

Dear Chair Korman,

Solar Landscape respectfully urges a favorable report with amendments on HB 1195, which would transition Maryland from its current net energy metering framework to a Standard Utility Net Export Rate for the Integrated Solar and Energy Resource (SUNRISE) program by July 1, 2027. The legislation would establish this new structure upon the state reaching its 3 GW net metering cap and create a capacity reservation system. While we appreciate the intent to plan for the program's long-term evolution, the proposed transition raises significant concerns for the continued development of commercial and industrial rooftop solar projects in both the near and long term.

Founded in 2012, Solar Landscape is a vertically integrated solar developer and national leader in community solar deployment. We focus on developing community solar projects on commercial and industrial rooftops using a roof-lease model in which we lease the rooftops of large warehouse and storage facilities to host solar installations that deliver power back to the grid through community solar in Maryland.

Maryland is a central part of our portfolio, and our work aligns directly with the state's clean energy and equity priorities. Currently our portfolio consists of 82 projects, 45 of which have energized and are already delivering clean energy to Marylanders. The other 37 projects are currently under development. All our current projects have been awarded funding under the Maryland Energy Administration's Community Solar LMI PPA Grant and are committed to providing at least 51% of energy produced to either low-income or low-to-moderate-income households. Solar Landscape is ranked the #1 Maryland Commercial Solar Contractor, reflecting our sustained investment in the state's community solar program.¹ We remain committed to helping Maryland meet its renewable energy targets and advance energy equity.

Value of Commercial Rooftop Solar

Commercial and industrial rooftop solar provides unique and irreplaceable value to Maryland's electric grid. These projects interconnect at the distribution level, meaning they avoid the PJM queue, saving years of delays. These projects face no zoning or siting opposition—they are built on existing infrastructure, located where electricity demand already exists. Unlike any other form of generation available to Maryland, these projects can be developed and constructed in 12 to 24 months. Due to this speed, the Brattle Group found that one gigawatt of commercial and industrial rooftop solar over the next 5 years would save Maryland ratepayers \$300 million by reducing reliance on costly out-of-state power purchases, in addition to the guaranteed

¹ Solar Power World, 2025

savings for subscribers. Commercial and industrial rooftop community solar is the most effective tool Maryland has to meet near-term rising demand and deliver immediate ratepayer savings.

The General Assembly explicitly recognized the unique value of commercial and industrial rooftop solar in 2024 through the passage of the Brighter Tomorrow Act and the creation of the Small Solar Generator Incentive Program (SGI). The SGI created a 1.5x SREC multiplier for systems 5 megawatts and smaller that are located on rooftops, parking canopies, brownfields, and other previously disturbed lands, provided they meet specified in-service deadlines.

Net Energy Metering

There are two primary components to how distributed solar systems are compensated: renewable energy credits (RECs) and the rate paid for exported electricity. Under current Maryland law, eligible systems are compensated at a rate comparable to the retail rate, incorporating generation, supply, and distribution components.

HB 1195 would direct the Public Service Commission to establish a new compensation structure through rulemaking once the 3 GW cap is reached. This framework would create two significant potential challenges for the commercial and industrial rooftop solar segment of the market.

First, transitioning to an undefined compensation structure introduces material uncertainty for projects currently in development and for future investment in Maryland's distributed solar market. Commercial and industrial rooftop projects operate on 12- to 24-month development timelines. Financing partners must be able to model compensation over the life of the asset at the time financing is provided. Absent clear and predictable pricing, capital providers are unlikely to finance projects. This needed clarity will not be available until the Public Service Commission establishes the new compensation structure, effectively slowing or halting development during the transition period.

Second, even once clarified, the new compensation structure may be economically unviable for commercial and industrial rooftop projects, thereby halting development entirely. It is important to distinguish between market segments when evaluating net energy metering compensation. Perceived excess returns are typically associated with ground-mounted, greenfield projects that benefit from lower land acquisition costs, lower construction costs, and economies of scale. Commercial and industrial rooftop solar projects operate under materially different conditions. These projects require negotiated rooftop leases typically in higher cost urban areas, involve more complex engineering and construction, and are constrained by structural and physical characteristics of existing buildings. As a result, project margins are narrower and more sensitive to changes in compensation.



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As written, the SUNRISE rate puts approximately 40% of a system's energy value at risk.

If compensation is set by the Public Service Commission at a level that is financially non-viable for commercial and industrial rooftop solar projects, and which does not reflect the higher costs and system benefits of these projects, commercial and industrial rooftop solar projects will no longer be able to be built in Maryland. In recognition of the unique siting, reliability, and ratepayer benefits of commercial and industrial rooftop solar, we respectfully request that these projects be permitted to continue operating under the existing net energy metering framework or an equivalent structure that preserves economic viability.

Conclusion

As Maryland plans for the future of its distributed generation framework, it is critical that policy changes preserve market stability, protect projects already in development, and reflect the distinct economics and grid benefits of different solar market segments. With targeted amendments to ensure pricing clarity and recognize the value of commercial and industrial rooftop projects, HB 1195 can provide a durable path forward without disrupting ongoing investment.

Solar Landscape remains committed to partnering with the General Assembly, the Public Service Commission, and other stakeholders to ensure Maryland continues to lead in community solar deployment while maintaining a stable and investable policy environment. We respectfully urge a favorable with amendments report on HB 1195.