. 1, the One Big Beautiful Bill. These and operating projects were financed under the assumption of NEM and are critical to backfilling the loss of federal tax credits.
- **Implement A Transparent Transition:** Ensure that full retail net metering remains available for projects where significant financial investments have already been made. This includes signing a lease or purchasing property, starting the interconnection process, and acquiring state or local permits. This will also prevent a "rush" of purely speculative applications while honoring legitimate business commitments.
- **Achievable Transition Milestones:** Define criteria for transition eligibility based on what project developers can better control, such as submitting completed interconnection applications or constructing the project to mechanical completion of the system. Milestones that require other parties' timely actions, such as commercial operation date or the calculation/invoicing of interconnection deposits, may not be reached because of delays by those other parties despite the project developer being ready to act.

- PSC-Led Valuation Process: Utilize a Public Service Commission (PSC) led process to fairly account for the value of distributed solar and storage. This ensures that Maryland's fastest-growing in-state energy resource is compensated based on the real-world benefits it provides to the grid and the environment.

By adopting these amendments, Maryland can utilize distributed solar as a central tool to lowering consumer and utility energy costs without unintentionally causing a policy transition that could destabilize the industry that will build that new capacity. We look forward to working with the sponsors and this Committee to ensure Maryland remains a national leader in local, reliable, and equitable power.

With these amendments, New Energy Equity would urge a favorable report. However, we feel that our recommended amendments are crucial to ensuring that Maryland maximizes the benefits it can get from distributed solar, especially in the near future.

Sincerely,
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Sr. VP, Policy

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