

JOSELINE A. PEÑA-MELNYK
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SPEAKER OF THE HOUSE



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The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

Dear Chair Korman and Members of the House Environment and Transportation Committee:

I submit this testimony in support of **House Bill 1476 – Public Service Commission – Net Energy Metering – Successor Program**. This bill builds on the good work Maryland has done to incentivize distributed generation while ensuring that the costs of building such generation do not outweigh the benefits they provide.

There are many advantages to having more distributed generation on the grid including: reduced environmental impacts, lower electricity costs, enhanced grid reliability, and reduced need for more transmission-level buildout. Understanding how valuable distributed generation is to the grid, this legislature directed the Public Service Commission (PSC) to establish a net metering program, and subsequent community solar programs.

Net metering is a billing system for distributed renewable energy systems (like solar panels) that credits customers for excess electricity they send back to the utility grid, effectively using the grid as a battery. Under the current net metering program, there is an established statutory cap of 3,000 megawatts (MW). As of June 30, 2025 the PSC reported that the State is at 51.23% of the eligible cap with upwards of 2,900 MW of pending additional projects that may take advantage of the program. This would push us far past the 3,000 MW cap.

So why isn't the issue as simple as raising the statutory cap? All costs incurred by utilities are passed on to ratepayers. Under the existing net metering system, eligible customer-generators are paid the full retail rate of electricity for the energy they provide back to the grid. In most instances, this is more than what a utility would pay to a power plant providing energy on the wholesale markets. As more distribution-level generation is built under these programs, there will be a bigger impact to ratepayers. The issue is further exacerbated in rural areas of our State. We have a responsibility to protect our ratepayers and ensure we take a balanced approach to incentivizing distributed generation.

My bill directs the PSC to conduct a proceeding to develop and implement a Net Energy Metering Successor Program and raises the State cap from 3,000 MW to 6,000 MW upon implementation of said program. Distributed generation is a valuable resource that protects our ratepayers from more costly transmission-level investments. Net metering should reward these benefits while making sure the benefit is equitable across all ratepayers.

I urge the Committee to support this legislation to ensure Maryland's continued commitment to distributed generation is done in a way that is affordable and sustainable for all consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseline A. Pena-Melnyk". The signature is fluid and cursive, with a large initial "J" and "P".

Delegate Joseline A. Pena-Melnyk