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OPPOSE – Senate Bill 508
SB 508 – Public Utilities – Net Energy Metering
Finance Committee
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Potomac Edison opposes **Senate Bill 508 – Public Utilities – Net Energy Metering**. Senate Bill 508 would increase the maximum generation capacity of an electric generating system used by an eligible customer-generator for net metering to 5 megawatts; and prohibit the Public Service Commission from prohibiting the construction or operation of multiple net metered solar generating facilities located on contiguous lots that are owned by a local government solely because the capacity of the combined net metering systems exceeds the 5 megawatt limit.

Unfavorable

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 270,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington Counties). FirstEnergy is dedicated to safety, reliability and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York.

FirstEnergy requests an Unfavorable report on SB 508 for the following reasons.

- Increasing the net metering system cap from 2 megawatts to 5 megawatts is especially concerning when coupled with Maryland regulations on virtual meter aggregation and community solar. Since local governments can participate in meter aggregation, this could result in large electric customers offsetting their entire energy usage with offsite utility scale solar facilities. These larger systems could be used to directly offset energy usage from customers located anywhere in our service territory.
- By allowing significantly larger, new, wholesale-scale generators to qualify for net metering, SB 508 would amplify the existing issue of cross subsidizing distribution charges.
 - Net energy metered customers would not be paying all costs associated with their utilization of the distribution infrastructure needed to serve them. This would leave those costs to be subsidized by all other ratepayers.
- SB 508 does not provide the opportunity for utility ownership of solar, community solar, biomass, micro combined heat and power, fuel cell, wind, or closed conduit hydro electric generating facilities.
 - If the goal of the bill is to provide Maryland customers with additional opportunities for solar generation and the like, the utilities should have the opportunity to own solar generation (utility scale or community solar gardens) as it is the most cost-effective way to provide solar to customers.

- SB 508 will likely result in an increased number of accounts in which net energy metering applies. The impacts to Potomac Edison's processes (i.e. billing) would be significant.
 - If the bill results in an increased number of accounts in which net energy metering applies, the utilities should be given the opportunity to recover incurred costs associated with the increase in net energy metering. These costs would need timely recovery.

For the above reasons, Potomac Edison respectfully request an **Unfavorable** vote on Senate Bill 508.