

MAREC Action testimony SB841 FAV EEE 0222426.pdf

Uploaded by: Evan Vaughan

Position: FAV



February 25, 2026

MAREC ACTION TESTIMONY SB841: FAVORABLE

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

MAREC Action (informally, “Mid-Atlantic Renewable Energy Coalition”) writes in support of SB841, Renewable Energy Generation Projects - Alternative Compliance Fee Auctions. MAREC Action is a Maryland-based coalition of over 50 utility-scale solar, wind, and battery storage developers and manufacturers dedicated to the growth and development of renewable energy across the PJM grid region.

SB841 redirects Alternative Compliance Payments (ACPs), which are generated when there is a shortfall in renewable energy production to meet the state’s RPS, to a reverse auction program that would support new renewable energy development in Maryland. The Maryland Energy Administration (MEA) would administer the competitive auction program, in consultation with the Public Service Commission, through annual solicitations to fund least-cost bids for development of in-state renewable energy projects.

We appreciate the effort of the sponsors to deploy more clean, reliable, renewable energy onto the grid as soon as possible. An annual competitive auction process, as contemplated by this legislation, would identify targeted and cost competitive projects to receive incentives needed to start construction. By putting Alternative Compliance Funds to work, this bill would help realize the goals of the RPS and greater energy independence for Maryland. These funds could work, in addition to existing REC programs, to provide make-or-break support to bring new electric generation online in the current market where demand is far outstripping supply.

We know energy affordability is a key concern for Marylanders. A regional imbalance electricity supply and demand is driving up the wholesale cost of electricity. As a result, the best way to stabilize rising wholesale energy prices is to add zero fuel cost resources like solar and wind to the grid. Because solar and wind have no fuel cost, they will support stability in consumer bills, effectively diversify the electricity supply, and reduce costly periods of peak demand that strain fuel supplies during cold winters like this one.

Building a new power plant (renewable or otherwise) is comparatively expensive in Maryland, due to a lack of transmission infrastructure, high land prices, and existing incentive levels that are lower than neighboring states. These challenges are not unique to renewable energy, and we anticipate that any new power plant (including new natural gas) will need incentives to build. Utility-scale solar’s low cost, relative to other sources, enhances the value and timeliness of the auctions proposed in SB841.



As an annual program, the ACP auctions would provide a measure of predictability for projects at various stages of development. There are utility-scale solar projects in Maryland with a combined capacity of 230 megawatts that have late-stage PJM queue positions and would be best positioned to receive support in the near-term, but this program's annual nature would create opportunities for earlier stage development projects in years to come. If structured as a one-time payment, incentives would need to be sized appropriately to ensure the program's effectiveness in attracting investment away from other states with more robust long-term incentives. It is encouraging to see that the program could be stood up and begin accepting applications as early as January 2027, helping to ensure its effectiveness as a bridge policy for near-term projects that may have lost federal tax incentives to be able to come online.

MAREC Action looks forward to working with the sponsors to refine this proposal in the context of other legislation proposed this session looking to modernize Maryland's renewable energy incentive structure. It is vital to the utility-scale solar industry that reforms occur this year to ensure near term projects can come online and to spur a stronger development pipeline for future projects.

We thank the Committee for your close consideration and ask that you take a favorable position on this legislation to allow refinements to continue throughout the session.

Thank you,

Evan Vaughan
Executive Director
MAREC Action
PO Box 3335
Silver Spring, MD 20918

SB 841_MDCC_MEA-Renewable Energy Generation Projec

Uploaded by: Hannah Allen

Position: FAV



Senate Bill 841

Date: February 26, 2026

Committee: Education, Energy, and the Environment

Position: Favorable

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

Senate Bill (SB 841) authorizes the Public Service Commission to conduct a competitive energy credit reserve auction using certain Alternative Compliance Payment (ACP) funds associated with Tier 1 renewable energy credits, including solar. The bill is narrowly tailored, applying only to specified ACP balances, with the goal of accelerating the development of new renewable generation in Maryland.

SB 841 offers a pragmatic and responsible approach to addressing the accumulation of ACP revenues, which should be understood as *one-time funds* rather than an ongoing or predictable revenue stream. ACPs are not intended to function as an annual funding source, nor should they create long-term expectations for recurring expenditures. By authorizing a reserve auction mechanism, the bill appropriately treats these funds as non-recurring while ensuring they are put to productive use.

