

March 15, 2021

Mr. Andrew Johnston  
Executive Secretary  
Maryland Public Service Commission  
6 St. Paul Street, 16<sup>th</sup> floor  
Baltimore, Maryland 21202

RE: RM56 to COMAR 20.62 – Community Solar Energy Generation Systems (CSEGS)  
*Opposition to Joint Petitioners’ request for additional capacity without certain reforms<sup>1</sup>*  
*Request for the Commission to address certain issues in a report required by a 2015 law, and*  
*Request for Commission action to require the collection of certain data and information*

The Advocates for Herring Bay (AHB)<sup>2</sup> are participating in RM56 because of our interest in policies that will optimize the ecological and social benefits to our communities of efforts to decarbonize the grid.<sup>3</sup> Our focus in this proceeding is the Public Service Commission’s (“the Commission”) unique role in providing financial incentives for solar projects, particularly the terms and conditions for receiving net metering benefits. In our view, the CSEGS program will be most effective and equitable if the Commission promotes a diverse portfolio of solar resources and deploys incentives where needed most.

The Joint Petitioners requested an increase in the net metering capacity allocated to the CSEGS program. On January 29, 2021, AHB asked the Commission to postpone action on the request. We believe that any increase should be considered only if the Commission also adopts terms and conditions that will strengthen protections for the state’s ecological assets and increase the diversity of siting and job opportunities. Further, we believe the public interest will be better served if the subsidy associated with net metering rates is targeted to projects that require that income to be economically viable. Our January filing also included data and background information documenting those concerns and offered illustrative regulatory language for addressing them.<sup>4</sup>

Our proposals are not included on the list of items for consideration at the Commission’s March 22-23 hearing because of a lack of consensus within the Net Metering Working Group. Without essential reforms, AHB opposes increasing the amount of CSEGS capacity. We also urge the Commission to proactively adopt measures that will enhance its oversight of the program and better protect the public interest, as summarized below.

### **A. Request for Reforms Addressing Environmental, Equity, and Economic Issues**

As we reported in January, our review of CSEGS activities through 2020 revealed some practices that are inconsistent with the public’s interest in having an equitable as well as environmentally sound and economically efficient program. To forge a more sustainable program, we urge the Commission to use its authority over net metering calculations and capacity allocations to achieve three goals:

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<sup>1</sup> See CCSA, MDV-SEIA, LMI Advocates, Petition for Additional Changes to the CSEGS Pilot Program, November 20, 2020, Log Number 155.

<sup>2</sup> The Advocates for Herring Bay, Inc. is a community-based environmental group in Anne Arundel County.

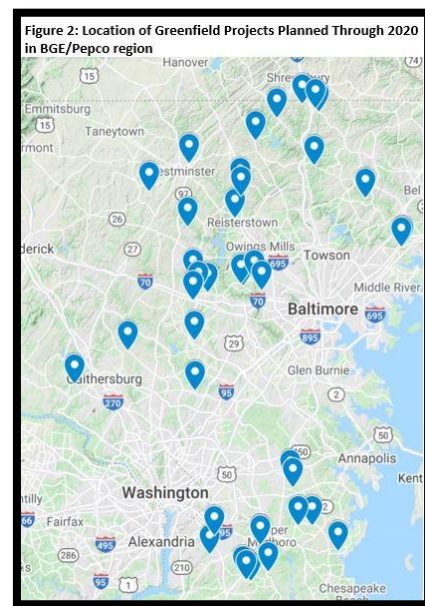
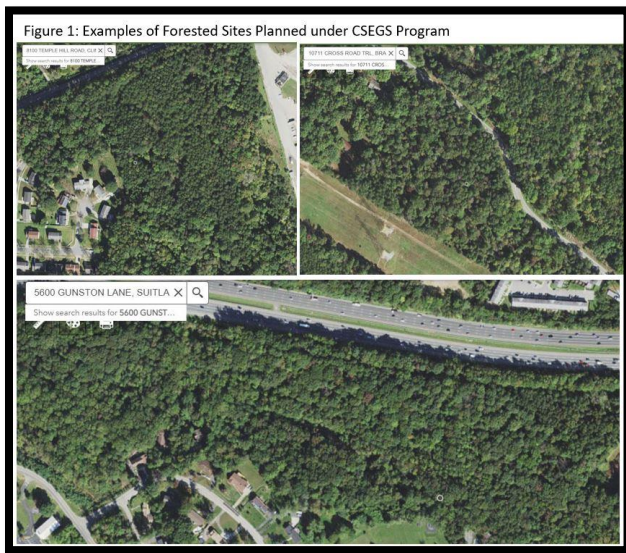
<sup>3</sup> For examples of AHB’s prior work on solar issues, see: [Planning for Anne Arundel's Solar Future](#), February, 2018; [Best Practices for Managing Solar Development](#), April 2018; [Testimony on Final Solar Ordinance](#), October 2018, [Information for AA County Transition Team](#), January, 2019, and [Testimony on SB 926, Climate Solutions Act](#), February 2020.

