SB966 FAV with AMDTS Written Testimony_New Energy
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Position: FAV

12 March 2026

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

Written Testimony
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 testify "favorable with amendments" on SB 966, Public Service Commission – Net Energy Metering – Successor Program.

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 SB966, Public Service Commission – Net Energy Metering – Successor Program.

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.

By doubling down on its commitment to local power, Maryland would recognize that distributed generation is essential to the State's future. As regional electricity demand increases, Maryland has few tools in its toolbox to mitigate rapidly rising costs. 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, period. These projects are primarily financed using private capital, and their role as grid assets bring unique benefits to the distribution grid that lowers consumer energy costs by lowering utility costs. It is in Maryland's best interests to double down on distributed generation because that local generation is created when Marylanders demand the most electricity (during the day).

It is essential to maximize how much distributed generation 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.

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

New Energy Equity respectfully proposes a predictable glide path as part of this program transition. 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:

- Safeguard Existing and Under-Development Solar Capacity: Projects currently in development are racing to meet construction deadlines set by H.R 1, the One Big Beautiful Bill. These and operating projects were financed under the assumption of NEM and are critical to backfilling the loss of federal tax credits.
- Implement A Transparent Transition: Ensure that full retail net metering remains available for projects where significant financial investments have already been made. This includes signing a lease or purchasing property, starting the interconnection process, and acquiring state or local permits. This will also prevent a "rush" of purely speculative applications while honoring legitimate business commitments.
- Achievable Transition Milestones: Define criteria for transition eligibility based on what project developers can better control, such as submitting completed interconnection applications or constructing the project to mechanical completion of the system. 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 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 look forward to working with the sponsors and this Committee to ensure Maryland remains a national leader in local, reliable, and equitable power.

With these amendments, New Energy Equity would urge a favorable report. However, we feel that our recommended amendments are crucial to ensuring that Maryland maximizes the benefits it can get from distributed solar, especially in the near future.

Sincerely,
Jamie Borell,
Sr. VP, Policy

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SB0966 & HB1476 - OPC Testimony.pdf
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Position: FAV

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CHIEF OPERATING OFFICER

BILL NO.:	Senate Bill 0966/House Bill 1476 – Public Service Commission - Net Energy Metering - Successor Program
COMMITTEE:	Education, Energy, and the Environment Environment and Transportation
HEARING DATE:	March 12, 2026 (EEE) March 3, 2026 (ENT)
SPONSOR:	Chair Feldman The Speaker
POSITION:	Favorable

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The Office of People's Counsel (OPC) respectfully offers the following comments in support of Senate Bill 0966/House Bill 1476, Public Service Commission - Net Energy Metering - Successor Program. SB 0966/HB 1476 would direct the Maryland Public Service Commission (PSC) to develop and implement a successor program to Maryland's existing net energy metering program.

As set out in Public Utilities Article § 7-306, Maryland's existing net energy metering program allows utility customers to offset all or part of their electricity requirements using a renewable energy generating system, including rooftop solar panels. For billed energy, a participating net energy metering customer pays only for energy used, netted against any energy that the customer produces. The program also allows utilities to compensate participating net energy metering customers for any excess energy that the customer produces. Utilities must allow customers to enroll in the net energy metering program until the statewide rated generating capacity owned and operated by all participating customers reached 3,000 megawatts. SB 0966/HB 1476 delegates to the PSC the task of developing and implementing a successor program once the statewide capacity reaches 3,000 megawatts. The successor program must incentivize the development of distributed energy generation, minimize ratepayer costs, and balance relevant program costs against grid benefits.

OPC supports delegating these tasks to the PSC. By reducing individual customers' electricity demand, net energy metering has the potential to accrue benefits to Maryland's electric system. But the rate treatment that net metering customers receive under current law allows them to contribute less to fixed system costs than non-participating ratepayers. SB 0966/HB 1476 would require the PSC to address this potential cross-subsidy from non-participating customers to net metering customers. As the entity that administers the existing net energy metering program and that works with relevant stakeholders, the PSC is best situated to explore all options to develop a successor program that (1) ensures participating net energy metering customers are fairly compensated for the excess energy they export to the grid, (2) ensures those customers fairly contribute to the costs of the electric distribution system, and (3) mitigates the rate impacts to non-participating customers. In concert with relevant stakeholders, the PSC could develop a program that also recognizes solar developers' expectations and risks in pursuing community solar projects in Maryland.

OPC shared friendly amendments with the sponsors that provide clarifying language, and we look forward to working with the sponsors to incorporate such amendments.

Recommendation: OPC requests a favorable Committee report on SB 0966/HB 1476.

SB 966_MDCC_Public Service Commission-Net Energy M
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Position: FAV

MARYLAND
Chamber of Commerce

Senate Bill 966

Position: Favorable
Committee: Education, Energy, and the Environment
Date: March 12, 2026

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 966 (SB 966) would modernize Maryland's net energy metering framework by directing the Public Service Commission (PSC) to conduct a comprehensive proceeding to establish a successor program to the State's existing net metering structure. The bill transitions detailed program design from statute to a transparent, data-driven regulatory process, while establishing guardrails to ensure fair compensation, grid reliability, and continued opportunity for customer participation as the current program approaches its statutory caps.

The Chamber supports policies that provide certainty, encourage private investment, and maintain Maryland's competitiveness in attracting and retaining businesses. SB 966 advances those goals. Rather than embedding programmatic specifics in statute, which can quickly become outdated as technology and market conditions evolve, the bill entrusts the PSC with the technical analysis and stakeholder engagement. An extended proceeding at the PSC allows for a deliberate evaluation of cost allocation, rate design, grid impacts, and long-term sustainability.

For Maryland employers, predictability and clarity are critical. Many businesses, from manufacturers to commercial property owners to small businesses, are evaluating or have already invested in on-site solar and other distributed generation technologies. A thoughtful successor program designed through a robust PSC process will provide a clearer long-term framework for investment decisions, reduce uncertainty in the marketplace, and avoid abrupt policy shifts that can chill development or strand capital.

At the same time, the Chamber believes it is essential that any successor program balance continued growth in distributed energy with fairness to non-participating ratepayers and overall system affordability. Energy costs remain a top concern for Maryland businesses, particularly in light of broader reliability and capacity challenges facing the regional grid. We believe the PSC proceeding contemplated under SB 966 creates the appropriate forum to examine compensation structures, grid services, and cost recovery mechanisms in a comprehensive manner to ensure that Maryland maintains both clean energy progress and cost discipline.

Importantly, this bill also reinforces the principle that complex energy market design questions are best resolved through an expert, evidentiary process with full stakeholder participation. That approach fosters durable policy outcomes and strengthens confidence in the regulatory framework.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report on SB 966.**

Ceres Testimony SB966 - Net Metering .pdf
Uploaded by: Jeff Mauk
Position: FAV

SB 966 – SUPPORT
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TESTIMONY SUPPORTING SB 966
Public Service Commission – Net Energy Metering – Successor Program

Senate Education, Energy, and the Environment Committee
March 12th, 2026

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

Ceres is a nonprofit organization working with the business and investor community to build a sustainable economy. Our network of companies, investors, and capital market influencers works to accelerate the adoption of sustainable business practices and cleaner energy markets. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we assist over 80 major employers, including several companies doing business in MD, to advocate for more affordable and sustainable climate and clean energy policies. Ceres submits the following testimony in strong support of Senate Bill 966, creating a successor program to Net Energy Metering.

The Need for a Net Energy Metering a Successor Program

Maryland's existing net energy metering (NEM) program has been among the most effective state-level mechanisms for mobilizing private investment in distributed solar generation. Developers, project financiers, tax equity investors, and commercial offtakers have collectively committed hundreds of millions of dollars to Maryland projects under the assumption that a viable compensation framework would exist at and beyond the current 3,000-megawatt program cap.

Without a legislatively mandated successor program, the expiration of NEM at the 3,000-megawatt limit creates a regulatory cliff: a well-documented phenomenon that sharply curtails capital deployment in clean energy markets. When investors and lenders cannot model post-cap compensation with reasonable certainty, project finance can dry up, development pipelines stall, and in-state economic activity associated with solar

installation, operations, and manufacturing contracts. SB 966 resolves this by requiring the Public Service Commission to develop and implement a successor NEM program, and by establishing that the current NEM program does not terminate until the successor is in place. This prevents a gap in program availability that would otherwise impose severe disruption on active project pipelines.

The bill's contingency framework triggers full implementation upon either the Commission's submission of a successor program report or the State reaching 3,000 megawatts. This provides a logical, market-responsive transition mechanism. Critically, the successor program cap of 6,000 megawatts doubles the State's distributed generation ambition, signaling a long-term market commitment that supports sustained private investment well beyond the near-term horizon.

Statutory Design Principles Support Rational Compensation

SB 966 establishes substantive design criteria for the successor program that align well with sound regulatory economics. The bill requires the Commission to develop a program that: (1) incentivizes distributed generation development; (2) minimizes ratepayer costs in both the short and long term; and (3) balances fair compensation for energy exports against grid needs, ratepayer impacts, and energy equity considerations. From an investor standpoint, these are the right statutory guardrails.

The requirement to balance fair compensation for exports against avoided grid costs mirrors the value-of-solar methodology that has gained traction in states with the most stable distributed energy investment climates. A compensation framework grounded in quantified grid value, such as energy, capacity, transmission, avoided distribution, and ancillary services, produces rates that are both defensible to regulators and modelable by capital markets.

We encourage the Committee to ensure the successor program's compensation methodology is required to account for these recognized value streams, and to direct the Commission to establish a multi-year rate-certainty period to protect investments made under the new program.

Maryland's Competitive Position Depends on Program Continuity

Maryland competes with neighboring states and regional markets for clean energy investment capital, development talent, and supply chain activity. States that have managed NEM transitions poorly have experienced measurable reductions in distributed solar deployment and associated economic activity. SB 966 would position Maryland to manage this transition as a market leader, preserving the investment climate that has made the state one of the Mid-Atlantic region's most active distributed solar markets.

The emergency bill designation reflects the urgency of addressing program continuity before Maryland approaches the existing cap. We concur with this assessment and urge prompt, favorable action on SB 966 to ensure the successor program delivers the market certainty that investors, developers, and ratepayers require.

Respectfully submitted,

Jeff Mauk
Director, State Policy, Eastern Region, Ceres

SB966_FAV_EconAction.pdf
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Position: FAV

SB966: Public Service Commission - Net Energy Metering - Successor Program

Position: Favorable

March 12, 2026

The Honorable Brian J. Feldman, Chair
Education, Energy and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Feldman and members of the Committee,

Economic Action Maryland Fund urges a favorable report on SB966, which would provide cost-savings to ratepayers by creating a successor net metering program designed to center ratepayer costs and benefits.

As the members of this committee are painfully aware, energy rates have risen dramatically in recent years due to a variety of factors. Thousands of Marylanders each year face shutoff notices due to nonpayment, while many others are forced to juggle multi-hundred-dollar utility bills alongside the ever-increasing costs of rent, groceries, and other necessities. In fact, when Economic Action Maryland Fund surveyed our members and other stakeholders this winter, 63% stated utility bills were their primary concern.

