



**Before the General Assembly of the State of Maryland
House Economic Matters Committee
February 4, 2021**

**Testimony of David W. Murray
Executive Director
Chesapeake Solar & Storage Association
HB 569 : Electric – Net Energy Metering – Limit
FAVORABLE**

Thank you for the opportunity to provide testimony on HB 569. I serve as Executive Director of the Chesapeake Solar & Storage Association, CHESSA, formerly known as the Maryland-DC-Virginia Solar Energy Industries Association (MDV-SEIA). CHESSA is the local trade association representing over 4,500 solar installers, developers, manufacturers, and other solar workers in Maryland. Our members also provide energy storage solutions to households, businesses, schools, local governments, and utilities throughout the region. CHESSA is a recognized state affiliate of the Solar Energy Industries Association.

CHESSA is supportive of this legislation and is proud to partner with the Coalition for Community Solar Access (CCSA). We applaud Delegate Clippinger for his leadership on this issue of significant importance to the solar industry.

This bill raises Maryland’s net energy metering cap from 1,500 megawatts to 3,000 megawatts – effectively providing greater certainty to the distributed solar energy industry of Maryland.

Net metering allows for energy systems to export electricity to the grid and receive 1:1 retail compensation for the export. For example, residential solar arrays are typically sized to power the equivalent of 100% of the household’s energy needs over the year. This means the household may consume more power than it generates – such as at night – or generate more power than it consumes – such as mid-day, when the sun is shining. At the end of the billing period, the utility credits the customer for the exported power against the power it drew from the grid. On average, only 20-40% of a solar energy system’s output ever goes into the grid, the rest is consumed on-site by refrigerators, HVAC systems, or electronics.

Thirty-eight states and the District of Columbia have mandatory net metering policies. This policy has been cited as critical to distributed solar deployment, and [meta-studies of the policy](#) demonstrate net benefits to all ratepayers. It is worth noting other technologies – such as distributed wind, combined heat and power, biomass and fuel cells – also use net metering. However, over 99% of Maryland’s net metered systems are solar generators.

Net metering underpins virtually all forms of distributed generation, such as solar on rooftops, parking canopies or industrial buildings, and community solar arrays – which are “virtually” net metered. Thus, each project directly serving homeowners, businesses, schools, municipalities,



and industrial customers – as well as the entire community solar program - counts against the current state cap on net metering of 1,500 megawatts.

According to the Maryland Public Service Commission’s latest Net Metering report, there is approximately 850 megawatts of installed net metered capacity. However, with the commercial solar and residential solar industries poised for growth, and approximately 390 MW of new community solar yet to be constructed, it is important the General Assembly consider raising the net metering cap. Many solar projects with longer development cycles – such as large commercial projects or community solar arrays – are concerned that we may soon reach this cap, and place these projects in jeopardy.

Finally, I want to point the Committee to the latest Public Service Commission [report](#) on this issue, entitled “Report on the Status of Net Energy Metering In the State of Maryland.” This 2020 report noted, “The Commission recommends the General Assembly begin to explore expanding the current net metering cap or alternative replacement policies. With three to four years remaining before the State reaches its current net metering cap, it may be prudent to examine best practices from the State’s program along with those offered across the country while there is sufficient time to carry out a thorough review.”

Thank you for your consideration.

Sincerely,

David Murray
Executive Director
Chesapeake Solar & Storage Association (CHESSA, formerly MDV-SEIA)