<sup>4</sup> See Advocates for Herring Bay, Reply Comments- RM56, Log number 185, January 29, 2021.

**1. Avoid the loss of ecosystem services value:** Net metering traditionally has been used to spur investments in rooftop and other types of “distributed” systems that generate electricity without harming forests or other natural resources. By contrast, the CSEGS program awards net metering benefits to projects on a first come, first served basis, without regard to their absolute or relative environmental impacts. That agnostic approach implicitly condones the use of forested and other lands with high natural resource value (see examples in Figure 1), resulting in the loss of ecosystem services and thus a lower net value to ratepayers than traditional net metering projects.<sup>5</sup> *AHB suggests that the Commission use either pricing or ranking methods to discourage the use of sites with high ecosystem services values, as done in Massachusetts and New Jersey, respectively.*

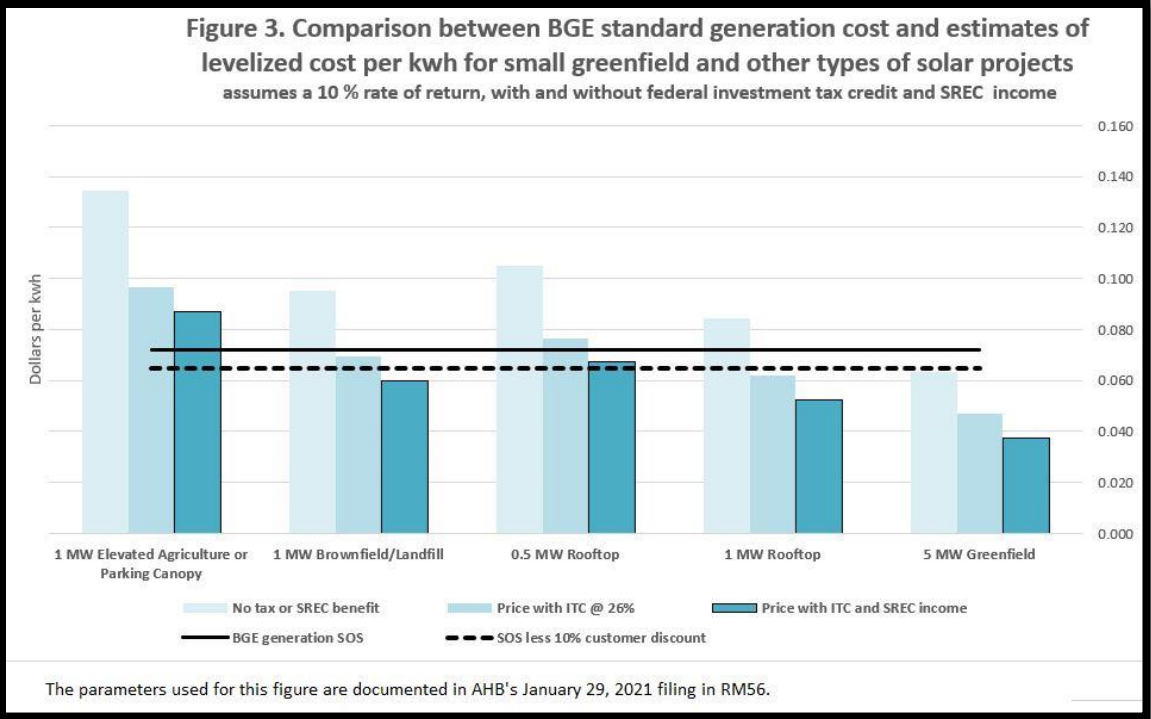
**2. Promote equity by increasing the diversity of project types and job locations:** Rules allocating only 30 percent of CSEGS capacity for rooftop, brownfield, and similar projects discourage geographic diversity. Over 70 percent of the capacity planned through 2020 in the BGE/Pepco area will be built on farms and forests that are located far from major employment centers (see Figure 2). Technology advances have driven down the cost of commercial rooftop and other systems by over 25 percent since the pilot program began in 2016,<sup>6</sup> increasing the feasibility of building CSEGS projects in more densely developed areas and thus making it possible to bring jobs closer to workers, better match solar supplies with local electricity demand, and spread impacts more evenly across jurisdictions. *AHB suggests gradually increasing the share of capacity allocated to the “Small, Brownfield, Other” category from 30 percent to 45 percent by 2024 and reducing share of the “Open” category correspondingly.*

