



House Economic Matters Committee / Senate Finance Committee

HB1128 / SB-0699 – Electricity - Community Energy-Generating Facilities - Pilot Program

Position: Support

Date: March 13, 2013

Dear Senator,

We ask for your support of **Senate Bill 699/House Bill 1128**. This legislation provides for a common sense, free enterprise approach to provide more renewable energy for Maryland. We maintain that the opposing arguments of the Utilities are unreasonable. Since this is a pilot, there will be a three year period during which time Community Energy Generating Facilities (CEGF) can be built, subscribed to, and operated and any remaining technical details can be resolved through the evaluation of the various projects and approaches. At the end of this testing period, the Public Service Commission will examine the pilot's successes and failures and make its report and recommendations.

Currently 80% of Marylanders are unable to participate in solar because of siting issues, solar access, rental occupancy, and other restrictions. These limitations will go away with CEGFs making solar energy and other renewables available to many more Maryland residents for the first time. Building these community energy facilities will also provide new opportunities for the growing Maryland renewable energy industry which will mean more local jobs that cannot be moved out of state.

The PSC staff stated in its report following a series of working group meeting this past summer that there were no logistical impediments to enacting this legislation. The Office of People's Counsel supports these bills with some minor amendments. We agree with these proposed changes.

Maryland will be following Washington, Colorado, Massachusetts, Vermont, and other states which already have community solar legislation and many installed Community Energy projects.

SB-0699 /HB-1128 includes the following 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 each year, and places a cap on CEGF system size.
- Allows for the assessment of administrative fees by electric utility companies.
- Directs the Public Service Commission (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.
- Will broaden access to Maryland's renewable energy economy to those currently unable to benefit from clean energy.
- Will ensure that all electricity ratepayers have the opportunity to consider an investment in renewable energy.
- Will help Maryland create new jobs and support local renewable businesses.
- Help the state reach its 2022 Renewable Portfolio Standard goals.
- Reduce our dependence on fossil fuels and the production of greenhouses gases.