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Environment and Transportation
Committee

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Delegate Stein's Testimony in Support of House Bill 1195 Net Energy Metering, SUNRISE Program, and Community Solar Energy Generation Systems Program (SUNRISE Act)

Chair Korman, Vice Chair Guyton, and Fellow Members of the Environment and Transportation Committee:

House Bill 1195 seeks to address two issues.

- A. First, it seeks to devise a successor program to the current state law 3,000-megawatt (MW) net energy metering (NEM) limit.
- B. Second, it seeks to provide additional options to ensure that low- and moderate-income Marylanders have access to lower-cost electricity through the community solar program.

The legislation is the product of four solar trade associations' consensus (from developers and residential solar companies) – Chesapeake Solar and Storage Association (CHESSA), Coalition of Community Solar Access (CCSA), Solar Energy Industry Association (SEIA), and Maryland Residential Solar Coalition (MRSC) – over several months leading up to this General Assembly session.

As introduced, the bill does the following:

Devise and Modernize Maryland's Net Energy Metering (NEM) Program

It seeks to provide market stability for the community solar industry by improving tracking and transparency as the state approaches the 3,000 MW NEM limit. To that end, the bill as drafted would:

1. Direct the Public Service Commission (PSC) to develop and adopt a new compensation methodology based on grid value, including energy capacity, transmission, and other PSC-approved values.

It is expected that this NEM successor program for post-3,000 MW would lead to lower electricity bills for all ratepayers while striking a balance to ensure a robust community and residential solar market.

2. Create a capacity reservation system and NEM tracking system.

This is important because as the state continues to deploy more residential and community solar, developers and solar businesses need to know whether they will be within the current 3,000 MW NEM system or the NEM successor system. There are long lead times to develop a solar project.

Provide Additional Options to Ensure that Low- and Moderate-Income (LMI) Marylanders Have Access to Lower-Cost Electricity

As introduced, the bill would create two additional mechanisms to assist community solar developers meet the current law 40% subscriber low- and moderate-income requirement. The provision would provide an option for greater bill credits on low-income ratepayers' electric bills and an option to provide more financial resources for the Maryland Office of Home Energy Programs (OHEP), which provides energy assistance for low-income Maryland ratepayers.

Since agreeing to sponsor this legislation, as the Committee knows, Speaker Peña-Melnyk has introduced *Public Service Commission – Net Energy Metering – Successor Program* (HB 1476), which proposes a slightly different approach to the first part of the SUNRISE Act.

Both bills have similar goals but have slightly different approaches to the NEM successor issue. Furthermore, the Speaker's bill does not address the second part of the SUNRISE Act concerning the LMI issue.

It is my understanding that the four solar trade associations have been meeting with their members and other stakeholders to bridge the differences between the SUNRISE Act and the Speaker's proposal. My panel will further elaborate on that progress and policy rationale to ensure that we meet the twin goals of ratepayer affordability and ensuring a continued robust community and residential solar market in Maryland.

