

March 3, 2025

Honorable Marc Korman, Chair  
House Energy & Transportation Committee  
House Office Building  
Annapolis, Maryland 21401

### **HB 1476 – FAVORABLE WITH AMENDMENT**

Dear Chair Korman, Vice Chair Guyton and Members of the House Environment & Transportation 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 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**

Speaker Peña Melnyk 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 20<sup>th</sup>, 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 by Mirroring Federal “Commence Construction” Deadlines**

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 building 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 financially upgrade utility infrastructure and connect to the grid. Should HB 1476 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 propose amendment language that balances the goals of clean energy deployment and the creation of a successor program to the existing net energy metering cap.

### **2) THE COMMISSION IMPLEMENTS A SUCCESSOR PROGRAM UNDER § 7-306.4 OF THIS SUBTITLE.**

**(1) A facility that satisfies one of the following on or before the date the Commission implements a successor program under § 7-306.4 of this subtitle shall count towards the statewide cap of 3,000 megawatts under subsection (d)(1) of this section and remain eligible for net energy metering under this section after the start of the successor program until the facility is decommissioned:**

- 1. \_\_\_\_\_ (i) \_\_\_\_\_ the facility is operational;**

2. (ii) if the facility is behind the meter and is not engaging in meter aggregation under § 7-306.3 of this subtitle, has submitted an interconnection application to the electric company; or

(III) the facility has begun construction on or before July 4, 2026, as defined by the federal One Big Beautiful Bill Act (H.R.1) and Internal Revenue Service Notice 2025-42 and Internal Revenue Service Notice 2022-61.by either:

1. the Physical Work Test, by beginning physical work of a significant nature on-site or off-site; or

2. for facilities with a maximum net output of 1.5 megawatts (AC) or less, the Five Percent Safe Harbor Test.

Aligning federal safe harbor guidance with net energy metering balances legislative goals by ensuring that only projects that have already made significant investments to achieve operation are eligible to receive full retail net metering. Furthermore, it ensures that the successor tariff to be established by the Commission does need to take into account any federal incentives. Rather, the Commission can safely assume that no project using the successor tariff is also eligible for federal incentives, and design the tariff accordingly.

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

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