Importantly, the reserve auction structure contemplated in SB 841 enables capital to move more quickly into active project development. Under this approach, developers must demonstrate both available capacity and the level of financial support required to bring projects online. This accelerates deployment and allows funds to reach “steel in the ground” sooner than alternative concepts that would delay projects by several years. From the business community’s perspective, this speed to market matters, not only for meeting near-term generation needs, but also for stimulating economic activity, job creation, and private investment across the state.

The bill also provides a sensible interim solution as the General Assembly continues to evaluate and fine-tune Renewable Portfolio Standard (RPS) percentages. Rather than allowing excess ACP funds to sit idle while those broader policy discussions continue, SB 841 ensures that available resources are used efficiently and transparently to advance renewable generation now.

Finally, to the extent ACPs represent overpayments by ratepayers, directing those dollars back into timely, in-state generation projects helps close the loop in a way that benefits Maryland's economy and energy system alike.

For these reasons, the Chamber respectfully requests a **favorable report** on **SB 841**.

2026-MDRECAGGREGATROS-SB841-FAV.pdf.pdf

Uploaded by: John Fiastro

Position: FAV

Maryland REC Aggregators Coalition

SB841 – Maryland Energy Administration - Renewable Energy Generation Projects - Alternative Compliance Fee Auctions

Maryland Senate Education Energy and Environment Committee

Thursday, February 26, 2026

Favorable

Chair Feldman and Members of the Committee:

The Maryland REC Aggregators Coalition appreciates the opportunity to provide comments on Senate Bill 841.

The Coalition supports reforms that ensure Alternative Compliance Payment (“ACP”) revenues are deployed in a manner consistent with the original intent of Maryland’s Renewable Energy Portfolio Standard (“RPS”), namely to facilitate the development of renewable energy generation and strengthen long-term renewable energy credit (“REC”) supply.

Recent compliance data for the 2024 compliance year demonstrates significant structural pressure within Maryland’s REC marketplace. Suppliers retired 6.99 million RECs against obligations of 19.36 million, leaving approximately 12.4 million megawatt-hours of compliance satisfied through ACPs. ACP payments totaled approximately \$365 million, the highest level in Maryland’s history. Solar REC prices remain elevated, and the geothermal generation carve-out continues to reflect limited REC supply relative to statutory obligations.

When the RPS was enacted in 2004, ACP payments were tied directly to the creation of a clean energy fund intended to support renewable generation. Following Maryland’s participation in the Regional Greenhouse Gas Initiative and the creation of the Strategic Energy Investment Fund in 2008, the purposes of the fund were expanded. Senate Bill 841 presents an opportunity to reconnect ACP revenues to renewable generation in a disciplined and measurable way.

A competitive reverse auction administered through the Maryland Energy Administration would serve as an effective mechanism for deploying ACP funds. Under such a structure, developers would submit bids specifying the megawatts of generation capacity they are prepared to develop and the level of support required. Bids would be ranked from lowest to highest cost, and awards would be made until a defined capacity or funding threshold is met. By its construction, a reverse auction ensures competition, transparency, and efficient allocation of funds. It is not a winner-take-all model. Rather, it facilitates multiple awards whose combined generation capacity advances Maryland’s renewable energy objectives.

Timing is also a critical consideration. A grant-based auction structure administered by the Maryland Energy Administration can be executed more efficiently than a traditional Public Service Commission procurement proceeding. Given current REC market conditions and

development timelines, the ability to deploy ACP funds in a timely manner is material. A streamlined, competitive grant structure allows Maryland to move capital into generation projects capable of near-term development.

The Coalition strongly supports continued development of both solar and geothermal generation resources in Maryland. Geothermal electric generation remains an emerging segment within the State's RPS framework, with significant long-term potential but limited existing REC supply. Any auction structure should respect existing carve-out obligations, allow meaningful participation by geothermal generation developers, and maintain competitive discipline without adopting administratively set REC prices. A structure that includes technology-specific tranches or defined minimum thresholds can preserve statutory priorities while ensuring cost competition.

To protect ratepayers and ensure project delivery, an auction framework should include appropriate performance safeguards, such as bid collateral requirements, delivery milestones, and clear rules for extensions tied to documented interconnection or permitting delays. Such safeguards promote serious participation while accommodating legitimate development constraints.

Maryland's growing reliance on ACPs underscores the need for a forward-looking procurement mechanism that converts compliance payments into verifiable renewable generation capacity. A reverse auction framework offers competitive discipline, multiple awardees, transparent fund allocation, efficient deployment of ACP revenues, and alignment with the original purpose of the RPS.

