

Tuesday, February 10, 2026

TO: Delegate Marc Korman, Chair of the House Environment and Transportation Committee, and Committee Members

FROM: Michelle Dietz, Director of Government Relations, The Nature Conservancy; Cait Kerr, State Policy Manager, The Nature Conservancy,

POSITION: Support HB345 Public Utilities - Solar Energy Generating Systems and Solar Renewable Energy Credits (Affordable Solar Act)

The Nature Conservancy (TNC) supports HB 345 offered by Delegates Charkoudian and Taveras. HB345 builds on existing legislation to ensure long-term stability for solar deployment in Maryland to meet our state's growing energy needs and help meet our clean energy goals. Through reforming current incentive programs, like the Solar Renewable Energy Credit Program, while ensuring ratepayers aren't impacted by new solar procurement, the Affordable Solar Act codifies solar energy solutions while reducing impacts to ratepayers.

HB345 seeks to reform the current Solar Renewable Energy Credit Program (SREC) to expand clean energy deployment while maintaining access and affordability for households. Under the Affordable Solar Act, the current SREC program would be replaced with "SREC 2." This new program allows the Public Service Commission to conduct competitive procurements for utility-scale solar development, which will provide the best value for ratepayers. SREC 2 also establishes incentives for community solar and rooftop solar, with the flexibility for prices to be recalculated based on market changes and federal policy. These two features will incentivize solar development across various market segments, while also ensuring industry doesn't receive unfair incentives, prioritizing Marylanders first.

In addition to encouraging solar development expansion, the Affordable Solar Act also seeks to ensure ratepayers will not be unduly impacted by growing solar development. Current Alternative Compliance Payments would be redirected into an escrow account to be used to implement new solar procurement. The Nature Conservancy supports an approach that considers allowing a portion of these Alternative Compliance Payments to be made available for climate-related grants and programs administered by state entities including the Maryland Energy Administration and the Maryland Clean Energy Center.

Maryland's ambitious climate emissions goals mean we need to continue to prioritize clean, renewable energy deployment. Solar energy can lower utility bills, stabilize costs and provide clean energy for Marylanders. The Nature Conservancy commends Delegates Charkoudian and Taveras on introducing HB345, which incentivizes solar energy development in our state while avoiding impacts to access and affordability. **Therefore, we urge a favorable report on HB345.**