



# Continue Community Solar to Expand Solar Energy in Maryland!

HB 908 (Del. Luke Clippinger) and SB 613 (Sen. Benjamin Brooks)



Electricity generated from the sun and wind is integral to Maryland's efforts to combat climate change. To continue to grow our solar capacity and expand access to affordable solar energy for all Marylanders, the General Assembly should make permanent our state's successful "Community Solar" pilot program in the 2023 session.

## DID YOU KNOW?

- Community Solar is employed in at least 20 states to allow households unable to have solar on their own roof to participate in solar energy. The basic concept is simple: relatively small solar projects are built, and households then purchase low-cost electricity from them, expanding solar capacity to benefit the entire community.
- About 75% of Maryland households can't have solar at home: their roof isn't adequate or is shaded, or they rent or live in a condo and don't own the roof. This can especially leave out low- and moderate-income (LMI) households.
- In 2015, the General Assembly established a Community Solar pilot program, which began operation in 2017. The legislation provided for LMI families to be included.
- Over 60 Community Solar projects are already serving more than 10,000 Maryland families, with more than 200 additional projects in development. The program also has created a robust industry and good jobs. However, the number of projects and participating households is limited by the size of the pilot.
- Community Solar is affordable – it generally costs 5-10% less than the rates utilities offer in Standard Offer Service (SOS), with discounts of 20-25% for LMI participants.
- Currently, there is a major obstacle to low-income Marylanders benefiting from Community Solar. Energy assistance can be utilized only for charges included on utility statements, but Community Solar providers must bill separately, unlike other non-utility electricity providers who bill their customers on the customers' utility statements. Also, low-income households who don't have bank accounts or credit cards may pay their utility bills in cash, but Community Solar bills are not able to be paid in cash.

## WHY COMMUNITY SOLAR SHOULD BE MADE PERMANENT THIS YEAR

- Despite the success of the pilot program, Community Solar is in danger in Maryland. As the law is currently written, there soon will be a lengthy pause on new project development because the pilot program will stop accepting project applications after July 2023 even though it will continue in other respects to the end of 2024. This hiatus, and the associated uncertainty if there is no plan to continue Community Solar, could cause much of the industry to leave the state.
- In a July 2021 report to the General Assembly, the Public Service Commission recommended that the hiatus on new Community Solar projects continue indefinitely after 2024 to carry out retrospective evaluations, which would further endanger solar development in Maryland. The report was prepared without substantial input from solar customers or developers, and instead relied almost exclusively on input from the state's large electric utilities.
- Before becoming operational, a Community Solar project requires 2–3 years for site establishment, permitting, permission to connect to the utility grid, construction, and enrollment of customers. That time, added to a long pause in allowing new project proposals, would create at least a 3–5 year gap in Community Solar development.
- Delaying and endangering Community Solar development would seriously impede the state's achievement of its 2030 solar and 2031 greenhouse gas reduction targets (enacted in the 2019 Clean Energy Jobs Act and the 2022 Climate Solutions Now Act). There also is an ongoing significant delay in building utility scale solar projects (larger than Community Solar) caused by a multi-year backlog of grid interconnection requests at PJM, the regional organization that approves larger electricity generation projects.

## WHAT THIS BILL WILL DO

- Makes Community Solar a permanent part of Maryland's electricity sector.
- Removes the pilot's cap on the number of projects; instead, the program size would be governed by the state's net metering capacity cap (recently doubled).
- Requires all Community Solar projects to include at least 40% LMI subscribers.
- Allows Community Solar to be treated the same as other non-utility electricity suppliers whose charges now are included in the bills sent to households by utilities.

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