

OPPOSE
Economic Matters Committee
3/10/2022

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

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1261 Community Solar Energy Generating Systems Pilot Program - Alterations*. House Bill 1261 would repeal the requirement that a community solar energy generating system (CSEGS) be located in the same electric service territory as a subscriber for the subscriber to receive monthly electric bill credits; and require the Public Service Commission to require an electric company to file a revised tariff and protocol related to the application of bill credits by November 1, 2022 and approve it by January 1, 2023. The requirements of this legislation present a very aggressive schedule to implement a complex change to the current pilot program which would be implemented with less than two years left in the pilot.

If the CSEG is located outside the BGE service territory, the CSEG's generation output would not be settled with PJM for the BGE service territory and therefore the CSEG generation will not provide any monetary value for BGE to pay the CSEG subscribers. The bill would require utilities to develop a protocol to transfer monthly electric bill credits to a community solar subscriber's bill regardless of whether the CSEGS is located in the same electric service territory as the subscriber. In addition, even if possible, SOS energy offset by the subscriber's utility would not be priced identically to that at the location of the generator. Thus, one aspect of the protocol to be developed would have to account for such price differences between service territories – a complex challenge.

More broadly, stakeholders must also have time to determine the efficacy of providing net-metering in one electric company's territory, subsidized by ratepayers in that electric company's territory, while system and environmental benefits of the CSEGS, if any, are gained by a different utility. Keep in mind that today, competitive retail suppliers are able to provide green products where renewable attributes may be sourced from projects that are not in that customer's service territory, but these retail suppliers' customers are not being net-metered and subsidized by ratepayers.

All of this will take substantial time to develop and implement. Instead of this compressed timeframe, a comprehensive review of these issues would be more appropriate for consideration once the CSEGS pilot report is delivered to the General Assembly at the conclusion of the pilot in just over two years.

For the reasons stated above, BGE respectfully requests an unfavorable report on House Bill 1261.