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Informational – House Bill 584
HB 584 – Public Utilities – Net Energy Metering

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) offer the following information on **House Bill 584 Electricity – Net Energy Metering**. House Bill 584 changes the limit on net energy metering projects from 2 megawatts to 5 megawatts and removes any limitation for multiple net metered facilities located on contiguous lots owned by a local government.

Pepco and Delmarva Power support clean energy policies and the State's goals of reducing greenhouse gas emissions and advancing clean energy technologies, like distributed solar. Maryland's existing net energy metering project size limit is 2 MWs. House Bill 584 would increase that limit to 5 megawatts and effectively remove any limitation for facilities sited on local government-owned contiguous lots.

The project size limitation was imposed in the net metering construct in order to enable as many customers as possible to be able utilize net metering. A project size limit mitigates the impact of a larger facility absorbing a disproportionate amount of net metering availability.

Large project sizes can also impact the ability of other customers to adopt solar and utilize net metering. This can happen on a feeder with limited capacity—in that event, a large project can absorb the entirety of the remaining feeder space, locking that feeder out for use by other facilities. If a feeder is locked out (it has reached its capacity), the next project that comes along is financially responsible for any upgrades required to expand feeder capacity. While this is not a common occurrence in Pepco and Delmarva Power's service territories, it is a circumstance we've seen in Atlantic City Electric in NJ, one of the Pepco Holdings companies.

One way to mitigate large project size impact is to right size systems so that they offset only the peak load of the site on which the project is located. Under current regulations, customers can oversize their systems up to 200% of peak load and still take advantage of Maryland's generous net energy metering provisions. Limiting net energy metering to 100% of peak load at a site would also help to mitigate large projects absorbing feeder availability and ensure more customers can take advantage of net energy metering.

Finally, while net metering may help to encourage solar build out, it is also a policy that shifts costs among customers. That is, customers who can afford to install solar on their homes or have suitable homes for solar installation, receive an additional revenue stream through net energy metering that is paid for by all customers, including low income customers and those customers who rent or otherwise are unable to take advantage of the net energy metering rules in Maryland.

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