**3. Target net metering benefits to the need for a subsidy.** All CSEGS projects currently receive the same net metering rate regardless of what it costs them to develop projects and generate electricity. This practice results in disparities in the profits received for different types of CSEGS projects, as shown in Figure 3. If allowed to continue, those disparities could deter investment in beneficial but less lucrative solar projects, and increase the risk that Maryland residents will pay more than necessary for a given quantity of solar capacity. *AHB suggests using a competitive bidding process to return any unneeded subsidy to non-subscribing ratepayers.*



<sup>5</sup> Examples of ecosystem services include reducing air and water pollution, providing wildlife habitat, and naturally sequestering carbon.

<sup>6</sup> See National Renewable Energy Lab, Annual Technology Baseline—2020, <https://atb.nrel.gov/>.



**B. Request to Include Issues in Statutorily Required Report on the Pilot Program**

AHB believes it is in the public interest for the Commission’s regulatory policies to reflect the equity, environmental, and economic considerations discussed herein. Thus, we respectfully request that these issues be included in the analysis of the CSEGS pilot program required by section 2(a) of Chapter 347 of the 2015 Laws of Maryland.

**C. Request for Commission Action to Obtain Data on CSEGS Sites**

In our view, one impediment to the Commission’s oversight of this program is the lack of data about the land-use characteristics of CSEGS projects. Requiring project sponsors to submit a report on the geographic and natural features of their sites would help the Commission assess the public costs and benefits of the pilot program, as required by the 2015 law. Having consistent and transparent data is especially important for a program that receives ratepayer support through net metering.

As shown in Figure 4, we recommend that either the Commission or utilities collect data from project sponsors on how much of the acreage within the project fence is on different types of surfaces (such as rooftops, brownfields, forests, farmlands, wetlands, etc.) and whether some or all of that acreage is located in certain priority areas identified by the Department of Natural Resources in its *Greenprint* GIS (such as Targeted Ecological Areas, Forests Important for Water Quality, Rural Legacy Areas, and Resource Conservation Areas in the Critical Area). This reporting requirement should not be burdensome because all of the necessary data are readily available from state sources.

**Summary**

The Advocates for Herring Bay support expanding solar capacity to meet Maryland’s clean energy goals, but we believe those ambitious goals can be met only if public resources are deployed in the most effective and equitable manner possible. On balance, we believe it is in the public interest for the

Commission to deny the Joint Petitioners' request to expand the capacity receiving net metering benefits because their proposal fails to include reforms that address the policy concerns raised in this letter. In addition, we urge the Commission to require project sponsors to provide reports on the characteristics of their sites and to address the program's environmental, equity, and economic impacts in your statutorily required report on the CSEGS program. Thank you for considering our views.

Stephen Marley  
Policy Coordinator  
Advocates for Herring Bay

### **Figure 4: Illustrative Data Collection Requirement**

Require project sponsors to submit the following information to the Commission, either directly or through the utility:

Information on the location of a project, including but not limited to:

- (i) The name and address of the subscriber organization responsible for the project;
- (ii) The physical address of the project or longitude and latitude if not available (optional);
- (iii) City or county;
- (iv) Zoning district;
- (v) Parcel size;
- (vi) Acreage inside the project fence line.

For the acreage inside the fence line, statistics on the land use of the acreage prior to the development of the project, showing the amount of the acreage that was:

- (i) an impervious surface, including but not limited to rooftops, pavement, or roadways;
- (ii) brownfield as defined in 20.62.01.02(B);
- (iii) forests or woodlands;
- (iv) farmland;
- (v) wetlands;
- (vi) utility or public rights-of-way;
- (vii) other open space or vegetated land;
- (viii) other (specify).

Statistics on whether and how much of the acreage inside the fence line is located on acreage that, prior to the development of the project, was identified by the Maryland Department of Natural Resource's *Greenprint* GIS (<https://geodata.md.gov/greenprint/>) as:

- (i) Targeted Ecological Area;
- (ii) Forests Important for Water Quality;
- (iii) Rural Legacy Area;
- (iv) Resource Conservation Areas in the Critical Area; or
- (v) Other areas identified by the Commission.