The Maryland REC Aggregators Coalition stands ready to work with the Committee, the sponsor, and stakeholders to refine Senate Bill 841 in a manner that strengthens Maryland's renewable generation market while protecting ratepayers.

Respectfully submitted,

Maryland REC Aggregators Coalition

SB 841 Testimony Chaberton.pdf

Uploaded by: Joshua Feldmark

Position: FAV



February 24, 2026

RE: Senate Bill (SB) 841: Maryland Energy Administration – Renewable Energy Generation Projects – Alternative Compliance Fee Auctions – Favorable

Chair Feldman, Vice Chair Kagan and members of the Senate Education, Energy, and the Environment Committee:

Introduction: Thank you for the opportunity to submit written testimony in support of HB 841. Chaberton Energy is a Maryland-based distributed energy developer focused on community solar and storage. A public benefit corporation, Chaberton is one of the largest developers in the Maryland Community Solar Energy Systems (“CSEGS”) Program. Chaberton has over 200 Megawatts of community solar, commercial solar, and storage in active development here in Maryland. With a total development pipeline of more than one Gigawatt and over 100 Megawatts of projects completed, Chaberton is one of the fastest growing energy companies in the nation, ranked 53rd on the 2025 and 34th on the 2024 Inc. 5000 lists.

Background: Senate Bill 841 directs the Maryland Energy Administration, in consultation with the Public Service Commission, to utilize funding created by Alternative Compliance Payment (“ACP”) fees paid into the Maryland Strategic Energy Investment Fund (“SEIF”) to conduct a competitive, low bid auction to support the development of in-state renewable energy projects. It further outlines that funding received from SEIF through ACP Fees shall only be used to bid awards under this program.

Comments: Chaberton supports the creation of this ‘reverse auction’ style bid program to support in-state renewable energy projects. By utilizing a ‘reverse auction’ mechanism, the State can focus on delivering the most amount of renewable energy generation at the lowest cost, providing for the most efficient and cost-effective way to meet Maryland’s in-state energy generation goals. As designed, this auction creates a simple and impactful opportunity for projects to utilize ACP funding. There may be many reasons why a project needs to utilize this funding mechanism, such as high interconnection costs and the risks created by the federal uncertainty on tax credits. Furthermore, this program does not necessitate the upending of the entire fundamental market structure of the current REC program but rather focuses on delivering targeted support to projects that will lead to more in-state generation.

It is important that this legislation ensures that funding received through ACP fees is utilized only for the purpose of supporting in-state generation. This funding has at times been used to shore up other budgetary line items in the State. Furthermore, the current programs utilizing this ACP Fee funding have unfortunately not been working; the private development industry has not taken advantage of the programs this funding has historically been used for. Chaberton believes this program will deliver on its intended goal of more in-state renewable generation at the lowest cost.

Conclusion: For the reasons stated above, Chaberton strongly supports SB 841 and respectfully requests a favorable report. Thank you for your time and consideration. Please do not hesitate to reach out should the Committee have any questions.

SB 841 fav w amend PSC.pdf

Uploaded by: Barve Barve

Position: FWA

KUMAR P. BARVE
CHAIR



FREDERICK H. HOOVER, JR.
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RYAN C. MCLEAN

PUBLIC SERVICE COMMISSION

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

RE: SB 841 – Favorable w/Amendments – Maryland Energy Administration – Renewable Energy Generation Projects – Alternative Compliance Fee Auctions

Dear Chair Feldman and Committee Members:

The Public Service Commission (“Commission”) requests a favorable report on SB 841, with consideration of the amendments detailed below. SB 841 removes many of the statutory restrictions on spending from the Strategic Energy Investment Fund (SEIF) while also ensuring that alternative compliance fees paid into the SEIF can only be used for renewable energy generation projects. It achieves this by establishing an annual competitive alternative compliance fee auction to fund renewable energy generation projects.

This bill would give the Maryland Energy Administration (MEA) more flexibility to facilitate the development of geothermal, offshore wind, and solar energy generation in Maryland. The auction process allows funds to be awarded to qualified bidders who offer the lowest cost per unit of energy generated, helping to ensure that alternative compliance fees are contributing to renewable energy projects that are both affordable and beneficial to achieving our State’s climate goals.

