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PUBLIC SERVICE COMMISSION

February 16, 2021

Chair Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB0508 – INFORMATION – Public Utilities – Net Energy Metering

Dear Chair Kelley and Committee Members:

I have reviewed Senate Bill 508 and provide the information below for the Committee's consideration. SB 508 increases the eligibility cap from 2 megawatts (MW) to 5 MW for purposes of net metering. The bill also allows for local governments to build solar projects on contiguous lots and remain eligible for net metering even if the total capacity of the adjacent projects exceeds 5 MW.

The Commission requires electric utilities to offer net energy metering for eligible customers and reports to the General Assembly annually on the status of the net metering program. As of June 30, 2020, the level of installed capacity in the state was 846 MW, which is more than halfway towards the statewide cap of 1,500 MW. The Commission estimates that the cap may be reached in 2024 or 2025 if the current rates of installation continue. Of course, allowing larger solar facilities to participate in net metering will result in the statewide cap being reached sooner.

SB 508 would require the Commission to undertake a rulemaking to bring the existing regulations into compliance with the changes proposed in this bill. At a minimum, this will take several months to accomplish. The draft legislation would also require electric utilities to file new tariffs to comply with the proposed changes.

Thank you for your consideration of this information. Please contact the Commission's Director of Legislative Affairs, Lisa Smith, at (410) 336-6288 with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jason M. Stanek'.

Jason M. Stanek
Chairman