




**Choptank Electric
Cooperative**

A Touchstone Energy[®]
Cooperative 

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OPPOSE – House Bill 569 - Electricity – Net Energy Metering – Limit

HB 569 - Electricity–Net Energy Metering–Limit doubles the statewide limit for net-energy generation in Maryland from 1,500 megawatts to 3,000 megawatts. Current law requires electric utilities to develop a standard contract or tariff for net energy metering and make it available to eligible customer-generators on a first-come, first-served basis until the rated generating capacity owned and operated by eligible customer-generators in the state reaches the limit. The generating capacity of an eligible customer-generator for net metering may be up to two megawatts. Eligible energy sources are solar, wind, biomass, micro combined heat and power, fuel cell, and certain types of hydroelectric. There is a statewide net metered capacity limit of 1,500 megawatts.

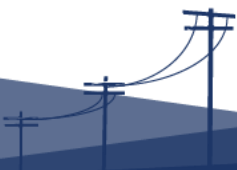
Choptank Electric Cooperative offers a net metering tariff in compliance with current law. There are more than 1,100 Choptank members with net metered accounts. Distribution services to net metered accounts is not fully recoverable. CEC's distribution losses due to net metering are estimated at \$1.6 million per year.

Currently, Maryland net metering generates 800 megawatts, about half (54%) of the current limit. At current installation rates, Maryland will not reach existing capacity limits until 2024 or 2025. This bill doubles the limit now, without any review of the overall net metering program, changes in the industry, the cost to other customers and consideration to the need to rebalance the distribution equation.

Other states, including the Carolinas and Virginia, have renegotiated the net metering formula when they came close to hitting the cap. In Virginia, the net metering payout structure was made more equitable in exchange for raising the cap. Other states have recognized that net metering was designed to be a market maker for solar, and it worked. Any change in the limit should also recognize that electric cooperatives and other utilities pay the full retail value for energy generated by net metering members. It would be more equitable to pay the power supply cost but still collect the distribution charges. That would allow utilities to recover the costs of providing distribution service, which are significant.

Sincerely,

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Members First. Every Day.