It is widely recognized that net metering provides benefits to not just the individual, but ratepayers as a whole.[1] A significant driver of energy prices in Maryland is the skyrocketing cost of energy supply. Net metering encourages individual investment in solar, and ensures that new energy production is accounted for in the grid. While this results in long-term cost savings it is a critical piece of the solution to address the acceleration of energy costs.

In addition, community solar projects - which can provide direct savings to low- to moderate-income subscribers - rely on net metering. A net metering successor program is critical to ensure those vulnerable Marylanders continue to receive benefits.

We would support additional language to specifically look at the costs and benefits that net metered energy generation could provide to LMI ratepayers and urge a favorable report on SB966.

Sincerely,
Jennifer Bevan-Dangel, Deputy Director

[1] https://www.brookings.edu/articles/rooftop-solar-net-metering-is-a-net-benefit/

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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Position: FAV

MARYLAND LEAGUE OF CONSERVATION VOTERS

March 12, 2026

Support: SB966: Public Service Commission - Net Energy Metering - Successor Program

Mr. Chair and Members of the Committee:

Maryland LCV Supports SB 966: Public Service Commission - Net Energy Metering - Successor Program, and we thank the sponsor for leadership on this issue.

Maryland LCV is working to Power Maryland Forward, supporting **energy affordability** through **deployment of solar and storage, defense against more fossil fuels** and **unchecked utility profits**, while **getting the most out of the electricity grid we have**. SB 966 supports these goals by taking proactive steps to support net metering and the state solar program beyond the existing net metering cap.

In November 2025, the Maryland Public Service Commission (PSC) issued a report indicating that Maryland is approaching the statutory net metering cap of 3000 MW state wide - for both community solar and traditional net metering. The report anticipated that the cap would be reached within three or four years, and recommended that the General Assembly explore expanding the net metering cap, or alternative replacement policies. The General Assembly will begin this exploration through the passage of HB 1476.

The bill asks the Public Service Commission to develop and implement a successor program that responds to the needs of Maryland. It requires that the program:

1) Incentivize development of distributed generation
2) Minimize ratepayer costs in the short and long terms
3) Balance the needs of the grid against the benefits to individual customer generators with an eye towards ratepayer costs and benefits and energy equity.

We encourage the Public Service Commission to incorporate processes for robust public engagement and input, from a diverse cross-section of stakeholders, in crafting the successor program.

Maryland LCV urges a favorable report.

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SB 966 fav w amd PSC.pdf
Uploaded by: Barve Barve
Position: FWA

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

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

RE: SB 966 – Favorable with Amendments - Public Service Commission - Net Energy Metering - Successor Program

Dear Chair Feldman and Committee Members:

The Public Service Commission (the "Commission") appreciates the opportunity to provide this testimony for SB 966. We have worked with the sponsor and representatives of the solar industry on amendments to clarify some provisions of the bill and to add language about how to transition from the existing net metering program to a new program.

SB 966 represents a significant turning point in Maryland's energy policy. We are proud to report that Maryland has successfully deployed over 1,500 MW of net-metered solar, over half of what is allowed under the statutory cap of 3,000 MW. However, we know there is a large pipeline of pending solar projects that will exhaust the cap within the next two to three years. This bill addresses the approaching critical point by creating a transition from our existing, traditional Net Energy Metering program to a new successor program.

Under the current Net Energy Metering program, customers who participate via projects like rooftop solar, community solar, and aggregated net metering are compensated at the full retail rate of electricity for electricity exported to the grid.[1] That is, eligible customer-generators earn the value of energy, transmission, and distribution costs. Going forward, a new compensation value method is needed to ensure the financial viability of projects while protecting other ratepayers from additional costs. As Maryland approaches its 3,000 MW Net Energy Metering cap, this is the right time to establish the new valuation.

The Commission stands ready to work with stakeholders to build the new program. We are confident we can establish the programmatic framework by the end of the year and report to you on our progress. And we are confident we can implement the new program by July 1, 2027. We

[1] Please note that the current Net Energy Metering program allows most eligible customer-generators to "bank" net metering credits for up to one year, after which time any remaining credits are compensated at the rate of generation or the commodity, averaged over the previous year.

will engage in a transparent public process with robust stakeholder input to establish as seamless a transition as possible, with a fair value of compensation for customers who participate in distributed energy projects going forward and a method to ensure as much predictability as possible for planned projects during the transition. We continue to engage with the bill sponsor and stakeholders regarding potential amendments. These amendments will give the Commission the necessary direction to implement the bill and the successor program effectively and efficiently.

The Public Service Commission appreciates the opportunity to provide testimony for your consideration for SB 966. We request a favorable report with support for the amendments currently being considered by the sponsor. Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this testimony.

Sincerely,

Kumar P. Barve
Chair, Maryland Public Service Commission

SB966_Feldman_FWA.pdf
Uploaded by: David Murray
Position: FWA

March 10, 2025

Honorable Brian Feldman, Chair
Senate Education Energy & Environment Committee
Senate Office Building
Annapolis, Maryland 21401

SB 966 – FAVORABLE WITH AMENDMENT

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

TurningPoint Energy ("TPE") is a solar and battery storage development and investment company, with over 1 gigawatt of community solar developed across the United States and 21 megawatts in Maryland alone. We were proud to participate in Maryland's community solar pilot program since its inception in 2015 and continue to invest heavily in the state's clean energy future.

TPE applauds the Speaker and Senator Feldman for emphasizing the value of distributed energy to Maryland's electricity grid. By setting a new target of 6,000 MW, the legislation calls for innovative structures to rapidly deploy solar – and other distributed energy resources – in Maryland.

Setting the Stage for Future Projects

SB 966 outlines a process by which the Public Service Commission will closely review the value of distributed energy resources on Maryland's grid, taking into account the importance of additional in-state clean energy resources, grid resiliency benefits, and any costs or benefits to non-participating customers. Such studies have taken place in other states to inform future rate design, and TPE supports a robust process lead by the Commission. The annual "Net Energy Metering in the State of Maryland" report released by the Commission on November 20th, 2025 - which recommended the General Assembly begin this process - does not assess the benefits distributed energy provides to the grid or ratepayers. Such a process is imperative to inform the future of distributed energy development in Maryland.

Recommended Amendment: Maintain Net Metering for Projects in Development

A community solar project takes three to six years to develop. Getting from the first kitchen table conversation with a prospective landowner to delivering the first electrons to neighbors requires robust geotechnical and environmental work, coordination with state and local agencies, and years of technical studies and analysis by the distribution utility. For example, TPE's very first projects we started developing under Maryland's permanent community solar program – which passed in 2023 – will not complete construction until 2027 or 2028.

State energy policy is what governs how community solar is developed. Thus our project pipeline is shaped by the creation of the permanent community solar program in 2023, and the 3,000-megawatt net energy metering cap established by the General Assembly in 2021. This legislation created community solar tariffs, and tariffs inform what type of lease is signed with a prospective host landowner, or whether or not a project can financeably upgrade utility infrastructure and connect to the grid. Should SB 966 be enacted as-written, TPE would not be able to continue developing projects due to the level of uncertainty on the successor tariff.

We appreciate the Speaker and her staff's receptivity to ensure that the process outlined in the current draft does not result in period of uncertainty for solar development, and respectfully support proposed amendment language via the solar trade associations (Chesapeake Solar & Storage Association, Coalition of Community Solar Access, and the Solar Energy Industries Association) that balances the goals of clean energy deployment and the creation of a successor program to the existing net energy metering cap.

Thank you for your consideration. I look forward to working with you and Members of the Committee on this and other energy legislation.

Thank you,
/s/
David Murray
dmurray[at]tpoint-e.com

SB966_Solar Landscape.pdf
Uploaded by: David Simins
Position: FWA

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SOLARLANDSCAPE.COM

Senate Bill 966 – Public Service Commission – Net Energy Metering – Successor Program

Position: Favorable with Amendments

Dear Chair Feldman,

Solar Landscape respectfully urges a favorable with amendments report on SB966, which would transition Maryland from its current net energy metering framework to a new compensation structure to be determined by the Public Service Commission ("PSC") before the state reaches its current 3 GW net metering cap.

While we appreciate the intent to plan for the program's long-term evolution, as drafted, SB966 introduces compensation uncertainty that could halt commercial and industrial ("C&I") rooftop solar development in Maryland if financeable compensation is not preserved. We urge the committee to amend SB966 to maintain compensation for C&I rooftop solar at levels equivalent to the current net energy metering framework.

Background

Founded in 2012, Solar Landscape is a vertically integrated solar developer and national leader in community solar deployment. We focus on developing community solar projects on commercial and industrial rooftops using a roof-lease model in which we lease the rooftops of large warehouse and storage facilities to host solar installations that deliver power back to the grid through community solar in Maryland.

Maryland is a central part of our portfolio, and our work aligns directly with the state's clean energy and equity priorities. Currently our portfolio consists of 82 projects, 45 of which have energized and are already delivering clean energy to Marylanders. The other 37 projects are currently under development. All our current projects have been awarded funding under the Maryland Energy Administration's Community Solar LMI PPA Grant and are committed to providing at least 51% of energy produced to either low-income or low-to-moderate-income households. Solar Landscape is ranked the #1 Maryland Commercial Solar Contractor, reflecting our sustained investment in the state's community solar program.[1] We remain committed to helping Maryland meet its renewable energy targets and advance energy equity.

Continued investment in Maryland is directly contingent on maintaining a compensation framework that supports the economics of C&I rooftop solar.

[1] Solar Power World, 2025

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Value of Commercial Rooftop Solar

C&I rooftop solar provides unique and irreplaceable value to Maryland's electric grid. These projects interconnect at the distribution level, meaning they avoid the PJM queue, saving years of delays. These projects face no zoning or siting opposition—they are built on existing infrastructure, located where electricity demand already exists. Unlike any other form of generation available to Maryland, these projects can be developed and constructed in 12 to 24 months. Due to this speed, the Brattle Group found that one gigawatt of C&I rooftop solar over the next 5 years would save Maryland ratepayers $300 million by reducing reliance on costly out-of-state power purchases, in addition to the guaranteed savings for subscribers.[2] C&I rooftop solar is the most effective tool Maryland has to meet near-term rising demand with in-state generation and deliver immediate ratepayer savings.

The General Assembly explicitly recognized the unique value of C&I rooftop solar in 2024 through the passage of the Brighter Tomorrow Act and the creation of the Small Solar Generator Incentive Program (SGI). The SGI created a 1.5x SREC multiplier for systems 5 megawatts and smaller that are located on rooftops, parking canopies, brownfields, and other previously disturbed lands, provided they meet specified in-service deadlines.

Net Energy Metering

There are two primary components to how distributed solar systems are compensated: renewable energy credits (RECs) and the rate paid for exported electricity. Under current Maryland law, eligible systems are compensated for exported electricity at a rate comparable to the retail rate, incorporating generation, supply, and distribution components.

SB966 would direct the PSC to establish a new compensation structure for the rate paid for exported electricity upon enactment. While the bill includes potential guidelines that should be used to compute the compensation structure, it does not guarantee that it will be financeable for C&I rooftop solar projects. This lack of statutory certainty creates immediate risk for projects currently in development and for future investment decisions.

