

23 March 2026

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

## **Written Testimony**

### **HB1532: Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act**

#### **Position: Favorable with Amendments**

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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 HB 1532, Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act.

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 HB1532, Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act.

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.

#### **Proposed Amendments: A Transition That Doesn’t Give Up Grid Benefits**

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:

- 1. Successor Program Value Components**  
Section/Redline: 7-306.4(c)(4) and (5)

**What It Does:** This language would establish a floor of anticipated net metering electricity value based on utility pass-through costs (generation and transmission) for the NEM successor program. The PSC would then study and determine the value of these distributed solar projects to the local distribution grid and energy costs.

**Why It Matters:** Investors and developers have to evaluate state programs based on what is in law. As drafted, there is no minimum level that the PSC must set the value of distributed solar electricity generation in the successor program. This degree of uncertainty will freeze the market for new solar systems in Maryland that cannot meet the NEM 1.0 eligibility cutoff milestones established in this bill until the successor program is fully implemented. This suggested amendment would provide at least some transparency and certainty of at least a minimum value of solar electricity for new projects over the next year and a half, without changing the PSC's role of determining the value of distributed to the distribution grid in the successor program.

## **2. Codify grandfathering of NEM 1.0 projects in statute, with a goal of until project decommissioning, or at least 35 years**

**What It Does:** At present, Maryland's regulatory structure, specifically COMAR 20.62.02.10, provides that tariffs for community solar projects remain in effect until the system is decommissioned. This structure has enabled developers, investors, and lenders to confidently deploy capital based on a clear and stable expectation of long-term revenue, typically underwritten over 35+ years, consistent with the useful life of these assets. The House-proposed language introduces a level of uncertainty that is fundamentally at odds with how infrastructure investments are financed.

**Why It Matters:** A retroactive change to tariff duration or eligibility would effectively halt investment in Maryland's community solar market. Project financing and development rely on the ability to accurately forecast long-term revenues. Without clarity on tariff duration, it becomes infeasible to advance projects currently in development, construction, or operation.

Equally important, allowing retroactive modifications to core economic terms after significant capital has already been deployed would introduce a perception of regulatory instability. This raises concerns for existing investments and for future participation in Maryland's energy programs more broadly.

This issue was not previously redlined in the House bill, but it is our view that this provision is critically important to the continued functioning of the market and cannot be left unaddressed.

## **3. Extend the CSEGS Queue Reservation Deadline and Clarify Eligibility** Section/Redline: 7-306(d)(2)

**What It Does:** Establishes that community solar projects must (1) enter the CSEGS program queue under § 7-306.2 by July 1, 2027, and (2) have paid the initial interconnection deposit (50% of estimated costs) to the electric company in order to qualify for the current net metering program. To complete qualification, projects must also achieve commercial operation by the PSC's existing 36-month community solar program deadlines under COMAR 20.62.03.04C, which the Commission may extend for good cause shown after an evidentiary process.

**Why It Matters:** The January 1, 2027 cutoff date in the House version creates a minimum 6-month gap between when projects are cut off from qualifying and when the successor program is scheduled to begin, which will cause the community market to freeze to all new projects almost immediately upon the bill's passage, until the PSC reveals successor program electricity pricing. Aligning both dates around July 1, 2027 will reduce the length of the period that the market will be paused or frozen from a year or more to 6

months or more. Getting a new CSEG project to the utility interconnection milestones identified in this amendment typically takes 6 months minimum, so even with the July 1, 2027 queue deadline suggested here, the market for new community solar projects will still be frozen from at least January 2027 to whenever the PSC implements the successor program and the value of solar electricity production is known again.

Requiring payment of all interconnection fees is impossible as a practical matter because that happens at the time construction starts and sometimes even during reconciliation after construction ends. The initial interconnection deposit (typically 50% of estimated upgrade cost) 4 is the appropriate threshold because it represents a substantial financial commitment – often representing hundreds of thousands to well over a million dollars for a single project. This significant cost demonstrates project investment and funds the utility’s interconnection work.

The hard July 1, 2029 COD deadline in the House bill does not account for variables outside a developer’s control, such as utility delays in completing grid upgrades, weather-related construction delays, or permitting issues. Following the PSC’s existing COMAR 20.62.03.04C program deadlines (36 months from queue position) provides clear expectations while preserving PSC discretion to extend for good cause through a formal hearing process.

