



**Before the General Assembly of the State of Maryland
Senate Finance Committee
February 16, 2021**

**Testimony of David W. Murray
Executive Director
Chesapeake Solar & Storage Association
SB 508 : Electric – Net Energy Metering – Limit
INFORMATIONAL**

Thank you for the opportunity to provide testimony on [SB 508](#). 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 a regional trade association representing over 10,000 solar installers, developers, manufacturers, and other solar workers in Maryland, Virginia and the District of Columbia. 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 recommends a favorable vote on SB 508 conditioned upon the passage of SB407 (Kramer) / HB569 (Clippinger). In the event the General Assembly does not pass SB407/HB569, SB 508 would have implications for different segments of the solar industry. Thus the Chesapeake Solar & Storage Association is providing informational testimony to this legislation.

SB 508 makes a significant change to the state's net energy metering policy. Net metering allows for energy systems - like solar arrays - to export excess electricity to the grid and receive retail compensation for the power. This policy is critical to distributed solar deployment, and [meta-studies of the policy](#) demonstrate that net benefits accrue to all ratepayers, in the form of grid and environmental benefits. 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.

The total number of energy projects that can receive full retail net energy metering is capped. In other words, there is a statutory limit on the total capacity of solar projects that will receive full retail compensation for exporting excess energy. The General Assembly may elect to raise this cap - which is currently at 1,500 megawatts - as Senator Kramer and Delegate Clippinger have proposed in SB 407 and HB 469.

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, there is competition within the solar industry to install projects before the limit is reached.

SB 508 expands projects eligible for net metering in two ways. First, it raises the maximum size by which a project can receive full retail compensation for exporting power back to the electricity grid. This would expand opportunities for commercial, industrial and municipal



customers. Second, SB 508 broadens restrictions on co-locating solar projects for county or municipal projects. Thus, public entities could receive power from larger solar energy projects built offsite. These two measures would increase further deployment of solar power, helping the state reach its 14.5% solar carveout goal set in the Maryland Clean Energy Jobs Act.

As this broadens the market for new solar projects, members that develop commercial, industrial, and municipal projects are in strong support of SB 508. In recent years, the state's C&I solar market has been slower compared to states in the northeast, as a result of more competitive electric rates and lower incentives. Thus, expanding the net metering cap would spur project development in a relatively untapped market in Maryland.

On the other hand, firms that develop smaller projects - such as residential rooftop installers - are concerned this policy would enable larger projects to quickly take up the remaining capacity in the state's net metering cap. A five megawatt industrial project takes up the equivalent of 500 Maryland households going solar - approximately the number of installations that take place statewide in a month.

Thank you for your consideration. We hope the General Assembly will pass SB 407 and HB 469, and subsequently give SB 508 a favorable vote.

Sincerely,

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