C&I rooftop projects operate on 12- to 24-month development timelines. Financing partners must be able to model compensation over the life of the asset at the time financing is provided. Absent clear and predictable pricing, capital providers are unlikely to finance projects. This needed clarity will not be available until the Public Service Commission establishes the new

[2] "Maryland Value of Commercial Rooftop Solar", Brattle Group, January 2026

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compensation structure, effectively slowing or halting development during the transition period.

Even once established, the new compensation structure may not be economically viable for C&I rooftop projects, thereby halting development more permanently. These projects require negotiated rooftop leases typically in higher cost urban areas, involve more complex engineering and construction, and are constrained by structural and physical characteristics of existing buildings. As a result, project margins are narrower and more sensitive to changes in compensation than for ground-mounted solar projects, which make up the vast majority of solar projects in Maryland and elsewhere.

As written, SB966 puts approximately 40% of a system's energy value at risk. If the PSC sets export compensation below financeable levels, C&I rooftop solar development will no longer be viable in Maryland.

Market Segment Considerations

Net metering compensation debates are often centered on ground-mounted, greenfield projects that benefit from lower land acquisition costs, lower construction costs, and economies of scale. Due to their lower costs of development, these projects have much larger margins than C&I rooftop solar projects. As noted above, C&I rooftop solar operates under fundamentally different conditions. As a result, compensation structures that may be workable for ground-mounted projects frequently do not sustain rooftop development.

While Solar Landscape participates in trade associations that represent the solar industry broadly, pure C&I rooftop solar developers like Solar Landscape represent a small percentage of membership. Broader industry negotiations tend to primarily focus on the needs of the ground-mounted solar segment of the market, which makes up the vast majority of the solar industry. As a result, the distinct cost structure and needs of the C&I rooftop segment are often unaccounted for.

SB966 should take into account the distinction between ground-mounted and C&I rooftop solar economics rather than assuming uniform impacts across all distributed generation in order to protect these valuable systems.

We respectfully request that C&I rooftop projects be permitted to continue operating under the existing net energy metering framework or an equivalent structure that preserves economic viability.

Grandfathering of Projects Under Development

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As drafted, SB966 does not provide clear grandfathering protections for projects currently under development. Projects that have already secured financing and made substantial capital commitments (e.g., millions of dollars of incurred construction costs) would have their compensation changed mid-development, even though financing was raised and money spent in reliance on the existing compensation framework.

A grandfathering standard tied solely to energization could very well cause many C&I rooftop solar projects currently under development to become insolvent. For community solar projects, a more appropriate maturity threshold would be receipt of a Community Solar Award. That designation requires registration with the PSC through the Subscriber Organization Identification process, zoning verification or submission of a Certificate of Public Convenience and Necessity application, and conditional interconnection approval – objective milestones that demonstrate meaningful project advancement.

Clear grandfathering language is essential to preserve market stability and protect projects already in development. However, grandfathering alone will not be sufficient to preserve the C&I rooftop solar market. If the new compensation structure is set at levels that are not financeable for C&I rooftop solar, future development of these uniquely beneficial projects in Maryland will stop.

Conclusion

Solar Landscape remains committed to partnering with the General Assembly, the Public Service Commission, and other stakeholders to ensure Maryland continues to lead in C&I rooftop solar deployment while maintaining a stable and investable policy environment. We respectfully urge a favorable with amendments report on SB966.

Joint Solar Trades Testimony EEE SB966 FAV AMDTS 2

Uploaded by: Georgina Arreola-Lennox

Position: FWA

12 March 2026

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

Oral and Written Testimony
SB966: Public Service Commission – Net Energy Metering – Successor Program
Position: Favorable with Amendments

Chair Feldman and Members of the Senate Education, Energy, and the Environment Committee,

The Coalition for Community Solar Access (CCSA), the Chesapeake Solar and Storage Association (CHESSA), the Solar Energy Industries Association (SEIA), and the Maryland Residential Solar Coalition (MRSC) respectfully submit this joint testimony, **Favorable with Amendments,** for Senate Bill 966.

CCSA is a national, business-led trade organization, composed of over 100 member companies, that works to expand access to clean, local, affordable energy nationwide through the development of robust community solar programs. Community solar projects involve medium-scale solar facilities that are shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced.

CHESSA is a regional trade association representing solar installers, developers, manufacturers, and other solar workers in Maryland, Virginia, and the District of Columbia. CHESSA's mission is to create a business and policy environment that encourages mainstream solar and energy storage adoption for the benefit of consumers, communities, and the electric grid. CHESSA is a recognized state affiliate of SEIA.

SEIA is the national trade association for the United States solar and energy storage industries. As the voice of the industry, SEIA works to support solar and energy storage as they become a mainstream and significant energy source by expanding markets, reducing costs, increasing reliability, removing market barriers, and providing education on the benefits of solar energy and energy storage. SEIA collaborates with its 1,200 member companies and other strategic partners to advocate for policies that create jobs and shape fair market rules that promote competition and the growth of reliable, low-cost solar power and energy storage.

MRSC is a coalition of national, regional, and local companies committed to growing Maryland's rooftop solar market. Our members create durable, family-supporting jobs and help Marylanders reduce and better manage their electricity bills through home solar and storage systems. MRSC

members have served Marylanders for well over a decade and hope to continue doing so for decades to come.

Our organizations represent the majority of distributed-generation companies operating in Maryland, including local installers, national developers, manufacturers, community solar providers, and residential contractors for whom the Maryland net metering program represents a necessary ingredient to operate in Maryland. These businesses account for hundreds of millions of dollars in private investment across the State. Solar energy, both customer-sited and community-based, is one of the most deployable and scalable energy resources available in Maryland today. It can be developed and interconnected quickly, attract private capital without long-term fuel risk, reduce peak demand, lower transmission congestion, and provide measurable system benefits to ratepayers. In the current environment of rising capacity costs and economic uncertainty, policies that provide clarity and stability for distributed generation are essential.

While we firmly support the SUNRISE Act (SB 843) as a solution for maintaining much-needed clean energy growth in Maryland, we appreciate the introduction of SB 966 which aims to accomplish similar objectives. As with SUNRISE, SB 966 would task the Public Service Commission (PSC) with evaluating the net energy metering (NEM) framework and developing a successor program. However, we believe that targeted amendments are necessary to ensure that SB 966 would support both market stability and ratepayer interests.

Most importantly, we believe that amendments are needed in SB 966 to ensure the current NEM framework is maintained for operating and maturely developed projects that fall within the 3,000-megawatt cap, and then establishes a certain glide path for distributed solar projects under development in a manner that follows these principles:

- Safeguard Existing and Under-Development Solar Capacity: Projects currently in development are racing to meet construction deadlines set by H.R 1, the One Big Beautiful Bill. These and operating projects were financed under the assumption of NEM and are critical to backfilling the loss of federal tax credits.
- Implement A Transparent Transition: Ensure that the current program remains available for projects where significant financial investments have already been made. This includes signing a lease or purchasing property, starting the interconnection process, and acquiring state or local permits. This will also prevent a "rush" of purely speculative applications while honoring legitimate business commitments based on current law.
- Achievable Transition Milestones: Define criteria for transition eligibility based on what project developers can better control, such as submitting completed interconnection applications or constructing the project to mechanical completion of the system. 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 PSC-led process to fairly account for the value of the different types 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.

It is critical that legislation protect projects that have made binding financial commitments under the existing rules. Retroactive changes to compensation structures would undermine Maryland's regulatory credibility and create significant disruption to the market by stranding projects and effectively freezing investment and development. Milestones that ensure eligibility for projects mid-development should be achievable and within the control of the project developers. There are many states now that have gone through the exercise of developing successor programs for NEM, of which Maryland can leverage that experience.

We intend to continue discussions with key stakeholders and will provide the committee amendments for consideration in the coming days as we strive for consensus among the parties.

Respectfully submitted,

/s/

Charlie Coggeshall
Mid-Atlantic Regional Director
Coalition for Community Solar Access

/s/
Robin Dutta
Executive Director
Chesapeake Solar & Storage Association

/s/
Georgina Arreola-Lennox
Director, State Affairs, Mid-Atlantic Region
Solar Energy Industries Association

/s/
Katie Rever
Treasurer
Maryland Residential Solar Coalition

SB 0966 - Chaberton - FWA 031026.pdf
Uploaded by: John Miller
Position: FWA

March 10, 2026

RE: Senate Bill (SB) 0966 – Public Service Commission – Net Energy Metering – Successor Program

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

Introduction: Thank you for the opportunity to submit favorable with amendment written testimony for SB 0966 (cross-filed with HB 1476). 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 0966 directs the Public Service Commission to initiate proceedings for the creation of a successor program for net energy metering.

Comments: Chaberton Energy was established in Maryland following the creation of the community solar pilot program, and we have grown in these years to being one of the largest developers of distributed energy in the State. We have consistently expanded our efforts in Maryland, expanding our headquarters and hiring additional staff to support our local efforts. Our work has further supported other local companies who participate in the clean energy economy, including civil engineers and electrical contractors. According to the Solar Energy Industries Association, there are nearly 5,000 solar jobs in Maryland, and many more which are supported by our industry. We are a major part of the economy in the State.

As with any business, legislative and regulatory certainty is paramount to our success. We need to ensure any legislation which establishes a successor program for net metering provides certainty for both in operation and for in-development projects, in which significant capital has been invested. This includes providing fair consideration for projects which have been developed and development capital has been invested under the consideration of the current regulatory guidance. Any uncertainty can have a disastrous impact on the clean energy economy in the State, halting investments into capital energy projects as well as the ability for companies like Chaberton to continue to retain staff, hire, and support other businesses. Undoubtedly, immediate changes are likely to have a negative impact on local businesses and solar jobs. The Public Service Commission may be able to provide an open, transparent, and fair platform to provide considerations for how in-development projects will be considered.

It is important the General Assembly understand the whole picture of what is leading to increased energy prices in Maryland. The Office of Peoples Counsel ("OPC") analysis[1] on increases to BG&E energy bills identifies 2 key factors to increased energy bills. Regarding delivery charges, the OPC finds that "Generally, distribution charges have gone up in recent years because of a high rate of utility spending on new, long-lasting infrastructure, such as electric wires and poles, substations, meters, computers, trucks and other equipment. More spending increases utility profits as customers pay for the infrastructure through rate increases." Supply rate increases have been primarily driven by capacity market prices, for which OPC identifies the demands resulting from data centers in PJM to be the primary driver.

It is also important that the General Assembly understand the electric markets outside of Maryland to better understand what is happening here. While it appears certain organizations have identified the implementation of renewable energy as the primary driver for increased energy costs, looking at trends across the Country prove that to be untrue. West Virgina, for example, has experienced above average electric rate increases. According to Fox Appalachia[2], "West Virginia's residential electricity price appears to have jumped 30–37% over the 2019–24 period compared to the national jump of 20-23% in the same period." It is important to note that West Virginia ranks 46th in national rankings of installed solar according to the Solar Energy Industries Association. Outside of PJM, Kentucky, which ranks 33rd in national rankings but has nearly no net metered solar, is also experiencing increased residential energy prices, with Kentucky Power recently requesting a 14% rate increase[3]. These references prove that energy rate increases are not unique to Maryland, or unique to states with significant solar penetration or net metering regulations.