The Commission has proposed small amendments to SB 841 which would assist with implementing the legislation as intended. The amendments address the following points:

1. Certain capacity and spend targets used for the alternative compliance fee auction are predicated upon values that may not be fully known at the time the auction takes place. Therefore, the amounts would either need to be forecasted or the auction scheduled at a time of the year after those values are determined.
2. MEA and the Commission are instructed to consider—among other things—modeled expected energy clearing prices when devising a capacity target for the auction. The Commission notes that energy clearing prices have no clear effect on renewable portfolio standard compliance levels, and it would not be necessary to factor them into the capacity target calculation.

3. The legislation does not specify what should be done if the required procurement amount for an auction exceeds the amount of funds available in the SEIF.
4. The bill requires the bids and the awarding of bids to be done on a per megawatt basis. As the capacity factors for offshore wind, solar, and geothermal vary greatly, it may be more equitable to rank bids on a per megawatt *hour* basis.
5. The legislation limits the types of renewables that can be procured and allows the Commission and MEA to procure a minimum amount of megawatts from each type of renewable. It would further minimize costs if “renewables” was expanded to cover all eligible renewable sources and the minimum procurement requirement was removed, so that the bids received are for the cheapest renewable regardless of type.

The Commission has worked with the bill’s sponsor on these proposed amendments and will continue to provide assistance as requested. We appreciate the opportunity to provide this testimony and we request a favorable report, with the amendments as detailed above. Please contact the Commission’s Director of Legislative Affairs, Niki Wiggins, at irene.wiggins3@maryland.gov, if you have any questions.

Sincerely,



Kumar P. Barve
Chair, Maryland Public Service Commission

SB0841_FWA_CCANAF.docx.pdf

Uploaded by: Brittany Baker

Position: FWA



**TESTIMONY OF
BRITTANY BAKER
MARYLAND DIRECTOR**

**MIKE TIDWELL
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.

SB 841 - MoCoDEP - (GA 26) FWA.pdf

Uploaded by: Garrett Fitzgerald

Position: FWA



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 841

DATE: February 26, 2026

SPONSOR: Senator Feldman

ASSIGNED TO: Education, Energy, and the Environment

CONTACT PERSON: Bryan Howard (bryan.howard@montgomerycountymd.gov)

POSITION: Favorable with Amendment (Department of Environmental Protection)

Senate Bill 841 allocates alternative compliance fees associated with the State's Renewable Portfolio Standard to be used by the Maryland Energy Administration (MEA) to support new renewable energy projects in Maryland.

Energy prices are a major concern in our community and continue to increase due to rising wholesale costs and grid infrastructure spending. These increases strain the budgets of County residents and businesses and are not sustainable.

The bill creates a process managed by MEA to catalyze new renewable energy projects through an auction-style approach that would deploy incentives in a cost-efficient manner. The County supports using alternative compliance fees for the intended purpose of funding renewable energy projects. This will also help meet the need for new in-state electricity generation and assist the State in meeting climate goals.

While we support the intent and primary approach of the legislation, we recommend the bill be amended to preserve some funding for solar programs supporting low-to-moderate income households. As introduced, the bill would require that all alternative compliance fees be used to support the new auction-style approach created by the bill. While this may be an appropriate use of the majority of those funds, we believe MEA should continue to have discretion to deploy a portion of this revenue through solar grant programs designed to help Maryland households who face particularly challenging energy burdens.

With the requested amendment, the Montgomery County Department of Environmental Protection respectfully encourages the Education, Energy, and the Environment Committee to issue a favorable report on Senate Bill 841.

SB0841 - FWA - Maryland Energy Administration - R

Uploaded by: Megan Outten

Position: FWA



Maryland

Energy Administration

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

FROM: MEA

SUBJECT: SB 841 - Maryland Energy Administration - Renewable Energy Generation Projects - Alternative Compliance Fee Auctions

DATE: February 26, 2026

MEA Position: FAVORABLE WITH AMENDMENT

The Maryland Energy Administration (MEA) respectfully submits this letter in support of Senate Bill 841 with amendments.

The current federal administration is openly hostile toward renewable energy, including the HR1 (One Big Beautiful Bill Act) repeal of the Investment Tax Credit (ITC). That is why there are a number of bills proposing good policy this legislative session, including SB 841, aimed at providing renewable energy with the support it needs.

SB 841 establishes a structured, competitive Alternative Compliance Payment (ACP) auction framework to support the development of renewable energy generation projects in Maryland. The bill creates a transparent, low-bid procurement mechanism tied to Renewable Energy Portfolio Standard (RPS) shortfalls and projected market conditions, while incorporating safeguards related to bidder eligibility, delivery milestones, reporting, and recapture of funds.

MEA supports the bill's objective of deploying ACP revenues in a cost-effective and market-responsive manner. The proposed auction framework provides a transparent methodology for determining capacity targets, incorporates consultation with the Public Service Commission, and prioritizes competitive pricing to advance renewable energy development in the State. To ensure effective implementation and long-term program flexibility, MEA respectfully requests the following amendments.

Include Administrative Funding for Program Implementation: As drafted, SB 841 removes the existing administrative expense allocation for ACP revenues and directs compliance fees to be used exclusively to award bids under the new auction program. The bill, as written, leaves MEA without dedicated administrative funding to design, implement, and oversee the annual competitive process.

Accordingly, MEA requests: In § 9-20B-05(i), after the phrase “§ 9-20E-01 of this title,” add: “and to pay for the expenses of that program.”

This amendment would ensure ACP revenues may be used not only to award grants but also to administer the auction program as well as other MEA Strategic Energy Investment Fund (SEIF) programs - to appropriately market the programs and build awareness of their availability and benefits, ensure fair and equitable bid review, maintain financial integrity and compliance, and evaluate the program for ongoing improvement. Finally, MEA would suggest language to shift this away from procurement, and to a competitive grant framework with targets. This would permit MEA the flexibility to improve the program year-over-year.

Clarify that decision making is the responsibility of MEA, in consultation with the Commission. While MEA values coordination with the Public Service Commission, several provisions appear to require joint decision-making that may introduce administrative complexity and delay the offering of the grant program. To streamline implementation, MEA requests amending:

- § 9-20E-02(a)(1) to say “The Administration shall develop an annual Funding Opportunity Announcement specifying the grant program requirements, in consultation with the Commission.”

These changes would preserve the Administration’s ability to act efficiently while maintaining transparency and reporting requirements elsewhere in the bill. MEA agrees that auction results should be provided to the Commission for planning, providing an opportunity for continual improvement, and collaboration between the agencies.

Establish capacity targets commensurate with budget program resources for a given program year. The bill currently requires annual capacity targets determined using a defined methodology, mandatory procurement of projects meeting or exceeding prior year Renewable Energy Credit (REC) shortfall, authority to set minimum megawatt thresholds, mandatory award of bids until the capacity target is reached, carry-forward or application of funds tied to meeting capacity targets. While well-intentioned, these provisions introduce rigid capacity constraints that may not align with evolving market conditions, revenue availability, project readiness, or ratepayer impacts. MEA respectfully recommends:

- Amend § 9-20E-02(a)(2), (3), and (4) to require the Administration to develop a capacity target based on program budgetary, staffing resources and goals, in consultation with the Commission.
- Delete 9-20E-02(a)(2)(ii).
- Removing capacity target references in § 9-20E-02(d)(3)
- Removing capacity-based constraints in § 9-20E-02(d)(6)

These amendments would preserve the competitive auction structure while allowing MEA to determine the amount of solar that can be funded, based on available ACP revenue, project quality, and adapt to changing market conditions rather than fixed statutory formulas.

Clarify this is a Grant Program: In § 9-20E-02(e)(4), MEA recommends replacing “contract” with “grant” to ensure statutory clarity and administrative consistency. MEA would also strike 9-20E-02(i). In order to implement the program quickly and allow flexibility, MEA would prefer to operate this grant program as it does others under the more general provisions of the SEIF regulations that are already in place. As such, new regulations would not need to be promulgated.

Provide Flexibility in the Use of Alternative Compliance Fees: SB 841 provides that compliance fees paid into the SEIF may be used only to award bids under the new auction subtitle. In doing so, the bill repeals prior statutory provisions that allowed ACP revenues to support targeted solar programs, low- and moderate-income community projects, overburdened communities, geothermal small business development, and legislative energy relief refunds. MEA respectfully requests consideration of an amendment that allows limited flexibility for ACP revenue use, including the ability to:

- Support alternative renewable energy grant or loan programs;
- Support the deployment of energy storage projects paired with renewable generation; or;
- Allocate funds in response to evolving market gaps or equity priorities.

Preserving reasonable programmatic flexibility ensures the Administration can respond to changing renewable energy market conditions while still advancing the bill’s auction framework.

Time Implementation with FY27 Budget Cycle: Lastly, MEA would recommend delaying implementation of the program until FY28, permitting the FY27 budget to pass prior to the program beginning. There is discussion this legislative session regarding the appropriate current and future uses of SEIF, which may impact implementation of such a sizable program.

