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February 10, 2026

Support: HB 345 - Affordable Solar Act

Mr. Chair and Members of the Committee:

Maryland LCV Supports HB 345, the Affordable Solar Act, and we thank Delegate Charkoudian for her leadership on this issue.

Families and businesses across the state are facing rising electricity costs, and the state must act now to secure reliable, affordable power while protecting public health and our environment. HB 345 offers one pragmatic and equitable pathway to expand clean energy deployment, stabilize utility bills, and strengthen Maryland's economy. The bill updates Maryland's solar energy policy by allowing residents to use portable solar systems, reforming how solar energy and solar renewable energy credits count toward the state's Renewable Portfolio Standard, directing Alternative Compliance Payments (ACPs) into dedicated escrow accounts, and requiring the Public Service Commission to oversee competitive procurements of solar projects and utility credit purchases. These measures stand to considerably strengthen solar deployment and lower energy costs.

Maryland is on an energy grid operated by PJM, whose market structures and interconnection delays have slowed the development of new clean energy resources, undermined progress towards the state's climate goals, and placed upward pressure on utility bills. At the same time, Maryland's current incentive structure for clean energy is no longer functioning as intended. The Renewable Energy Credit (REC) system was designed to spur in-state development while protecting customers through ACP caps, yet utilities increasingly pay ACPs rather than contracting with new projects. As a result, ratepayer dollars are not being efficiently invested in the construction of the clean energy resources Maryland urgently needs.

HB 345 directly responds to these challenges by modernizing Maryland's solar policies to prioritize rapid in-state development while ensuring that ratepayer funds are used to build clean energy. In-state solar remains among the fastest and most cost-effective resources to deploy, and expanding Maryland-based generation is one of the most effective ways to address affordability and reliability concerns.

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The Affordable Solar Act centers ratepayer protections by ensuring the benefits of clean energy flow directly to Maryland households. By reforming how solar credits are structured and procured and redirecting ACPs to an escrow account to directly benefit ratepayers, HB 345 promotes lower bills, greater price certainty, and more effective investment of ratepayer dollars in new clean energy projects. By authorizing a PSC-led procurement process for distributed solar generation, the state will gain more control over renewable energy deployment. The bill also creates new classes of Solar Renewable Energy Credits (SREC-II) and authorizes PSC established competitive procurements for both SREC and SREC-IIs. This competitive solicitation process will allow for a better alignment with today's market conditions and Maryland's long-term policy goals, capping ratepayer exposure while driving actual project development rather than continued reliance on ACP payments. Lastly, the bill expands access to solar by authorizing residential portable systems, allowing households that are usually shut out of rooftop solar, such as renters and multifamily residents, to participate in clean energy. Because the power produced by portable solar is consumed directly in the unit and does not require traditional net metering, it can help power individual bills without associated administrative costs.

Electricity generation remains a major driver of greenhouse gas emissions, and strengthening Maryland's solar incentive framework is essential to maintaining progress toward the state's Renewable Portfolio Standard and long-term climate commitments. By accelerating in-state deployment, correcting broken market mechanisms, and centering ratepayer protections, HB 345 positions Maryland to remain a national leader in clean energy while delivering tangible benefits to families and businesses across the state.

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**. Maryland LCV urges a favorable report on HB 345 as part of this framework.