

Committee: Economic Matters
Testimony: Public Utilities – Distributed Generation Certificate of Public Convenience and Necessity (HB 1046)
Position: Favorable
Hearing Date: March 7, 2024

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On behalf of the Chesapeake Climate Action Network Action Fund, we offer our favorable support for HB 1046, also known as the Distributed Generation Certificate of Public Convenience and Necessity (DG-CPCN). This bill addresses a critical issue in Maryland's renewable energy landscape concerning the alignment of the permitting process with the unique needs of community solar projects.

Currently, the Certificate of Public Convenience and Necessity (CPCN) process, while effective for utility-scale and transmission-based projects, presents significant challenges for community solar developments. These projects, often similar in size and design, are burdened by a disproportionate amount of time and cost associated with the adjudicated CPCN process, hindering their timely deployment and undermining the state's renewable energy goals.

HB 1046 proposes a solution to this pressing issue. By introducing the DG-CPCN, tailored specifically for distributed solar energy generating systems, this bill will streamline the permitting process for community solar projects. Under the DG-CPCN framework, developers will be incentivized to leverage an optimized process that aligns with project scale and impact.

To qualify for the DG-CPCN, projects must adhere to standardized siting and design requirements established by the state, informed by stakeholder input and best practices. This ensures optimal project siting and design while expediting the permitting process for developers. Additionally, public agencies involved in CPCN reviews will benefit from more efficient processes, facilitating clean energy deployment across the state.

Additionally, implementing the DG-CPCN will notably ease the financial and logistical burdens faced by community solar developers compared to the traditional CPCN process. This simplified approach will speed up the approval process, enabling developers to use resources more efficiently for project implementation rather than dealing with bureaucratic obstacles.

Consequently, the DG-CPCN will accelerate the growth of solar energy across Maryland, leading to more clean energy generation and reducing the state's dependence on fossil fuels.

These challenges could be tackled by mandating the Public Service Commission (PSC) to establish standardized design requirements and licensing conditions developed over the past decade. For instance, the PSC could adopt set setback distances and landscape screening requirements deemed adequate to address aesthetic concerns for all new projects. This would eliminate the need for case-by-case determination of landscape screening and setback proposals, providing clarity to developers and counties alike. Standardized requirements would benefit various aspects of CPCN review.

In addition to expediting solar deployment, the DG-CPCN plays a crucial role in advancing Maryland's equity goals by ensuring that clean energy is accessible to all residents. By simplifying the permitting process, this legislation creates opportunities for communities across the state to participate in and benefit from solar energy projects. As more residents gain access to clean energy options, disparities in energy access and affordability are reduced, promoting social equity and inclusivity.

Moreover, by providing customers with access to clean energy and electricity savings, the DG-CPCN contributes directly to the state's renewable energy requirements outlined in its climate and energy plans. By accelerating the adoption of solar energy, Maryland moves closer to achieving its renewable energy targets, thereby reducing greenhouse gas emissions and mitigating the impacts of climate change. Additionally, the expansion of clean energy generation promotes environmental sustainability by reducing air and water pollution, protecting natural habitats, and conserving finite resources for future generations.

In summary, HB 1046 represents a vital step forward in advancing Maryland's renewable energy objectives. The implementation of the DG-CPCN not only streamlines the solar permitting process but also fosters social equity, advances renewable energy goals, and promotes environmental stewardship. We urge the Committee to find this legislation favorable, recognizing its potential to streamline the permitting process for community solar projects and accelerate the transition to a clean energy future in our state.

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