

KUMAR P. BARVE  
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## PUBLIC SERVICE COMMISSION

Chair Marc Korman  
Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401

### **RE: HB 1195 – Favorable with Amendments - Net Energy Metering, SUNRISE Program, and Community Solar Energy Generating Systems Program (SUNRISE Act)**

Dear Chair Korman and Committee Members:

The Public Service Commission (“Commission”) supports HB 1195’s goal to create an orderly transition from traditional Net Energy Metering (NEM) to an updated and improved program. The Commission continues to work with representatives of the legislature and the solar industry to develop a process and program that are implementable and beneficial to Maryland’s ratepayers.

The Commission anticipates that the State will reach the statutory cap on generating capacity owned by net-energy metering customers or Community Solar operators within the next two years. While only 1,537 MW of the 3000 MW capacity cap is currently physically operational, the pipeline of pending Community Solar projects has increased to 2,911 MW. When combined, the total demand of 4,448 MW represents 148.3% of the statutory 3,000 MW limit, meaning the cap would be exceeded by nearly 1.5 gigawatts if all pending projects are realized.<sup>1</sup>

The SUNRISE program seeks to move Maryland beyond its current 1:1 “kilowatt-hour netting” model and toward a more sophisticated value-based framework. The bill enables the Commission to determine the value of exported solar energy based on the benefits provided to the grid. If the bill were amended to ensure that appropriate factors would be considered as part of this valuation, this approach could help address concerns related to cost-shifting between solar and non-solar customers. The bill also provides the Commission with the needed authority to swiftly transition to a successor program once the NEM cap is reached to prevent a market freeze.

HB 1195 considers how to increase access to solar incentives by low-income residents. By authorizing "opt-out" enrollment and "dedicated blocks" of capacity, the legislation intends to treat community solar as an accessible public benefit for qualified households rather than a

<sup>1</sup> See the Commission’s November 2025 Net Energy Metering in the State of Maryland Report, <https://www.pscmaryland.com/wp-content/uploads/2025/12/2025-Net-Metering-Report-4.pdf>.

private commercial product that requires a credit check or a signed contract. The bill also incorporates guaranteed consumer protections for low-income customers in tandem with the shift to “opt-out” enrollment. The Commission supports the exploration of these types of programs and will continue to work with the sponsor to shape the programs.

At the same time, the Commission acknowledges that a transition to the SUNRISE program will alter the financial profile of a rooftop solar investment and make fundamental changes to the deployment of rooftop solar by homeowners and small businesses. The bill’s approach to valuing solar exports may lengthen the time it takes customers to recoup their initial investment, potentially making rooftop solar less attractive to average homeowners. The Commission also notes that even with a waitlist protocol developed by the Commission for projects currently in the queue, HB 1195 contains provisions that may provide structural advantages to Community Solar over rooftop solar.

In general, allowing the Commission more discretion and flexibility in designing and implementing the SUNRISE program would allow the ultimate product to be holistically informed by stakeholder input, expert advice, and the Commission’s extensive experience deploying similar programs. The Commission has appreciated the opportunity to work with legislators and solar industry representatives to devise possible amendments to this bill and will continue to provide its input with the goal of achieving an effective, equitable, and implementable program.

Please contact the Commission’s Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kumar P. Barve', is positioned below the word 'Sincerely,'.

Kumar P. Barve  
Chair, Maryland Public Service Commission