



Testimony for: SB0841 – Maryland Energy Administration - Renewable Energy Generation Projects - Alternative Compliance Fee Auctions
Committee: Education, Energy and the Environment
Organization: Maryland Legislative Coalition Climate Justice Wing
Person Submitting: Laurie McGilvray, Co-Chair
Hearing Date: February 26, 2026
Position: UNFAVORABLE

Dear Chair Feldman and Committee Members:

Thank you for allowing our testimony today on SB0841. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations focused on climate justice, urges you to vote UNFAVORABLE on SB0841.

SB0841 would eliminate current programs at the Maryland Energy Administration (MEA), funded from alternative compliance payments (ACPs) to the Strategic Energy Investment Fund (SEIF), which bring on new Tier 1 renewable energy sources that benefit Maryland’s low-to-moderate-income (LMI) communities and overburdened or underserved communities. Instead, SB0841 will create a new ACP auction to award contracts to eligible bidders for geothermal, offshore wind, or solar energy generating system projects in the state. In short, the bill will redirect ACP resources from smaller projects like rooftop and community solar that directly benefit LMI communities and overburdened or underserved communities to large renewable energy generation projects undertaken by companies that can meet the strict financial requirements in the bill.

While we agree with the bill sponsors that Maryland must bring on new renewable energy generating projects quickly, we disagree with this approach for the following reasons. First and foremost, we do not support eliminating MEA’s ACP-funded renewable energy programs benefitting Maryland’s most vulnerable communities. In 2025, MEA expanded the [Solar Energy Equity Program](#) and awarded \$10 million in grants to 10 community organizations benefitting 400 households, up from \$6M benefitting 230 households in 2024. Why eliminate this program just as it is ramping up, especially when the LMI communities targeted by the program will not directly benefit from the replacement ACP auction?

Second, the design of the ACP auction favors larger projects with investors who can meet the creditworthiness requirements. While the bill is silent on project size – leaving megawatt targets to a later time – the bill’s language likely will benefit utility-scale solar projects, at the expense of smaller rooftop and community solar projects that benefit LMI communities, and which CJW members take advantage of. Other states that have taken this approach have seen a steep drop in commercial and industrial (C&I) solar installations. The reverse auction method often does not translate well to smaller installations. We believe ACP funds should be used beneficially for a variety of solar project sizes - utility scale, C&I, community solar, and residential rooftop solar.

Finally, the bill does not include reforms to the broken renewable energy credit market (REC) in Maryland. We are skeptical that without true policy reform, Maryland will struggle with inadequate incentives to ensure a robust climate for new renewable energy project development in the state. We believe bills like the Affordable Solar Act offer a better path.

For these reasons, we urge an UNFAVORABLE vote in Committee.

350MoCo

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Law and Policy Project

Climate Parents of Prince George's

Climate Reality Project

ClimateXChange

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action Maryland

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

IndivisibleHoCoMD

Maryland Legislative Coalition

Maryland Third Act

Mizrahi Family Charitable Fund

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions

Montgomery Countryside Alliance

Mountain Maryland Movement

Nuclear Information & Resource Service

Progressive Maryland

Safe & Healthy Playing Fields

Takoma Park Mobilization Environment Committee

The Climate Mobilization MoCo Chapter

Unitarian Universalist Legislative Ministry of Maryland