



March 10, 2022

112 West Street
Annapolis, MD 21401

UNFAVORABLE – House Bill 1261

House Bill 1261 Community Solar Energy Generating Systems Pilot Program – Alterations

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose House Bill 1261 Community Solar Energy Generating Systems Pilot Program – Alterations. House Bill 1261 repeals the requirement that a community solar energy generating system be located in the same electric service territory as a community solar subscriber. The bill also requires electric utility companies to update their tariffs and protocols related to the application of bill credits.

Under Maryland’s Community Solar Pilot Program, Community Solar Subscriber Organizations enroll individual customers as “subscribers” to their projects. Subscriber Organizations allocate a percentage of a supplier’s community solar project energy production to each subscriber and the subscribers, in turn, receive community solar bill credits on their utility bills based on their allocated share of power produced. In order to achieve this outcome under the current scope of the Community Solar Pilot Program, the utility needs access to the meter data of the community solar projects energy production. If the solar energy generating project is in a different service territory from the subscriber and their local utility, we, as the utility, are currently unable to determine the subscribers allocated share because the automated electronic data interface (EDI) needed to capture the data from another utility companies metered infrastructure does not exist at this time. If it is the desire of the State to move in this direction, the Public Service Commission would need to establish a working group, with all relevant stakeholders, to determine the details and timelines to achieve this capability.

The intent of community solar has always been to benefit individuals, businesses, nonprofits and other groups within a geographic region and provide a local community with access to solar energy. However, the cost of providing service to customers varies across Maryland. Building community solar in a utility’s service area to service “subscribers” within that utility’s service territory can assist in offsetting generation and transmission and distribution costs on customers’ bills. However, if community solar projects are built outside of the service territory of the customer/subscriber, the energy, generation, capacity, and transmission and distribution costs will be different for the customer/subscriber as compared to customers who are not subscribers in the service territory where the project is built. For example, under this bill, a community solar project that is built in DPL Maryland could have a customer/subscriber that is in Pepco MD. However, the energy, generation, capacity, transmission and distribution charges in DPL and Pepco MD are

different. The Pepco MD customer/subscriber may get a higher value offset than that customer is paying in the Pepco MD service territory. The practical result of House Bill 1261 is a cross subsidization between customers from different utilities that will impact non-customer/subscribers in another service territory.

Pepco and Delmarva Power are committed to powering a cleaner and brighter future for our customers and communities. Our customers have more choices than ever before in receiving reliable, clean, affordable and innovative energy products, and we are committed to driving that progress. As part of our commitment, we support community solar as an opportunity for customers to benefit from solar energy and we look forward to working with the sponsors and stakeholders.

For the above reasons, Pepco and Delmarva Power respectfully request an unfavorable vote on House Bill 1261.

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