

Electricity - Community Energy Generating Facilities – Pilot
SB-0699 and HB-1128
Creating Equitable Opportunities in Maryland’s Renewable Energy Economy

Sponsors: Senator Paul Pinsky and Delegate Dana Stein

Background

Poll after poll show that Americans support renewable energy development. Renewable energy projects create local green jobs, produce reliable electricity when it is most needed, improve energy independence by tapping a homegrown resource, and offer real hope in addressing climate change.

However, most Marylanders are not yet able reap these advantages. As the renewable energy economy surges across the country, it has become apparent that the traditional model of owning a solar array on one’s home does not work for most people. The National Renewable Energy Laboratory (NREL) estimates that fewer than 27% of residential rooftops across the county are suitable to host a solar energy system because of shading, improper roof orientation, or insufficient roof structure. Further, many folks are renters or live in apartments, and so have no roof on which an array can be installed at all.



An emerging breed of ‘community energy generating facility’ (CEGF) models address these issues by enabling groups of citizens to ‘subscribe’ and thereby jointly own renewable energy facilities, producing clean power at sites near but not on the home, and offering a credit on each subscribers’ monthly electric bill. These models are now being developed and implemented in many other states and communities across the United States.

What will the Electricity - Community Energy Generating Facilities - Pilot achieve?

Building on Maryland’s existing renewable energy policies and programs, this Act creates opportunities to benefit from renewable energy for Maryland residents unable to install on-site systems. It ‘levels the playing field’ of renewable energy for large segments of Maryland citizens. Considering that all ratepayers help to support renewable energy programs, the Act recognizes that it is imperative that opportunities exist for everyone to invest and participate in the renewable energy economy.

A CEGF program in Maryland will also create more local jobs, as community renewable projects are designed, constructed, operated and maintained in the coming years.

What are the specifics of the Electricity –Community Energy Generating Facilities - Pilot?

Utilizing best practices from community renewables programs around the country, and from the comments of the PSC staff following the meetings of the PSC CEGF working group during 2012, the Electricity -Community Energy Generating Facilities - Pilot bill includes the following main provisions:

- Allows for-profit, non-profit or third-party entities to build, own and operate CEGF’s.
- Enables community renewable energy arrangements where Subscribers (i.e., utility customers) share the benefits (e.g., electricity production and Renewable Energy Credits) of a community energy system.
- Credits the benefits from a community energy generating facility (CEGF) directly to Subscribers’ monthly utility bills to help offset cost of electricity consumption.
- Allows for CEGF’s to produce Renewable Energy Credits for the benefit of participating Subscribers.
- Limits amounts of electricity generated during the pilot in certain years, and places a cap on CEGF system size.
- Allows for the assessment of administrative fees by electric utility companies.
- Directs PSC to adopt consumer protection regulations.
- Limits the CEGF pilot program duration to three (3) years.
- Directs the PSC to study effectiveness of Community Energy Generating Facilities Pilot, and to report findings.

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