Conclusion: For the reasons stated above, Chaberton provides this favorable with amendment testimony for SB 0966. We respectfully request the Committee strongly consider small changes to this bill in order to ensure certainty for the community solar industry, which will protect local businesses like Chaberton and many others. Please do not hesitate to reach out should the Committee have any questions.

Respectfully Submitted,

John Miller

John Miller
Howard County Resident

On behalf of:
Chaberton Energy
Montgomery County business

[1] https://opc.maryland.gov/Why-is-my-winter-BGE-bill-so-high

[2] https://wchstv.com/news/local/west-virginians-struggle-to-afford-power-bills-during-extended-stretch-of-winter-weather

[3] https://kentuckylantern.com/2026/03/02/state-regulator-approves-reduced-increase-in-kentucky-power-rates-following-emotional-pleas/

Altus Power Testimony - SB 966.pdf
Uploaded by: Justin Biltz
Position: FWA

ALTUSPOWER
RENEWABLE ENERGY

March 12, 2026

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

Re: Altus Power Testimony on SB 966 – Relating to Net Energy Metering & Successor Program

Position: Favorable with Amendments

Dear Members of the Education, Energy, and the Environment Committee,

Please accept these comments on behalf of Altus Power regarding SB 966, which addresses Maryland's Net Energy Metering (NEM) program.

Altus Power is a long-term owner and operator of commercial-scale solar projects in Maryland as well as 29 other states across the country and Washington, D.C. We are proud to serve customers in Maryland with locally generated solar power, where we have 16 operating projects totaling more than 30 megawatts, which generate annual savings for Maryland customers and contribute property tax revenue to local communities. In addition to our operating solar assets, we have eight additional projects in active construction and a pipleline of other projects at various stages of development that we are seeking to bring online in the near future. This level of investment demonstrates our commitment to Maryland's energy future..

Altus Power understands that Maryland policymakers are undertaking a review of energy affordability, including the current NEM program and a potential successor NEM program. Ensuring affordable, reliable energy for households and businesses is a core priority for Altus as well, and one we agree merits thoughtful attention from the legislature. However, net metered solar systems are not what is driving up energy costs in Maryland. The primary drivers of rising electricity bills, which include utility infrastructure costs, capacity market prices, and natural gas commodity exposure, are well documented and deserve the legislature's attention. We are encouraged to see that SB 966 increases the net metering program from 3 GW to 6 GW, which recognizes that distributed solar is an essential tool to combat increased electricity costs.

That said, Altus Power offers two critical amendments that must be addressed to protect existing investments in the state and provide the regulatory stability necessary to attract new generation resources. We desire to be a long-term partner and help develop forward-looking solutions that protect existing assets and also recognize evolving market dynamics. SB 966, as introduced, directs the Public Service Commission (PSC) to conduct a proceeding to explore the development and implementation of a successor program to the current NEM program. However, SB966 does not distinguish between how operating projects, mature development projects, or other future projects will be treated under this program. These details must be addressed in the bill.

1. **HB 1476 must include grandfathering provisions for operating projects under the current 3 GW NEM framework.**

Per the PSC NEM report issued to the General Assembly in November 2025, the current NEM program has attracted approximately 1.5 GW of operational net metered assets under the 3 GW NEM cap. The NEM report also discusses that there is additional NEM capacity at various stages of development which could cause the 3 GW cap to be exceeded. While this does raise the question about the framework that will apply to future net metered projects beyond the 3 GW cap, it is essential to recognize the importance of the investment framework that Maryland put forth to attract these resources to the state to begin with.

The 1.5 GW of operating net metered projects were financed, built, and placed in service in good-faith reliance on Maryland law. If Maryland were to apply a different compensation framework to these projects on a go-forward basis, this would upend the investment framework that was relied upon in making capital decisions. This is not simply a debate about energy policy — it is a question of whether Maryland's word, as expressed through its statutes and regulatory frameworks, can be relied upon by those who invest long-term capital here.

The solar projects that Altus Power owns and operates in Maryland are long-term, capital intensive infrastructure assets – they required millions of dollars in upfront investment which we seek to recoup over the useful life of the project (20-25 years). When we made these investments, we did so because Maryland established clear rules — rules that this legislature put in place — and we structured long-term financing around them. Retroactively altering the economics of operating projects does not merely affect Altus Power; it sends a signal to every infrastructure investor evaluating Maryland that the state's policy commitments are conditional and subject to revision after capital has been deployed.

Maryland is not alone in facing this question. When other states have moved to retroactively alter net metering or distributed generation compensation for existing projects — as has recently occurred in Maine with changes to the Net Energy Billing program — the consequences have included investment pullback, legal challenges, and lasting reputational damage to the state's standing as a place to deploy capital. Maryland has an opportunity to distinguish itself by protecting the stability of existing commitments even while pursuing forward-looking affordability solutions.

Capital is mobile. If compensation frameworks are altered for operational projects under the current NEM program, companies looking to invest in future energy infrastructure will look to other states that provide a more predictable and stable policy environment than Maryland. This will only hinder Maryland's ability to add new power sources to meet rising electricity demand, further exacerbating the energy affordability concern.

2. **HB 1476 must include a transparent process for mature development projects to participate in the current NEM program under the established 3 GW cap.**

Projects that are mature from a development perspective but are not yet operating are very important to helping Maryland secure additional generation capacity to keep electricity prices affordable. These projects have often met significant development milestones, such as securing site control, completing interconnection studies, and obtaining necessary permits. Similar to operating net metered projects, developers have been investing in these projects for years based on the 3 GW NEM compensation

framework that Maryland enacted. These projects should have the opportunity to reserve capacity under the 3 GW NEM cap that has been in place.

Altus Power appreciates consideration of these issues before passing the bill. We have worked closely with our trade associations, CHESSA and SEIA, on bill language edits to accomplish these objectives.

Altus Power stands ready to assist this legislature on forward-looking solutions that address energy affordability while preserving regulatory stability and the investment climate in the state. We would welcome the opportunity to meet with Committee members to discuss the actual drivers of energy costs in Maryland and to contribute to a stakeholder process focused on durable, forward-looking solutions.

Please feel free to reach out to me with any questions.

Justin Biltz
Head of Policy and Government Affairs
Altus Power
justin.biltz@altuspower.com

SB966 ECA Solar Testimony.pdf
Uploaded by: Kaitlin Kelly O'Neill
Position: FWA

ECA Solar
203 Crescent Street, Suite 106
Waltham, MA 02453

March 10, 2026

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

Written Testimony
SB966: Public Service Commission-Net Energy Metering-Successor Program
Position: Favorable with Amendment

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

Thank you for the opportunity to provide testimony on SB966. Independently owned and operated for over 11 years, ECA Solar develops community solar projects that provide significant benefits to the local economy, community, and environment, and currently is developing over 50MW of community solar across Maryland. ECA Solar submits this testimony as Favorable with Amendment for SB966.

Maryland's commitment to distributed energy resources like community solar has provided significant direct benefits to the state. Landowners receive steady leasing income for decades, municipalities receive tax benefits, all ratepayers benefit from the improvements to the local distribution network that developers fund, and of course community solar customers are receiving savings on their utility bills. Increasing the net metering cap to 3GW combined with making the community solar pilot program a permanent program has created business certainty for projects to be financed and built. That certainty has been a bedrock for ensuring successful project development in a time of turbulent federal changes.

ECA Solar appreciates the continued commitment that is shown to distributed solar with this bill, and thanks Speaker Peña-Melnyk for her continued efforts to grow the solar industry, positioning Maryland as a leader in clean, local, energy that will benefit all residents and ratepayers. With some targeted amendments, SB966 will provide a strong foundation for Maryland as it establishes a mature structure for its net metering program. ECA Solar urges amendments to the bill to address the following concerns:

1. Grandfathering of existing and mature projects

The past year has been one of the most turbulent for the solar industry in recent memory. With the federal tax credits ending, the steadiness of state programs is critical for successfully financing and building more clean, renewable generation. Project development timelines take a couple of years, and many projects that are currently in the queue have spent significant capital with the understanding that there was a 3GW statewide net metering cap to reach. Statutory and regulatory consistency are the bedrock of a stable industry; most developers are now settled with their pipelines that will be able to move forward under the existing Investment Tax Credit before it expires. Significant changes to state programs will

ECA Solar
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imperil projects that have been in development for well over year in some instances. We urge that projects that are appropriately advanced in development will be able to confidently move forward under the existing net metering structure.

2. Implementing an orderly transition between programs

Transitioning between programs is never an easy process. As mentioned previously, developers are seeking certainty that projects that have achieved certain milestones can confidently move forward under the existing program. Furthermore, it will be challenging, if not impossible, for projects to continue development until we have greater certainty of what the successor program will look like. Engaging with the industry as part of this process will be a critical part of ensuring a smooth transition.

3. Robustly valuing distributed energy resources

The value of distributed energy resources has been studied multiple times, including by Maryland in 2018, and by Delaware in 2025. The findings have demonstrated that the benefits of distributed solar exceed costs, even before taking into account the environmental and societal benefits of using clean energy. We strongly urge the Commission to undertake a robust analysis in preparing its recommendations for a successor net metering program, including looking at the impact the loss of the Investment Tax Credit will have on project economics. There are a variety of factors to be considered, and a full cost benefit analysis is critical to understanding the full impact of a changing energy landscape.

Maryland is facing historic load growth in the coming years, and distributed energy resources such as community solar will bring necessary power, quickly. In addition to the clean power sources, interconnecting systems also pay to upgrade the utility grid as a condition of their interconnection agreement. These upgrades increase the resiliency of the local grid, while leveraging private capital for infrastructure improvements.

High energy costs across the state are due to a variety of challenges, but the largest factors include a high reliance on natural gas, an aging energy infrastructure in need of capital improvements, and projected load growth impacting PJM markets to increase costs for all ratepayers. Distributed generation helps to address all of these cost factors.

Investing in clean, distributed energy is worth it. We are grateful for the support of Maryland's leaders for your decisions to support these assets through past legislation, and we believe with some targeted language, the Speaker's bill will continue to support a robust industry that will benefit all Maryland ratepayers for years to come.

Thank you for your consideration and time.

Sincerely,

Kaitlin Kelly O'Neill
Director of Policy
ko@ecasolar.com

MRSC Net Energy Metering Testimony SB0966.pdf
Uploaded by: Katie Rever
Position: FWA

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

Written Testimony of Maryland Rooftop Solar Coalition

FAVORABLE WITH AMENDMENTS Re: Senate Bill 0966 - Public Service Commission - Net Energy Metering - Successor Program

Dear Chairman Feldman and Members of the Committee,

On behalf of the Maryland Rooftop Solar Coalition, I am writing in support with amendments of SB0966, "Public Service Commission - Net Energy Metering - Successor Program."

Maryland Rooftop Solar Coalition Interest in this Legislation

The Maryland Rooftop Solar Coalition ("MRSC") is a coalition of national, regional, and local companies committed to growing Maryland's rooftop solar market. Our members create durable, family-supporting jobs and help Marylanders reduce and better manage their electricity bills through home solar and storage systems.

Net Energy Metering ("NEM") is foundational to the economic viability of rooftop solar in Maryland. Since 1998, NEM has provided customers fair and transparent compensation for the electricity their systems export to the grid. This has enabled rooftop solar companies—including MRSC members—to serve a wide range of Marylanders with cost-effective clean energy solutions. And at a time of persistent and rising utility bills, the value that NEM provides to customers is more important than ever. Accordingly, any changes to NEM should be scrutinized closely. Even well-intentioned language can have unintended consequences that upend the market, reduce consumer confidence, lead to significant job contraction, and ultimately undermine Maryland's ability to address its affordability and energy reliability challenges.

NEM has also served as a key gateway to the adoption of residential battery storage. Customers seeking to optimize the value of their solar production and improve household resilience are increasingly pairing solar with storage. Storage delivers benefits that extend beyond the customer to the grid and, importantly, to general ratepayers: it can shift or reduce customer load, flatten peak demand by dispatching solar during when called upon, provide reliability and resilience during system stress, and support a more efficient and cost-effective electric system. When properly designed, a NEM successor program can unlock these benefits while ensuring that rooftop solar and storage remain accessible to Maryland families seeking to control their energy bills.

MRSC members have served Marylanders for well over a decade and hope to continue doing so for decades to come. To sustain this market and its associated jobs and consumer benefits, however, the General Assembly and the Public Service Commission ("The Commission") must be cognizant of the design and implementation of any successor program. MRSC therefore respectfully offers the following best practices for consideration:

- **Grandfathering:** Customers receiving NEM credits under the current regime should not be transitioned to a successor program, but should remain on the incumbent NEM tariff for the life of their system.
- **NEM Transition:** Lawmakers should ensure a seamless transition between the current program and any successor program. Any gap between programs would create unnecessary market instability, customer confusion, and potential job loss.
- **Battery Storage and TOU Rates:** The Commission should recognize the multifaceted system and ratepayer benefits that residential storage and time of use ("TOU") rates can provide, and incorporate those opportunities into a successor framework.
- **Program Differentiation:** The needs, cost profiles, and customer impacts of residential rooftop solar differ materially from front of the meter ("FTM") resources. In designing a successor program, the Commission should reflect those differences through appropriately distinguished program structures.
- **Include Residential Stakeholders**: Residential behind the meter experts should be included in the Commission's report proceeding and any subsequent proceedings to develop and implement a NEM successor program.

Protecting NEM 1.0 Customers

Maryland's transition to any NEM successor program must begin with a clear commitment to protect existing customer-generators from being involuntarily moved to a new compensation structure. Customers who installed solar (or solar plus storage) under Maryland's current NEM paradigm made a long-term investment decision based on the rules in effect at the time, particularly the netting mechanism and how exported generation is credited on the bill. Preserving those legacy rights is essential to maintaining consumer confidence, avoiding market disruption, and ensuring Maryland can modernize its policies without penalizing households that acted in reliance on existing law and Commission-approved tariffs.

This is not a novel concept. Across the country, states that have updated NEM policies have routinely paired those changes with strong protections that allow existing customers to remain on their incumbent tariff. For example, Illinois' statewide program administrator has publicly explained that customers already receiving full retail net metering "will continue to receive full retail rate net metering for the life of their system."[1] Similarly, California has paired its successor framework with a long-term grandfathering period that allows legacy customers to remain on

[1] https://illinoisshines.com/wp-content/uploads/2024/07/FAQs-Related-to-Changes-in-Net-Metering-In-Illinois-Consumers-26July2024.pdf

their prior tariff for decades.[2] These approaches reflect a widely accepted regulatory best practice: update the rules prospectively, but do not retroactively rewrite the economics for existing customers who invested under the prior regime.

Additionally, legacy NEM rights should remain with the system upon the sale or transfer of the home so the original customer can capture the full value of the system in resale and the successor homeowner receives the benefit of the existing asset. Conversely, customers should lose legacy rights only through a deliberate, affirmative decision to un-enroll from NEM (for example, to participate in a separate program) not through being automatically moved to a successor tariff.

Create a Smooth Transition Between Programs

Once a state decides it is appropriate to transition from its original NEM policy to a successor program, the transition between programs is as important as the design of the new program. The central objective should be continuity and predictability so customers and installers can plan around clear rules rather than shifting deadlines. Without that certainty, even a well designed successor program can inadvertently create market instability.

This issue is critically important for the residential rooftop solar industry, which is akin to the HVAC industry or home improvement industry. With its short timeline from sales to installation, the sales-build cycle is 'always on'. If there is a gap of even a few months in the availability of NEM, companies will have to lay off people and could even have to close their doors.

There are three pieces to this transition:

1) the requirements for a project to qualify for the current NEM paradigm;
2) sufficient notice (at least 90 days, ideally 180 days) of when the new NEM paradigm will open; and
3) No gap in availability between the current NEM program and the next NEM paradigm.

As part of a stable transition, Maryland should adopt a clear and administrable eligibility benchmark for determining whether a project qualifies for the current NEM framework or the successor program. A best practice for the residential industry is to use the interconnection application submission date, rather than a later milestone such as deemed complete status or permission to operate. Once a customer decides to purchase and install solar on their roof, they submit an interconnection application and then the permitting and building process begins. If the benchmark for qualifying for NEM is later than the interconnection application submitted, it would create unpredictability in the months leading up to the transition.

[2] https://www.sce.com/clean-energy-efficiency/solar-generating-your-own-power/billing-incentives/net-energy-metering

A seamless transition is equally important to prevent customer confusion. Solar and storage are long lived assets, and households often make decisions months in advance based on expected bill credits and payback. If rules change midstream, or if the successor program is not operational when the current program sunsets, customers will reasonably question whether the economics they were promised will hold. That uncertainty chills adoption and can strand projects already in development.

Other states have avoided these disruptions by establishing the successor tariff before the prior program closed and by using interim bridge programs where necessary to keep projects moving. Maryland should follow that playbook. The Commission and policymakers should ensure continuous program availability, clear eligibility rules, and a defined start date for the successor program that does not leave customers or installers in limbo.

Accelerate Residential Storage and Adopt Time of Use Rates

Residential battery storage should be a central consideration in any NEM successor framework because it amplifies the value of rooftop solar for customers, the grid, and general ratepayers. Pairing solar with storage increases in state supply and reduces exposure to high cost peak conditions that ultimately drive up bills, including costs associated with serving peak demand and procuring capacity. At the local level, solar plus storage can reduce feeder peaks and congestion, helping utilities defer distribution upgrades that would otherwise be recovered through rates. Just as importantly, residential solar plus storage, when appropriately incentivized, is among the fastest resources to deploy, leveraging existing infrastructure and avoiding the long siting, permitting, and interconnection timelines that often constrain other solutions.

Maryland is already building the foundation for these benefits through its DRIVE Act proceeding, which is developing virtual power plant (“VPP”) pilots that should go live within the next year. Those programs will depend on sufficient residential battery adoption to deliver meaningful, dispatchable capacity and grid services. A successor NEM program should therefore be designed to accelerate storage adoption and ensure customers are not penalized for adding batteries or enrolling in a VPP.

TOU can further strengthen this framework by sending clear price signals that reward storing energy when the system is under less stress and discharging during peak hours. By encouraging solar plus storage customers to maximize self consumption off peak and export during periods of grid stress, TOU rates also reduce potential ratepayer impacts by aligning customer bill savings with avoided system costs. However, TOU design must work in tandem with VPP dispatch and performance payments, and not discourage participation or dilute incentives. When coordinated well, TOU rates provide everyday signals for self optimization while VPP programs provide actively managed grid services, together maximizing benefits for all customers.

Program Differentiation

Residential behind the meter ("BTM") solar and storage should be addressed through a distinct successor program separate from front of the meter resources because they serve fundamentally different functions and produce different customer and system impacts. Behind the meter systems directly reduce a customer's net load, lowering the amount of electricity the utility must generate, procure, transmit, and deliver to serve that customer. This can reduce cost of service over time by decreasing energy purchases, lowering peak demand, and defer distribution upgrades that are otherwise recovered through rates.

Front of the meter generation is planned, dispatched, and compensated as a grid supply resource, with different cost drivers, interconnection pathways, and market participation options. Conflating these resource types in a single framework risks mispricing benefits and costs and could unintentionally undermine the residential market. The Commission should therefore design two clearly differentiated successor structures, one tailored to BTM customer generation and one to FTM generation.

Residential Solar and Storage Stakeholder Inclusion

Although SB0966 does not exempt residential stakeholders from participating in the Commission's proceeding to develop a report on the development and implementation of a NEM successor program, lawmakers should be explicit in including residential solar and storage stakeholders. To ensure meaningful participation, the statute should specify that eligible contributors include professionals and companies actively operating in Maryland's residential distributed energy market with direct, operational experience in residential installation, interconnection, and the ability to speak to the real-world impacts of program design.

Accordingly, we recommend revising Section 2(b)(1) to state that the Commission shall accept input from residential behind-the-meter experts and market participants. Clarifying this requirement will help ensure the report is informed by practical, market-based expertise rather than theoretical or non-representative perspectives.

Sincerely,

Katie Bolcar Rever
Treasurer
Maryland Rooftop Solar Coalition
katie.rever@igs.com

SB0966_Public Service Commission - Net Energy Mete
Uploaded by: Laurie McGilvray
Position: FWA

Testimony on: SB0966 – Public Service Commission - Net Energy Metering - Successor Program
Committee: Environment & Transportation
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Richard Deutschmann
Position: Favorable with Amendments
Hearing Date: March 12, 2026

Dear Chair Feldman, Vice Chair Kagan and Committee Members:

We are providing our testimony today in **Support with Amendments** of SB0966 - Public Service Commission - Net Energy Metering - Successor Program. The Maryland Legislative Coalition Climate Justice Wing is a statewide coalition of 32 grassroots and professional organizations focused on climate justice and we urge you to vote favorably with amendments on SB0966.

Net metering of renewable energy systems in Maryland, and across the U.S., has been one of the bulwarks in creating a clean energy powered economy. This approach has brought us to a place where Marylanders can enjoy the benefits of this low-cost power solution, with more affordable energy bills for decades to come, and ancillary benefits such as increased reliability, delayed need for expensive transmission upgrades, and rapid deployment of in-state electricity generation. But as we approach the state-mandated cap of 3GW, we will need an orderly transition to a new net metering approach, one that will continue to make energy more affordable for Maryland families, and will continue the growth of clean energy into the future.

SB0966 does this by doubling the cap of net metered systems in Maryland from 3GW to 6GW. It also instructs the Maryland Public Service Commission (PSC) to develop and implement a successor program that will continue to incentivize clean energy development, compensate generators for some of the benefits that their energy creates, while squarely focusing on affordability for the ratepayer.

We respectfully request that this bill be amended to reflect the complex transition that needs to take place, in order for project development to continue without needless delays. The language in another bill, SB0843 - SUNRISE Act - appears to carefully capture the needs for this transition. We recommend amending SB0966 to:

- Recognize the large amount of projects that are currently in design, development or financial closing. These projects may be depending on the current net metering incentive for financial viability, and should be allowed to continue towards construction and interconnection to the grid. This smart amendment language would also eliminate a last minute surge of speculative projects, steering them to the new system.
- Have the PSC lead a comprehensive process to fairly value the distributed generation, to account for the numerous benefits that it brings about for both the system owner and ratepayers across the state, as well as how it supports our state in meeting our climate goals under the Climate Solutions Now Act.

By passing SB0966 with the aforementioned amendments, we can ensure that the clean energy economy will continue to power Maryland for generations to come, long term job creation will benefit Maryland families, and state residents will be protected from rate increases and enjoy higher energy affordability for their homes and businesses.

For these reasons we request a FAVORABLE WITH AMENDMENTS report on SB0966.

350MoCo
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Law and Policy Project
Climate Communications Coalition
Climate Parents of Prince George's
Climate Reality Greater Maryland
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
Howard County Indivisible
Maryland Legislative Coalition
Maryland Energy Advocates
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

SB966 FAV w AMDTS_Ameresco.pdf
Uploaded by: Lisa Smith
Position: FWA

AMERESCO

Before the Maryland Senate Education, Energy, and the Environment Committee
SB 966 – Public Service Commission – Net Energy Metering – Successor Program

March 12, 2026

The Honorable Brian J. Feldman, Chair
The Honorable Cheryl C. Kagan, Vice Chair
Senate Education, Energy, and the Environment Committee

Position: Favorable with Amendments

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

Thank you for the opportunity to provide written testimony on Senate Bill 966, *Public Service Commission – Net Energy Metering – Successor Program*. Ameresco respectfully offers favorable testimony with amendments.

Ameresco is a leading developer of community solar projects in Maryland, with approximately 46 megawatts (MW) of projects either operating or in development across the state. These projects serve Maryland residents, businesses, and public-sector customers while providing locally generated renewable energy that helps stabilize long-term electricity costs for subscribers.

Ameresco appreciates the General Assembly's focus this session on energy affordability and reliability, and we thank Chair Feldman, the Speaker of the House, and members of the General Assembly for their continued leadership on Maryland's energy policy. Distributed solar generation plays an important role in addressing these challenges by providing locally produced electricity that can be deployed quickly and financed largely through private investment.

Maryland ratepayers are currently facing significant upward pressure on electricity costs. These pressures are being driven by several regional factors, including rising capacity prices in the PJM wholesale market, growing electricity demand, transmission infrastructure investment, and the retirement of existing generation resources. In this environment, locally developed distributed generation can help mitigate costs by adding new supply close to where electricity is consumed while reducing reliance on imported electricity.

Community solar and distributed generation resources also provide an important benefit to Maryland's energy system because they can be planned, permitted, and constructed much faster than most other generation resources, allowing new capacity to be added to the grid in response to rising demand.

For these reasons, it is critical that the transition to a net metering successor program be reasonable, transparent, and predictable. The existing 3 gigawatt net metering cap has allowed developers, investors, and landowners to make long-term investments in projects across the state.

Today, hundreds of megawatts of distributed solar capacity are currently under development within the existing program. These projects have made substantial financial and development investments based on the expectation that the current framework would remain available as projects progressed through the normal development cycle. Sudden or unstructured changes to the program could unintentionally disrupt these investments and delay projects that are already moving through the development pipeline.

In addition, developers have worked diligently and in good faith with utilities through the interconnection process, which is often complex and time-consuming. Many projects have experienced interconnection study timelines and upgrade requirements that extend beyond initial expectations. These delays are outside the control of developers but can affect whether otherwise mature projects are able to reach development milestones before policy changes take effect.

Proposed Amendments

Ameresco supports the development of a successor net metering program but believes the legislation should ensure a predictable glide path that protects projects currently in development while allowing Maryland to evolve its policies over time.

To achieve this, Ameresco respectfully recommends the following amendments:

Safeguard Existing and Under-Development Solar Capacity
Projects that are currently operating or under development were financed based on the existing net metering framework and the statutory 3-GW cap. Protecting these investments will ensure that projects already in the pipeline can continue delivering energy savings and grid benefits to Maryland ratepayers.

Implement a Transparent Transition
Projects that have made significant development progress—such as securing site control, initiating the interconnection process, or obtaining key permits—should retain access to full retail net metering. Establishing clear transition criteria will help prevent speculative applications while honoring legitimate investments already underway.

Establish Achievable Development Milestones
Eligibility for transition treatment should be based on milestones that developers can reasonably control, such as submission of a completed interconnection application or achievement of mechanical completion. Milestones dependent on actions by third parties—such as utility study timelines or commercial operation dates—should not inadvertently disqualify otherwise mature projects.

Utilize a Public Service Commission–Led Valuation Process
The Maryland Public Service Commission should lead the process of determining the long-term value of distributed solar and storage resources. A structured valuation process will ensure that the successor program appropriately reflects the real-world grid, reliability, and environmental benefits provided by these resources.

By adopting these amendments, Maryland can ensure a fair and durable transition to a successor net metering program that protects existing investments while allowing the state to continue expanding access to locally generated clean energy.

A thoughtful transition will allow Maryland to maintain confidence among the companies and investors that are building the state's clean energy infrastructure while ensuring that ratepayers continue to benefit from affordable, reliable, and locally produced electricity.

Ameresco looks forward to continuing to work with the General Assembly, the Administration, utilities, and other stakeholders to support policies that expand access to affordable clean energy while protecting Maryland ratepayers.

Thank you for the opportunity to provide this testimony.

Respectfully submitted,

Jonathan Mancini
Senior Vice President
Ameresco, Inc.

SB0966 (HB1476) - FWA - Public Service Commission

Uploaded by: Megan Outten

Position: FWA

Maryland Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee
FROM: MEA
SUBJECT: SB 966 - Public Service Commission - Net Energy Metering - Successor Program
DATE: March 12, 2026

MEA Position: FAVORABLE WITH AMENDMENTS

The Maryland Energy Administration (MEA) respectfully submits this letter of support with amendments for Senate Bill 966.

SB 966 establishes a framework for the development of a successor program to Maryland's existing net energy metering program. As Maryland approaches the current 3,000 MW cap, thoughtful planning for the next phase of distributed generation policy is both prudent and necessary to provide certainty to customers, developers, utilities, and ratepayers.

Net energy metering has been foundational to the growth of distributed solar and other clean energy resources in Maryland. It has supported residential, commercial, agricultural, and community solar deployment across the State while contributing to grid resilience, customer savings, and progress toward Maryland's climate goals.

MEA supports the bill's directive that the Public Service Commission develop a successor program that incentivizes distributed generation, minimizes short- and long-term ratepayer costs, and balances fair compensation with grid needs and energy equity considerations. These principles appropriately recognize that distributed generation provides system benefits, including reduced line losses, peak demand mitigation, and localized energy production, while also requiring a careful evaluation of cost allocation and grid maintenance responsibilities.

MEA also supports amendments to clarify that customer-generators with an existing contract retain the ability to reserve capacity under the existing net energy metering framework during the transition to a successor program.

MEA recommends a mechanism whereby community solar generators could reserve capacity under the current net metering scheme until the 3,000 MW cap is reached. The ability to reserve capacity is particularly important for the community solar industry, and these projects involve multi-year development timelines, significant upfront interconnection and permitting costs, responsible subscriber acquisition processes, and financing structures that depend on predictable compensation mechanisms. A clear reservation pathway minimizes uncertainty during the transition period that would otherwise delay

projects, constrain financing, and ultimately slow deployment - particularly for projects serving low- and moderate-income subscribers.

For these reasons, MEA respectfully urges a **favorable report with amendments**.

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.

LSE Testimony - SB966.pdf
Uploaded by: Oliver Sandreuter
Position: FWA

LODESTAR ENERGY

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

LODESTAR ENERGY

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,

Oliver Sandreuter
Director of Business Development

CHESSA - Solar Best Bang for the Buck One Pager.pd

Uploaded by: Robin Dutta

Position: FWA

Distributed Solar Unlocks Ratepayer Savings

Great Returns on Maryland's Investments

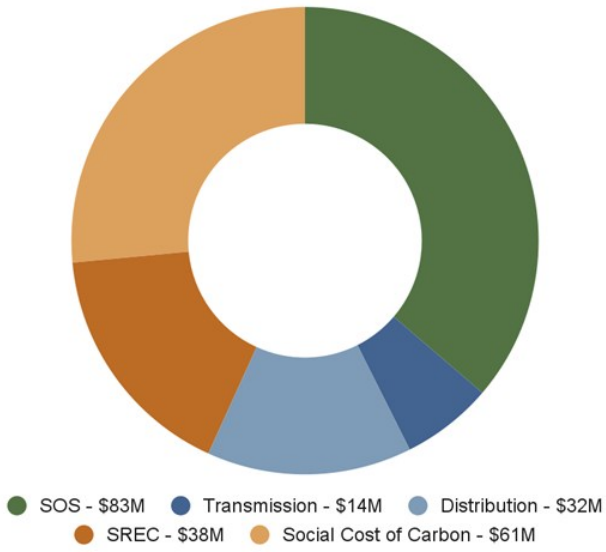
Service Territory	Capacity Deployed (MW)	Annual Impact	Estimated Capacity Value (current capped price)	NET RATEPAYER SAVINGS
BGE	524.2	$8,918,119	$73,388,000	$64,469,881
Pepco	315.7	$4,526,955	$44,198,000	$39,671,045
DPL	119.1	$2,673,104	$16,674,000	$14,000,896
PE	127.1	$1,314,842	$17,794,000	$16,479,158

Energy generated locally is avoided energy that the utility to purchase and deliver via PJM. **That's instant and annual savings.** Utility bills would be even higher without all this distributed solar.

The annual impacts of distributed solar — like rooftop and community solar — are significantly less than the capacity values of these in-state resources at current PJM auction prices. Net metering does have a cost impact on distribution rates of utilities, as shown above. That means that across the service territories, the potential costs to customers are **only 7-16% of the value of the reduced capacity purchases** in the PJM market.

Value of Rooftop Solar in the BGE Territory in 2025

BGE has **563 MW of installed rooftop solar capacity** which produces approximately **732 GWhs** of electricity, approximately 3% of delivered electricity to the eligible customer classes.



The chart shows the **$176M in value** of solar in avoided costs BGE would have incurred to serve this additional load, and avoided RGGI payments and REC obligations.

This chart does not include market price impacts (DRIPE), locational, economic and health benefits.

Producing solar energy within Maryland's borders - directly within the distribution system and close to load - has real value.

This **in-state generation reduces Maryland's exposure to PJM's energy and capacity markets**, reduces line losses and provides locational benefits.

Have questions? Robin K. Dutta robin@chessa.org Executive Director Chesapeake Solar and Storage Association (CHESSA)

Joint Solar Trades Testimony EEE SB966 FAV AMDTS 2

Uploaded by: Robin Dutta

Position: FWA

12 March 2026

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

Oral and Written Testimony
SB966: Public Service Commission – Net Energy Metering – Successor Program
Position: Favorable with Amendments

Chair Feldman and Members of the Senate Education, Energy, and the Environment Committee,

The Coalition for Community Solar Access (CCSA), the Chesapeake Solar and Storage Association (CHESSA), the Solar Energy Industries Association (SEIA), and the Maryland Residential Solar Coalition (MRSC) respectfully submit this joint testimony, **Favorable with Amendments,** for Senate Bill 966.

CCSA is a national, business-led trade organization, composed of over 100 member companies, that works to expand access to clean, local, affordable energy nationwide through the development of robust community solar programs. Community solar projects involve medium-scale solar facilities that are shared by multiple community subscribers who receive credit on their electricity bills for their share of the power produced.

CHESSA is a regional trade association representing solar installers, developers, manufacturers, and other solar workers in Maryland, Virginia, and the District of Columbia. CHESSA's mission is to create a business and policy environment that encourages mainstream solar and energy storage adoption for the benefit of consumers, communities, and the electric grid. CHESSA is a recognized state affiliate of SEIA.

SEIA is the national trade association for the United States solar and energy storage industries. As the voice of the industry, SEIA works to support solar and energy storage as they become a mainstream and significant energy source by expanding markets, reducing costs, increasing reliability, removing market barriers, and providing education on the benefits of solar energy and energy storage. SEIA collaborates with its 1,200 member companies and other strategic partners to advocate for policies that create jobs and shape fair market rules that promote competition and the growth of reliable, low-cost solar power and energy storage.

MRSC is a coalition of national, regional, and local companies committed to growing Maryland's rooftop solar market. Our members create durable, family-supporting jobs and help Marylanders reduce and better manage their electricity bills through home solar and storage systems. MRSC

members have served Marylanders for well over a decade and hope to continue doing so for decades to come.

Our organizations represent the majority of distributed-generation companies operating in Maryland, including local installers, national developers, manufacturers, community solar providers, and residential contractors for whom the Maryland net metering program represents a necessary ingredient to operate in Maryland. These businesses account for hundreds of millions of dollars in private investment across the State. Solar energy, both customer-sited and community-based, is one of the most deployable and scalable energy resources available in Maryland today. It can be developed and interconnected quickly, attract private capital without long-term fuel risk, reduce peak demand, lower transmission congestion, and provide measurable system benefits to ratepayers. In the current environment of rising capacity costs and economic uncertainty, policies that provide clarity and stability for distributed generation are essential.

While we firmly support the SUNRISE Act (SB 843) as a solution for maintaining much-needed clean energy growth in Maryland, we appreciate the introduction of SB 966 which aims to accomplish similar objectives. As with SUNRISE, SB 966 would task the Public Service Commission (PSC) with evaluating the net energy metering (NEM) framework and developing a successor program. However, we believe that targeted amendments are necessary to ensure that SB 966 would support both market stability and ratepayer interests.

Most importantly, we believe that amendments are needed in SB 966 to ensure the current NEM framework is maintained for operating and maturely developed projects that fall within the 3,000-megawatt cap, and then establishes a certain glide path for distributed solar projects under development in a manner that follows these principles:

- Safeguard Existing and Under-Development Solar Capacity: Projects currently in development are racing to meet construction deadlines set by H.R 1, the One Big Beautiful Bill. These and operating projects were financed under the assumption of NEM and are critical to backfilling the loss of federal tax credits.
- Implement A Transparent Transition: Ensure that the current program remains available for projects where significant financial investments have already been made. This includes signing a lease or purchasing property, starting the interconnection process, and acquiring state or local permits. This will also prevent a "rush" of purely speculative applications while honoring legitimate business commitments based on current law.
- Achievable Transition Milestones: Define criteria for transition eligibility based on what project developers can better control, such as submitting completed interconnection applications or constructing the project to mechanical completion of the system. 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 PSC-led process to fairly account for the value of the different types 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.

It is critical that legislation protect projects that have made binding financial commitments under the existing rules. Retroactive changes to compensation structures would undermine Maryland's regulatory credibility and create significant disruption to the market by stranding projects and effectively freezing investment and development. Milestones that ensure eligibility for projects mid-development should be achievable and within the control of the project developers. There are many states now that have gone through the exercise of developing successor programs for NEM, of which Maryland can leverage that experience.

We intend to continue discussions with key stakeholders and will provide the committee amendments for consideration in the coming days as we strive for consensus among the parties.

Respectfully submitted,

/s/

Charlie Coggeshall
Mid-Atlantic Regional Director
Coalition for Community Solar Access

/s/
Robin Dutta
Executive Director
Chesapeake Solar & Storage Association

/s/
Georgina Arreola-Lennox
Director, State Affairs, Mid-Atlantic Region
Solar Energy Industries Association

/s/
Katie Rever
Treasurer
Maryland Residential Solar Coalition

SB966 FAV with AMDTS Written Testimony_Soltage.pdf
Uploaded by: Sarah Smith
Position: FWA

12 March 2026

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

Written Testimony
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 testify "favorable with amendments" on SB 966, Public Service Commission – Net Energy Metering – Successor Program.

My name is Zac Meyer, and I am a Director of Development at Soltage. Soltage originates, develops, finances, owns, and operates solar energy facilities across the nation in 16 states and growing. We have been active in Maryland since 2021 with 3 operational facilities, 2 under construction, and a strong development pipeline of over 100 megawatts of solar in Maryland.

I am here to provide "favorable with amendment" testimony on SB966, Public Service Commission – Net Energy Metering – Successor Program.

Soltage 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.

By doubling down on its commitment to local power, Maryland would recognize that distributed generation is essential to the State's future. As regional electricity demand increases, Maryland has few tools in its toolbox to mitigate rapidly rising costs. 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, period. These projects are primarily financed using private capital, and their role as grid assets bring unique benefits to the distribution grid that lowers consumer energy costs by lowering utility costs. It is in Maryland's best interests to double down on distributed generation because that local generation is created when Marylanders demand the most electricity (during the day).

It is essential to maximize how much distributed generation 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.

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

Soltage respectfully proposes a predictable glide path as part of this program transition. 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:

- Safeguard Existing and Under-Development Solar Capacity: Projects currently in development are racing to meet construction deadlines set by H.R 1, the One Big Beautiful Bill. These and operating projects were financed under the assumption of NEM and are critical to backfilling the loss of federal tax credits.
- Implement A Transparent Transition: Ensure that full retail net metering remains available for projects where significant financial investments have already been made. This includes signing a lease or purchasing property, starting the interconnection process, and acquiring state or local permits. This will also prevent a "rush" of purely speculative applications while honoring legitimate business commitments.
- Achievable Transition Milestones: Define criteria for transition eligibility based on what project developers can better control, such as submitting completed interconnection applications or constructing the project to mechanical completion of the system. 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 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 look forward to working with the sponsors and this Committee to ensure Maryland remains a national leader in local, reliable, and equitable power.

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

Sincerely,

Zac Meyer
Director of Development
Soltage

CleanCapital Testimony_SB 966.pdf
Uploaded by: Scott Elias
Position: FWA

March 12, 2026

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

Written Testimony

SB 966: Public Service Commission – Net Energy Metering – Successor Program

Position: Favorable with Amendments

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

Thank you for the opportunity to testify "favorable with amendments" on SB 966. My name is Scott Elias, and I am the Director of Policy and Market Development at CleanCapital, a leading independent power producer that develops, owns, operates, and invests in distributed solar and energy storage projects across the United States. I also serve as Vice President of the Chesapeake Solar & Storage Association (CHESSA) and as Co-Chair of SEIA's Mid-Atlantic Committee.

CleanCapital has invested more than $1.5 billion in clean energy projects serving corporations, municipalities, universities, schools, hospitals, utilities, and community solar subscribers. In Maryland, we own and operate 20 projects totaling more than 26 megawatts, with more than a dozen additional projects in construction or development. Many of these projects will participate in Maryland's community solar program, delivering savings to low- and moderate-income ratepayers across the state.

We appreciate the legislature tackling energy affordability and proactively considering how distributed solar projects – and those under the state's 3-gigawatt net metering cap – can best deliver benefits to the grid and Maryland ratepayers. While Marylanders are facing extraordinary utility bill prices, distributed solar helps to mitigate these costs. Distributed solar serves local load, smooths peak demand, and improves resilience, which reduces strain on the grid rather than adding to it. On today's congested system, that makes distributed solar a critical part of the affordability solution.

For more than a decade, net metering has helped drive the growth of distributed solar across Maryland. It is also worth remembering that the 3-gigawatt cap itself was not established decades ago — it was adopted by this legislature only a few years ago to send a clear market signal that distributed solar would play a meaningful role in Maryland's energy future. Businesses and investors responded to that signal by deploying capital, advancing projects through interconnection and permitting, and building development pipelines around the expectation that the statutory framework would remain stable long enough for projects to move from concept to construction.

We support the evolution of Maryland's net metering framework and the development of a successor program that reflects the full value of distributed generation. However, CleanCapital is not only a project developer — we are also a long-term owner and capital provider to distributed generation developers across the country. Many Maryland projects currently under development are being financed with the expectation that institutional capital providers like CleanCapital will acquire and own them once operational. Regulatory uncertainty at the transition point between programs directly affects our ability — and the broader market's ability — to commit capital to complete those projects.

For that reason, the success of this transition will depend not simply on whether a successor program is created, but on whether the transition between programs is designed in a way that preserves investor confidence and allows projects already advancing through the development pipeline to reach completion.

As currently drafted, the bill directs the Public Service Commission (PSC) to develop and implement a successor program for net metering but leaves significant discretion to the PSC regarding transition timing and the treatment of existing projects and those that will begin construction shortly.

Energy infrastructure cannot be built on constantly shifting policy frameworks. Without clear statutory guardrails, the transition to a successor program could introduce material uncertainty for operating facilities and projects that have already deployed substantial capital, while simultaneously freezing financing for projects currently advancing toward construction.

Moreover, this comes at a time of broader federal uncertainty, with a changing clean energy financing landscape due to the phase out of federal tax credits. Investors can adapt to forward-looking policy changes. What is far more difficult for capital markets to absorb are retroactive or ambiguous transition rules that alter the expected treatment of projects already well into development.

We therefore respectfully submit the following amendments to ensure a transition that is grounded in principles that are fair for Marylanders, supports the continued growth of the Maryland solar industry, and ensures that prior investments retain value:

- **Safeguard Existing and Mature Solar Capacity Under Development**: SB 966 should be revised to clarify that operating projects remain eligible for net metering until they are decommissioned, and that projects that have satisfied clearly defined interconnection and permitting milestones under existing law prior to implementation of the successor program –-including projects that have secured a position in the community solar energy generating systems approved program queue and satisfied applicable interconnection deposit requirements prior to July 1, 2027—remain eligible under the current net metering framework. Such projects were financed and advanced under the assumption of the current program compensation structure, and any retroactive or unclear transition treatment would materially disrupt investments made in reliance on existing law.

- **Establish a PSC-Led Valuation Process**: The bill should also use a Public Service Commission (PSC)–led process to fairly account for the full suite of values that distributed solar and storage bring to the grid and ratepayers, including avoided generation, transmission, and distribution costs, improved system resilience, and reduced peak

demand. This will ensure that Maryland's fastest-growing in-state energy resource is properly compensated for these benefits and will ensure sufficient notice for market participants to adjust financing and development timelines accordingly.

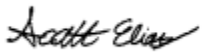
By adopting these amendments, Maryland can utilize distributed solar projects as a central tool to lower consumer and utility energy costs without destabilizing the industry that can bring one of the fastest and most cost-effective sources of new capacity available to the grid.

CleanCapital stands ready to continue investing in Maryland and to serve as a long-term owner of distributed generation assets developed by Maryland-based and national developers alike. Clear transition mechanics will allow institutional capital providers to confidently deploy capital into projects currently under development and maintain Maryland's leadership in distributed clean energy.

We respectfully urge the Senate to incorporate these proposed amendments going forward.

Thank you for the opportunity to testify.

Respectfully submitted,



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Sunrun EEE 3-12-26 SB 966 Fav w Amd.pdf
Uploaded by: Thadeus Culley
Position: FWA

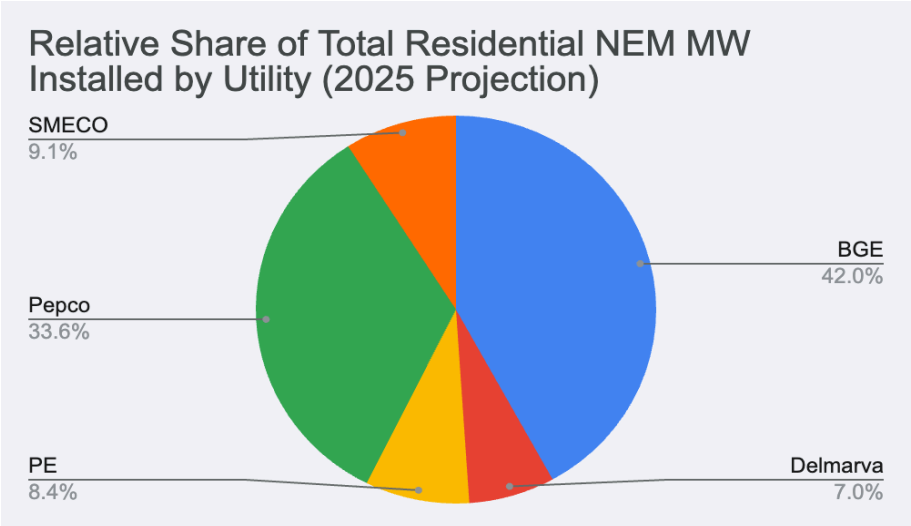
March 12, 2026
Senator Brian J. Feldman, Chair
Education, Energy & the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

TESTIMONY OF SUNRUN ON SB 966; FAVORABLE WITH AMENDMENTS

To the Honorable Chair Feldman, Vice Chair Kagan, and members of the Environment and Transportation Committee:

Sunrun is the nation's largest provider of residential solar and storage services, with over 1.1 million customers across the country and a significant presence in Maryland. All of our residential customers in Maryland are currently taking service under the net energy metering program, which has led to the successful deployment of nearly a nuclear power plant worth of capacity dispersed on residential rooftops across the state over the past decade. Net metering has been the primary driver of customer adoption of solar across the country, with over five million households utilizing solar to offset their purchases from their utility, exerting some control over their household energy costs. According to the United States Energy Information Administration, there are over 117,000 households in Maryland that use net metering to take some control over their electric bills.

Chart 1. Relative Share of Residential NEM Among MD Utilities (EIA Data)



Historically, net metering has been viewed negatively by utilities as a source of revenue erosion and competition. Net metering reduces the number of units (kWh) sold by a utility, which means a utility might theoretically raise rates in order to collect enough revenue to meet their Commission approved revenue requirement (which includes a rate of return). Of course, rooftop solar can help reduce the utility revenue requirement by reducing the need to build infrastructure and can help lower peak-demand driven market costs that get passed through to ratepayers. A true determination of whether rooftop solar net metering puts a downward or an upward pressure on rates is highly technical and requires sophisticated methodological approaches and must take into account the current trends driving load and demand growth. This is far more complex than the cursory information presented in the Commission's annual net metering reports, which simply reports out the utilities' reported cost of net metering credits and does not appear to incorporate any offsetting values in producing a theoretical bill impact analysis.

With appreciation to the thoughtful approach put forward by Speaker Peña-Melnyk, HB 1476 (and its cross-file SB 966) will require the Commission to undertake a process–with industry experts and other stakeholders--to strike a balance that achieves the state's overriding goal of improving affordability while leveraging the positive attributes of customer-sited renewable energy resources. Sunrun believes that SB 966, with amendments proposed by the Speaker, will give net metering its "day in court" to adjudicate the relevant costs and benefits for residential solar customers. While SB 966 does not guarantee an outcome of this proceeding, as amended it should provide substantive and procedural fairness and give advocates the opportunity to make their case for a successor that meets the goals of the General Assembly and the needs of all ratepayers.

Notwithstanding this support for SB 966, Sunrun believes that rooftop solar has produced significant benefits to Marylanders, both net metering participants and non-participants alike, and that our customers are an integral part of the solution to the current energy crisis. Customers that consume their own power put less strain on the grid and send any excess to be consumed nearby by neighbors, avoiding reliance on imported power or use of the transmission system to transport those electrons. These attributes are amplified when customers are encouraged to adopt battery storage and participate in time-of-use rates or grid support services to optimize the value of their assets to the grid.

With amendments addressing legislative intent to embrace the evolution to more flexible customer-sited generation, SB 966 presents an opportunity, through a PSC-led process, to harmonize a successor program with other state energy policies and priorities. With this additional direction to the Commission, the purpose of the future proceeding is not to just determine the mathematical equation of what an electron is worth. Rather, this additional direction could instruct the Commission to develop a more holistic policy that achieves the greatest amount of public good with the lowest amount of impact on rates.

Sunrun also appreciates and supports amendments that will keep the faith with existing net metering customers who invested private capital in rooftop solar facilities to engage in the current form of net metering. Sunrun believes that it is essential to make clear that existing customers taking service before a successor is adopted will not be affected by changes to the program through a successor tariff. This is a common sense and fair approach that has been followed in nearly every net metering transition across the country.

With amendments to establish clear legacy rights for existing customers and legislative intent to evolve net metering into a more beneficial policy that addresses multiple state objectives, Sunrun supports a favorable report of SB 966.

/s/
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FirstEnergy FWA EEE - SB0966.pdf
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FAVORABLE WITH AMENDMENTS – Senate Bill 0966

SB0966 – Public Service Commission - Net Energy Metering - Successor Program

Education, Energy, and the Environment Committee
Thursday, March 12, 2026

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, Ohio, Pennsylvania, New Jersey, New York, and West Virginia.

Favorable with Amendments

We appreciate the General Assembly's continued efforts to modernize Maryland's distributed energy resource policies and **Potomac Edison / FirstEnergy respectfully request a Favorable with Amendments report on Senate Bill 0966** - *Public Service Commission - Net Energy Metering - Successor Program*. SB-966 takes a crucial step toward establishing a structured, transparent process for developing a successor to the state's existing net energy metering (NEM) framework.

By maintaining the current NEM program until the State reaches 3,000 MW of eligible customer-generator capacity, or until the Maryland Public Service Commission (Commission) submits its legislatively required study and recommendations, the bill offers continuity and stability for customers while setting the stage for a thoughtful transition. SB-966 also authorizes a combined NEM and successor-program capacity of up to 6,000 MW, allowing Maryland to continue expanding distributed energy generation (DER) while establishing a process to better balance benefits, costs, and equity considerations.

To support the bill's goals, Potomac Edison / FirstEnergy recommends several amendments to strengthen clarity, equity, and policy alignment. We are fully prepared to engage in the Commission led stakeholder process envisioned by the bill, which will require utilities, industry participants, and customer advocates to collaboratively design compensation structures, clarify program rules, and establish an approach to cost allocation that aligns with broader state energy goals. As the Commission undertakes this future rulemaking, several key considerations will be essential to ensuring a fair and sustainable successor program.

The NEM Successor Program contemplated in SB-966 would permit the state to reconsider how the current 3,000 MW cap is reached and alter when each geographic portion of the state transitions to the new paradigm. Currently, the transition is planned to occur only when the state-wide capacity of 3,000 MW is reached, but it is highly likely that some utility territories will have a greater share of capacity, and their customers will be required to pay significantly more to support the program. These costs will not go away when the state transitions to the NEM Successor Program - but will remain as long as the legacy systems are in service, likely for several decades. The Commission's Technical Staff released a November 2025 report on NEM and reported that Potomac Edison has 720 MW of Community Solar projects in queue, over 40% of the state-wide total, and more than any other utility in the state. To put that 40% in better context, Potomac Edison's peak demand only accounts for about 12% of the total peak electricity demand in Maryland. This same report indicated that Potomac Edison's residential customers will be paying an estimated $20/month to support the current NEM program - if changes capping the amount of capacity in each service territory is not instituted.

Maryland is in a similar position today that California was a decade ago, before they transitioned to a NEM successor program. The California NEM successor program required utilities to transition when a territory-specific cap was reached, and each major electric utility reached the cap at different times. Massachusetts, Nevada, and Hawaii also have allowed for utility-specific transitions to an NEM successor program. Potomac Edison / FirstEnergy offers a simple solution to this issue that helps protect our customers and provides a more equitable solution for all portions of the state while preserving Maryland's clean energy goals and protecting customer affordability throughout the state. We recommend:

7-306.(d) should be edited to include ***"the earlier of"*** *after "until:" at the end of the paragraph.*

*7-306.(d)(1) should be edited to read: the rated generating capacity owned and operated by eligible customer-generators "****in an electric utility's service territory"*** *reaches* ***"its pro-rata portion of the statewide limit of"*** *3,000 megawatts* ***"based on 2025 peak demand";*** *OR add new line*

*7-306.4.(B)(3)(II)****4.*** *Should be added to read* ***"Creation of utility-specific transitions to the successor program as necessary to ensure equitable distribution of capacity throughout the state."***

Ratepayer impacts must be clearly evaluated - not only on a statewide basis, but also within each individual utility's service territory. As mentioned, DER development has been heavily concentrated in Potomac Edison's western counties – and this is creating significant long-term cost impacts on non-participating residential rate payers. We also recommend:

*7-306.4(B)(2) should explicitly require minimization of "****non-participating"*** *ratepayer costs, and*

*7-306.4(B)(3) should be amended to ensure cost-benefit balancing "****within each electric company service territory"*** *to better address localized impacts and spread any program costs fairly.*

SB-966's requirements to both incentivize DER's and minimize costs may conflict with existing DER initiatives - underscoring the need for alignment across all programs. We recommend:

In 7-306.4(B)(1), the requirement to ***"incentivize the development of distributed generation" should be removed entirely****, as these incentive structures are better addressed in separate DER programs.*

Clear standards and program definitions will be crucial to avoid the ambiguity experienced in prior DER-related proceedings. Ensuring predictable outcomes for customers and reducing the potential for prolonged administrative disputes is important for SB-966's success.

Finally, additional clarifications should require that energy export compensation in 7-306.4.(B)(3)(I) be **"market-based"** rather than reliant on administratively determined credits, and that equity analyses in 7-306.4.(B)(3)(II) consider customer-generator contributions not only to grid maintenance, but also to **"other energy-based ratepayer-funded programs"** and obligations such as the EmPOWER program.

While SB-966 as drafted does not directly address Potomac Edison's ongoing concerns regarding the disproportionate concentration of Community Solar and NEM-related development in its service territory, our proposed amendments to the Successor Program framework presents a meaningful opportunity to improve transparency, modernize compensation methods, and strengthen cost allocation. Potomac Edison / FirstEnergy supports the bill's intent and looks forward to collaborating with the Commission and stakeholders to design a new NEM structure that balances customer benefits, system needs, clean energy objectives, and equitable cost responsibility across Maryland.

Potomac Edison / FirstEnergy respectfully requests a <u>Favorable with Amendments</u> report on SB-966.