For these reasons, MEA respectfully requests a favorable report on SB 841 with the amendments described above. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.

CHESSA - EEE SB841 Reverse Auction ACP Funds FAV A

Uploaded by: Robin Dutta

Position: FWA



26 February 2026

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

Written Testimony

SB841: Maryland Energy Administration – Renewable Energy Generation Projects – Alternative Compliance Fee Auctions

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 testify “favorable with amendment” on SB 841, Maryland Energy Administration – Renewable Energy Generation Projects – Alternative Compliance Fee Auctions.

I am Robin Dutta, the Executive Director of the Chesapeake Solar and Storage Association (CHESSA). Our association advocates for our member companies who represent all market segments across the solar and energy storage industries. Many members are Maryland-based. Others are regional and national companies with an interest and/or business footprint in the state. Our purpose is to promote the mainstream adoption of local solar, large-scale solar, and battery storage throughout the electric grid to realize a stable and affordable grid for all consumers. We are the regional affiliate of the national Solar Energy Industries Association.

I am here to provide “favorable with amendment” testimony on SB841. This legislation would create a temporary requirement that the Maryland Energy Administration conduct reverse auction proceedings for solar projects in Maryland, using Alternative Compliance Payment funds. CHESSA appreciates the focus on policy facilitating the growth of Maryland solar generation, however we respectfully believe that there are long-term strategies under consideration that can better serve Maryland’s need for more clean energy generation.

A reverse auction concept, whether bidding for a Renewable Energy Credit (REC) or for a grant in general, is not a program design that can work for all types of solar. Customer-sited solar, namely residential and on-site commercial projects, benefit from policies and programs that prioritize consumer transparency. That allows solar proposals, RFP bids and other sales outreach, to include customer savings that is based on a firm public incentive amount (ie. a set grant amount or a fixed REC value).

If a reverse auction requires a high maturity of projects participating, those projects are likely participating using speculative customer proposals that are contingent on a specific outcome of the auction. A potential solar customer would have to be comfortable agreeing to a possible



contract (or a range of prices) ahead of the reverse auction. If the clearing price is lower than what was assumed, then the energy bill savings and other aspects of the proposal may not come to fruition and the customer drops out.

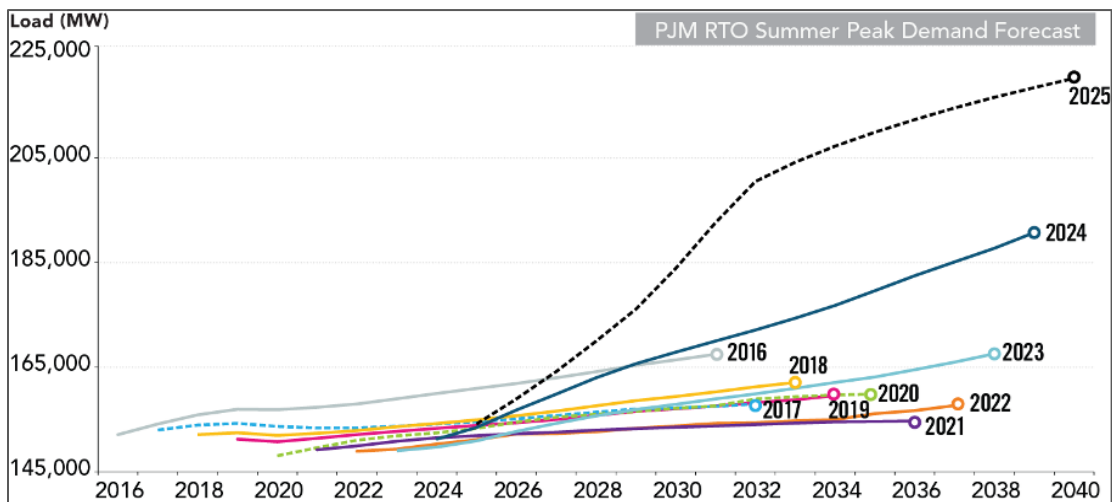
If a reverse project does not require projects to be mature, or even have a customer in place, then the program design risks highly speculative bids. These projects may only be proposals and not fully developed projects. This would create more open access to the program at the expense of greater risk to the use of ratepayer dollars, especially if the auction awards up-front payments.

CHESSA believes that Alternative Compliance Payment funds should be used for programs that can support all types of Maryland solar projects. This bill would also remove the funding floor for a residential solar grant program administered by Maryland Energy Administration, reducing the diversity of solar projects that these funds would be supporting.

