

February 24, 2026

Education, Energy, and Environment Committee
Annapolis, Maryland

Written Testimony

SB0669: Small Solar Energy Generating System Incentive Program - Eligibility and Generating Capacity

Position: Favorable

Thank you for the opportunity to submit testimony on Senate Bill 0669, the Small Solar Energy Generating System Incentive Program - Eligibility and Generating Capacity. New Columbia Solar supports this bill.

The Commercial Rooftop Solar Market in Maryland

New Columbia Solar is a commercial rooftop solar developer with offices in Prince George's County, Maryland, and DC. We have been in business for 10 years, and specialize in installing solar on commercial, multi-family residential, industrial, and institutional building rooftops and parking structures (shortened here to "commercial rooftops" or "commercial rooftop solar"). The commercial rooftop market encompasses both net-metered and community solar, and we install both types. Most building owners, however, are unable to install net-metered systems under existing rules, so we find that roughly 80% of commercial rooftop installations are rooftop community solar systems.

The commercial rooftop market has enormous growth potential in Maryland, and there are several benefits that growing this market offers to the state, aside from the direct benefits to building owners and their tenants or subscribers. Solar systems located on commercial rooftops are sited *directly on top of load* in dense areas—exactly where solar power generation can provide the most benefit to ratepayers by eliminating distribution and transmission costs. They can also easily be paired with storage to manage peak load, providing even more benefits to the grid and ratepayers. Commercial rooftops are usually cheaper to build on a per-watt basis than single-family residential systems, having better economies of scale, while being much faster to develop than most groundmount systems, as they do not require CPCN approval. Further, commercial rooftops are already-developed sites that typically do not engender the local opposition that groundmounted solar on rural land sometimes does.

Despite these advantages, the Maryland commercial rooftop solar market was a "missing middle" in terms of both policies and installation rates for many years before the Brighter Tomorrow Act established the Small Solar Energy Generating System Incentive Program. Before this program, Maryland's approach to solar was a one-size-fits-all renewable portfolio standard, with residential systems receiving additional support through the Maryland Solar Access Program. This means a 100 kW system on an apartment building's roof received the same incentive as a 5,000 kW or system installed on an open field.

Effects of the Small Solar Energy Generating System Program

The Small Solar Energy Generating System Program was the first policy passed in Maryland to support commercial rooftop solar, and it was successful. We saw a shift in the types and sizes of buildings and customers we could provide solar for as soon as it was implemented, with the 1.5 solar renewable energy credit helping to offset construction costs and other market pressures. We are extremely grateful this program was passed and implemented, as it has made a real difference and allowed us to provide solar to significantly more customers than we otherwise could have. Importantly, this program comes at no cost to—and even provides some savings for—ratepayers, as the program leverages the significant headroom in the solar carve out of the renewable portfolio standard to provide an elevated credit to rooftop systems, reducing the gap for which alternative compliance payments must be paid by retail electric providers.

Most commercial rooftop solar systems have a 12-18 month development cycle, and as the Small Solar Energy Generating System Program requires a system to be installed by the end of 2027 to receive the elevated credit, the program is nearing the end of its life. **An extension of the deadline for the program and increase to the allowed capacity of participating commercial rooftop systems is needed to help Maryland keep up the elevated rate of commercial rooftop solar system installation it has seen since the program was established, bringing the benefits of clean energy to more Maryland building owners, community solar subscribers, and ratepayers.** It would also provide a much-needed boost to commercial rooftop solar businesses as we adjust to the full phase out of the federal solar tax credits in the year ahead. We urge you to pass this bill.

Sincerely,

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