TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR
—-
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EXECUTIVE DIRECTOR

SB0841- MARYLAND ENERGY ADMINISTRATION- RENEWABLE ENERGY GENERATION PROJECTS- ALTERNATIVE COMPLIANCE FEE AUCTIONS

FEBRUARY 23, 2026

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

We are in firm agreement that money collected from ratepayers for the purposes of the Renewable Portfolio Standard should be used to directly invest in truly clean energy projects. These projects lower costs for Marylanders, put downward pressure on utility prices, and create a cleaner, healthier environment. The use of the Alternative Compliance Payments for the reverse auction is a great way to ensure that ratepayer funds are directly used to support clean energy projects.

We are favorable with amendments on this proposal due to four concerns:

1) As written, the reverse auction does not solve the problems that we are seeing in the SREC market that are causing increased ACP payments by utilities year after year. We are committed to program reform that will address the heart of this problem and ensure that our SREC program utilizes ratepayer funds in a maximally efficient way such as the program reforms outlined in the Affordable Solar Act (HB0345/SB0341).

2) The reverse auction model seems like a reasonable way forward to invest in large scale solar projects. We are not sure this model can offer predictable, regularly updated, and differentiated support for other segments of the solar industry such as residential solar and community scale solar.

3) In this model, rate-payers are paying developers twice. First, in the ACP auction and then through ongoing SREC payments based on energy generation.

4) One of the challenges of reverse auctions is that they drive down the price of projects. We are excited about minimizing ratepayer impact. However, we have to be sure to set up the auction in a way that ensures bids are realistic and don't lead to cost overruns that need to be addressed in some other way.

Due to these reasons, we are favorable with amendments on SB0841.