

**BENJAMIN BROOKS**  
*Legislative District 10*  
Baltimore County

CHIEF DEPUTY MAJORITY WHIP

Economic Matters Committee

*Subcommittees*

Chair, Public Utilities

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*The Maryland House of Delegates*

ANNAPOLIS, MARYLAND 21401

*Annapolis Office*  
The Maryland House of Delegates  
6 Bladen Street, Room 151  
Annapolis, Maryland 21401  
410-841-3352 · 301-858-3352  
800-492-7122 Ext. 3352  
Fax 410-841-3132 · 301-858-3132  
Benjamin.Brooks@house.state.md.us

*District Office*  
8419 Liberty Road, Suite B  
Windsor Mill, Maryland 21244-3133  
410-496-4037

**TESTIMONY IN SUPPORT WITH AMENDMENT OF HB1112  
ELECTRICITY – NET ENERGY METERING – GENERATION CREDITS**

Economic Matters Committee  
March 10, 2022

Chair Wilson, Vice-Chair Crosby and Members of the Committee,

Thank you for the opportunity to testify before you on HB1112, Electricity – Net Energy Metering – Generation Credits. The purpose of this bill is to provide uniformity in the application of net-metering credits.

Currently, there is no uniform approach to the application of net-metering credits. One electric company prepares a volumetric credit, and applies that credit against total ratepayer consumption. Other companies convert the metered onsite generation into a monetary credit and subtracts it from the customer's bill. Volumetric credits are an antiquated net-metering concept. They are difficult for customers to understand in application. It is unclear what the value of a kWh is to a customer. On the other hand, converting that volumetric credit to a monetary credit provides customers with more transparency as to how the electric company is calculating their respective amount due. For example, it is more difficult for someone to understand the value of 100 kWh in credits compared to \$10 in credits.

Furthermore, Maryland electric companies apply net metering credits to customer bills differently. This is not problematic for the majority of customers who do not subscribe to budget billing and receive their total amount due on a monthly basis. As a result, most customers realize their net metering credits immediately on their monthly bills as was the natural intent of the program. However, this is not the case for the State's budget billing customers. Customers enrolled in budget billing in some electric company territories see their net energy metering credit applied to the budget billing balance and not the amount due on a monthly basis. This results in the customer paying their full budget billing amount and also their total monthly subscription to the community solar subscriber organization each month. The net result is a double billing for such customers, and they do not receive their project savings until the electric company trues up their budget billing balance, which can be several months later.

When customer-generators install their renewable power generators, there is both an upfront set-up cost and the expectation of immediate savings in the monthly electricity bill. But the current policy of electric companies does not allow these net-energy credits

to be applied to the monthly bill, preventing customers from quickly recouping the cost of implementation and from seeing the savings of generating their own renewable power.

HB1112 attempts to remedy these issues by converting the net energy metering into monetary credits and applying that full monetary credit against the monthly total due on the customer's bill. The Clean Energy Job Acts (CEJA) set a goal of 50% renewable energy by 2030. HB1112 incentivizes, not penalizes ratepayers to use renewable energy sources thus getting Maryland one step closer to our 2030 goal.

While adjusting the billing process may be difficult for electrical companies, we can see how this policy discourages customers from setting up their own renewable power generators. With de-carbonization as a top priority for our energy grid, we must maximize our green energy production wherever possible. HB1112 ensures that customer-generators will realize the immediate savings of going green and hopefully encourage other Maryland residents to do the same.

For these reasons, I am requesting a favorable report.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks