



Date: March 10, 2026

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

RE: 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 provide "favorable with amendments" testimony on SB 966.

Lodestar Energy LLC ("Lodestar") is an East Coast-focused renewable energy developer with its development office located in New York. Over our 10-year history, we have developed, owned, and operated over 40 solar projects, and we maintain an active pipeline of community solar projects in Maryland. We are committed to the continued success of renewable energy in the state and want to continue our investment in Maryland's economic development.

Lodestar thanks Senator Feldman and the General Assembly for tackling energy affordability issues and for recognizing the role of distributed solar as 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. 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. These projects are financed with private capital, and their role as grid assets brings unique benefits to the distribution grid that lower consumer energy costs.

It is essential to maximize the amount of distributed generation that 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 ***and undermine investor confidence in future energy program buildouts in Maryland.***

It is important that any changes to the net metering program and the creation of a successor program protect such existing 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

While Lodestar supports the evolution of Maryland's energy tariffs, it is essential that the transition to a successor program protects existing investments. Hundreds of megawatts of capacity are currently under development; changes to existing rules could pull the rug out from this capacity and undermine investor confidence. This would occur right as the industry is focused on meeting the phase-out deadlines associated with the repeal of Investment Tax Credits by Congress in H.R. 1. We respectfully suggest the following amendments to ensure a transition that is both firm and fair:

- ***Safeguard Existing and Under-Development Solar Capacity:*** Projects currently in development are racing to meet construction deadlines set by H.R. 1. These projects were invested in and financed under the statutes currently in place around NEM and are critical to ensuring Maryland captures as many federal tax dollars as possible.
- ***Implement a Transparent Transition:*** Ensure that current net metering tariffs remain available for projects where significant financial investments have already been made. This includes signing a lease or purchasing property, investing in the interconnection process, and applying for state or local permits.
- ***Achievable Transition Milestones:*** Define criteria for transition eligibility based on what project developers can better control, such as submitting completed interconnection



applications or permitting applications. 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 use distributed solar as a central tool to lower consumer and utility energy costs without inadvertently triggering a policy transition that could destabilize the industry.

With these amendments, Lodestar would urge a favorable report. However, we believe our recommended amendments are crucial to ensuring Maryland maximizes the benefits it can derive from distributed solar, especially in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "O. Sandreuter", is positioned above the typed name.

Oliver Sandreuter
Director of Business Development