Maryland desperately needs more in-state generation to avoid record high prices coming from the regional grid operator, PJM. Solar is the only new generation coming online in Maryland. The industry needs long-term business certainty for companies, signaling that Maryland is where solar companies should be doing business, now and in the years to come.

A Long-Term Problem: The Increasing Energy Deficit Makes Prices Go Up

Marylanders are becoming much more sensitive to grid disruptions and electric price spikes. Electric demand is increasing. And there is already straining in its electric system. Maryland only generates about 60 percent of the electric generation it demands¹. But importing electricity isn't an automatic solution because of the cost of new transmission and grid infrastructure that would be borne by the ratepayer. Nine of the 13 states in the PJM Interconnection (where Maryland resides) also must import electricity to serve their electric demand. There's growing demand and competition for an energy supply that needs to increase.



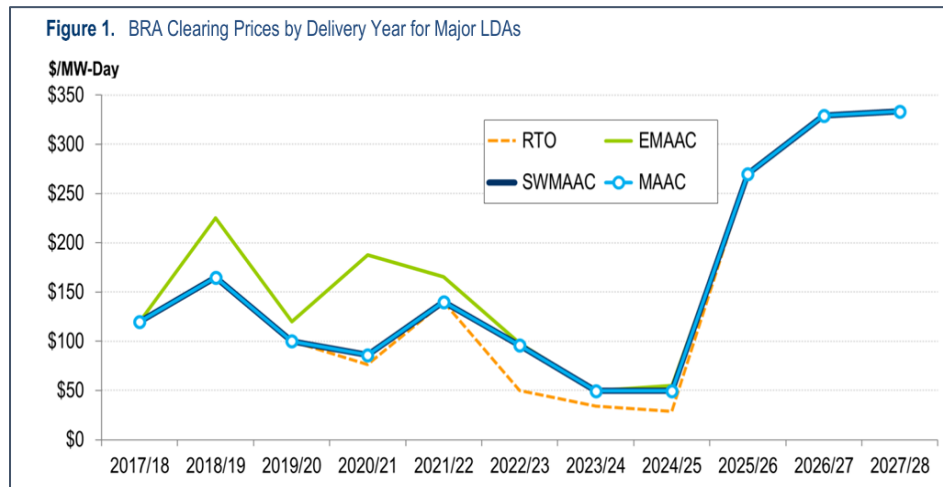
Source: Summer 2025 PJM Reliability Assessment

¹ <https://www.eia.gov/state/analysis.php?sid=MD>



[A January 2025 report from the U.S. Department of Energy](#) shows that projected peak demand growth is only increasing, with electricity supply and demand data from the North American Energy Reliability Council showing the estimates being revised upwards each year since 2022.² If Maryland’s electric future follows the projected national trend, it needs to step up the clean energy build-out throughout the state at the same time as handling fossil fuel retirements. Maryland has been experiencing energy inflation without demanding more electricity, but that is about to change. To prevent the problem from getting worse, scaling up statewide solar adoption of all kinds, needs to happen as soon as possible.

Layering on the problem are the faults within the PJM Interconnection, both with their capacity markets and their interconnection processes. The 2025/26 PJM forward capacity auction was calculated to increase as much as 24 percent by the Office of People’s Counsel, according to [an August 2024 report](#). The 2027/28 PJM auction cleared at a higher value than the 2025/26 auction, making a bad trend even worse. That auction clearing price (\$333/MW-day) was a record high, despite an auction ceiling price, and the fear was that without the ceiling price, the auction results would have eclipsed \$500/MW-Day. A big reason was that there was not enough generation relative to the demand for electricity. As of today, there will be no ceiling price in the next capacity auction and the same supply dynamics.



Source: PJM 2027/28 Base Residual Auction Report

The latest report from the [Maryland Public Service Commission’s 10-Year Plan for Electric Companies](#) shows Maryland’s annual electric demand growth was revised upwards in their 2025 filings versus 2024³. That revision nearly doubles Maryland’s anticipated annual load growth.

² U.S. Department of Energy. “Pathways to Commercial Liftoff: Virtual Power Plants 2025 Update”. January 2025. p.7

³ Maryland Energy Administration. “Reaching 100 Percent Net Carbon-Free Electricity in Maryland”. January 2025. p.19



The capacity ceiling in the last auction will now extend through 2030, however there is no sign that the core issues plaguing PJM are diminishing, nor are the supply shortages contributing to these high prices. This long-term problem requires a long-term strategy to get more Maryland solar and storage capacity online.