#### **4. Strike Utility-Based Caps Except in Delmarva and Potomac Edison**

Section/Redline: 7-306(d)(3)

**What It Does:** Maintains the 3GW statewide cap for BTM and CSEGS, but limits the amount of community solar capacity that can qualify for the current net metering program in Potomac Edison and Delmarva Power service territories. The cap is set at 150% of the existing community solar queues for each utility as of April 1, 2026.

**Why It Matters:** The Solar Trade’s proposed language replaces the House's backward-looking retail sales cap that was never designed to be territory-specific with a forward-looking growth limit. Instead of measuring against a cap that is already exhausted (Delmarva in particular), the 150% threshold measures future queue growth against the queue as it exists on April 1, 2026. Every project currently in the DPL and PE queues will qualify for NEM 1.0 provided they make the required interconnection deposit, while new entries after the baseline date are strictly limited. The language has been accepted by Potomac Edison. It balances the interest in limiting community solar growth in smaller, more rural utility territories while allowing in-development projects to meet prospective qualification thresholds without being retroactively stranded

#### **5. Address Utility and PSC Transition Delays**

Section/Redline: 7-306(d)(4), 7-306(d)(5)

**What It Does:** These provisions address two distinct transition risks:

- (d)(4) authorizes the PSC to extend the July 1, 2027 queue and deposit deadline if a developer was unable to meet it due to a failure of the electric company to comply with a Commission order, regulation, statute, or tariff (e.g., a utility failing to issue interconnection invoices in accordance with regulation).

- (d)(5)(i) authorizes the PSC to grant extensions to operational deadlines where a developer documents that utility interconnection or permitting delays prevented timely completion.

**Why It Matters:** Without these provisions, developers who have done everything required of them but are delayed by factors outside their control would lose NEM 1.0 eligibility through no fault of their own when they were ready and willing to pay.

Section (d)(4) addresses the front end of this problem. If a utility's noncompliance prevents a developer from obtaining a queue position or paying its deposit by July 1, 2027, the PSC can extend the deadline. Section (d)(5)(i) addresses the back end. Even after a project qualifies, it must reach commercial operation within the PSC's 36-month program deadlines. Construction timelines for solar projects are subject to delays that no developer can control, including utility interconnection backlogs, permitting delays, and weather events that prevent site work during critical construction windows. The PSC can extend the operational deadline upon a documented showing of cause at an in-person hearing. This is consistent with how the PSC already handles deadline extensions in other regulatory contexts and preserves the Commission's role as the arbiter of whether a delay is justified.

## 6. Differentiation for Market Segments

Section/Redline: 7-306.4(c)(6)

**What It Does:** Authorizes the PSC to establish different tariffs under the successor program for distinct market segments: residential BTM, nonresidential BTM, community solar (CSEGS), and aggregate net energy metering (ANEM). Also authorizes the PSC to identify additional market segments or subsets. The PSC may consider the characteristics of each market segment when setting rates.

**Why It Matters:** The value of distributed solar to the local grid is dependent on the type of solar, the location, who it is serving, the load it is off-setting, and other factors. This provides the PSC with appropriate discretion to conduct their analysis and implement the successor net metering program

## 7. CSEGS LMI Fund

Section/Redline: 7-306.2(a)(ix), 7-306.2(O), 9-20B-05

**What It Does:** Creates a community solar payment option to OHEP in lieu of subscribing at least 40% LMI customers. This money goes directly to the SEIF and then to OHEP, in addition to what they would otherwise receive. 7-306.2(a)(ix) and 7-306.2(O) are the core changes, while 9-20B-05 is conforming.

**Why It Matters:** The current proposed amendment is simple and straightforward, sending the cash to OHEP to do what they already do to help low-income households. This alternative channels real dollars to OHEP for direct energy assistance to low-income households, which is a more efficient use of the LMI policy goal than requiring individual subscription enrollment. Community solar projects face challenges meeting the requirement to enroll and maintain 40% of the total project capacity allocated to LMI customers, which threatens the viability of the projects in order to remain compliant. Instead of spending valuable resources enrolling individual subscribers, this change allows OHEP to directly provide energy relief to LMI customers and the proposal provides funding which exceeds the minimum savings requirement each project would need to provide under the current rules.

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 feel that our recommended amendments are crucial to ensuring that Maryland maximizes the benefits it can get from distributed solar.

Sincerely,  
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