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BILL NO.: House Bill 1476 – Public Service Commission - Net Energy Metering - Successor Program

COMMITTEE: Environment and Transportation

HEARING DATE: March 3, 2026

SPONSOR: The Speaker

POSITION: Favorable

The Office of People's Counsel (OPC) respectfully offers the following comments in support of House Bill 1476, Public Service Commission - Net Energy Metering - Successor Program. HB 1476 would direct the Maryland Public Service Commission (PSC) to develop and implement a successor program to Maryland's existing net energy metering program.

As set out in Public Utilities Article § 7-306, Maryland's existing net energy metering program allows utility customers to offset all or part of their electricity requirements using a renewable energy generating system, including rooftop solar panels. For billed energy, a participating net energy metering customer pays only for energy used, netted against any energy that the customer produces. The program also allows utilities to compensate participating net energy metering customers for any excess energy that the customer produces. Utilities must allow customers to enroll in the net energy metering program until the statewide rated generating capacity owned and operated by all participating customers reached 3,000 megawatts. HB 1476 delegates to the PSC the task of developing and implementing a successor program once the statewide capacity reaches 3,000 megawatts. The successor program must incentivize the development of distributed energy generation, minimize ratepayer costs, and balance relevant program costs against grid benefits.

OPC supports delegating these tasks to the PSC. By reducing individual customers' electricity demand, net energy metering has the potential to accrue benefits to Maryland's electric system. But the rate treatment that net metering customers receive under current law allows them to contribute less to fixed system costs than non-participating ratepayers. HB 1476 would require the PSC to address this potential cross-subsidy from non-participating customers to net metering customers. As the entity that administers the existing net energy metering program and works with relevant stakeholders, the PSC is best situated to explore all options to develop a successor program that ensures (1) participating net energy metering customers are fairly compensated for the excess energy they export to the grid, (2) those customers fairly contribute to the costs of the electric distribution system, and (3) mitigates the rate impacts to non-participating customers. In concert with relevant stakeholders, the PSC could develop a program that also recognizes solar developers' expectations and risks in pursuing community solar projects in Maryland.

OPC shared friendly amendments with the sponsor that provides clarifying language and will work with the sponsor to incorporate such amendments.

Recommendation: OPC requests a favorable Committee report on HB 1476.