Needing a Long-Term Solution

CHESSA appreciates the work of the bill sponsors and stakeholders supporting this legislation. We respectfully recommend that SB841 be conformed into SB341, the Affordable Solar Act, to be part of a long-term solution to deploy more solar and storage capacity in Maryland. A reverse auction could work as the design for a competitive procurement for utility-scale solar. These large projects do not have specific customer off-takers, and their development timelines make participation in a competitive procurement reasonable. CHESSA also recommends leaving in place the funding floor for the residential solar grant program.

We are a willing partner to help create a viable and sustainable Maryland solar industry that benefits all of Maryland. We look forward to working with the bill sponsors.

Sincerely,

Robin K. Dutta

Robin K. Dutta
Executive Director
Chesapeake Solar and Storage Association
robin@chessa.org

Unfavorable - SB0841 Third Act Maryland.pdf

Uploaded by: Cynthia Miller

Position: UNF

SB0841: Maryland Energy Administration - Renewable Energy Generation
Projects - Alternative Compliance Fee Auctions
February 26, 2026
Cynthia Miller, Third Act Maryland
UNFAVORABLE

Third Act Maryland requests an unfavorable report on SB0841. Third Act Maryland has more than 1400 members over 60, who are committed to safeguarding our planet, and the widespread expansion of solar energy made accessible and affordable for all. We stand in opposition to this bill as SB0841 would eliminate Low to Moderate Income (LMI) solar programs through MEA, which is a step backward for equity and for clean energy for Maryland residents.

Additionally, a reverse auction adds significant complexity and barriers for ordinary people to be involved and enabled to choose solar as a clean, safe and affordable energy for their families. Members of Third Act support legislation that provides a more informed process of getting money directly from ratepayers to projects. Further, our position is that a priority should not be to make jobs for SREC traders, but rather to expand access to solar to all Maryland residents, driving more value for ratepayers.

When considering energy prices vs. capacity prices, it is clear that there is a greater impact from energy prices than from capacity prices. When we build solar, we reduce our reliance on fossil fuel sources of energy, saving ratepayers dollars and safeguarding our planet.

We respectfully request an unfavorable report.

SB0841 - UNFAVORABLE.pdf

Uploaded by: Kristin Cook

Position: UNF



SB 0841 - **UNFAVORABLE**

Kristin Cook
350 Montgomery County
350MoCo@gmail.com

Maryland Energy Administration - Renewable Energy Generation Projects - Alternative Compliance Fee Auctions (SB 0841)

Education, Energy, and the Environment Committee
February 26th, 2026

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee,

On behalf of 350 Montgomery County (350MoCo.org), I urge an **unfavorable** report on SB0841. The bill creates unintended equity problems for individuals interested in solar. First, the bill **eliminates LMI** (Low to Moderate Income) **Solar Programs** through the Maryland Energy Administration (MEA)! Next, ratepayers would pay twice since this bill would first finance projects with Alternative Compliance Payments (ACPs) in the reverse auction *then pay again* for ongoing solar production with Solar Renewable Energy Certificates (SRECs). Lastly and in general, the reverse auction mechanism adds complexity and barriers for ordinary people to participate in solar energy.

For these equity reasons, **we urge an unfavorable report on SB 0841.**

Thank you for your careful consideration.

Sincerely,

Kristin Cook
Steering Committee Member of 350MoCo

SB0841_Maryland Energy Administration-Renewable En

Uploaded by: Laurie McGilvray

Position: UNF



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

SB 841 UNFAVORABLE.pdf

Uploaded by: Maryrose Wilson

Position: UNF

SB 841- UNFAVORABLE

Education, Energy, and the Environment Committee

February 26, 2026

I am writing to request an unfavorable report on SB 841. This bill contains provisions that are in opposition to Affordable Solar Act HB0345/SB0341.

I am a robust supporter of solar energy generally and specifically, the Affordable Solar Act. This bill fixes the Solar Renewable Energy Credit program to ensure that we are building *new* clean energy in the state, putting downward pressure on rates, and reducing our greenhouse gases. It also ensures that ratepayer money for new clean energy is used for new clean energy.

SB 841 eliminates Low to Moderate Income (LMI) solar programs, which is a step backward for equity. A reverse auction adds complexity and barriers for ordinary people to be involved and go solar.

I urge an unfavorable report.

Thank you.

Sincerely,

Maryrose Wilson 12102 Coppermine Road Union Bridge MD 21791