

Maryland RPS MDVSEIA 2017

Proposed Legislation

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2017 Maryland Legislation

MDVSEIA's 2016 Stakeholder Efforts



Throughout 2016 MDVSEIA has undertaken two parallel efforts to engage stakeholders in developing 2017 legislation that addresses the supply/demand imbalance in the Maryland SREC market:

1. A working group of MDVSEIA members was established and participated in several calls and in-person meetings to discuss alternative legislative fixes.
2. MDVSEIA staff met with a number of government stakeholders including House and Senate leadership, the Governor's staff, RPS bill patrons, MEA, MDE, and DLS.

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Legislative Constraints



Input from government stakeholders indicates that proposed legislation should be crafted to respect the following limitations:

1. There should be no fiscal impact on the State’s budget, and no cost impact to electricity customers.
1. There should be at most a minimal impact on the broader Tier 1 market.

These two limitations, taken together, make it impossible to restore balance to the SREC market solely on the “demand side” by increasing the solar carve out.

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“Supply-side” Options Discussed and Analyzed



A number “supply side” options were discussed and analysed within the working group including:

- SREC factors
- Aggregate supply caps
- Project size caps
- SREC sub-tiers
- A new carve-out for distributed generation

Supply-side options were evaluated against their abilities to effectively achieve supply/demand balance, preserve and expand solar jobs in the State, and allow all sectors of the solar market to grow.

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Key Components of Proposed Legislation



After reviewing the input of the working group and stakeholders, the MDVSEIA Board settled on the following key features for the Association's proposed legislation:

- Increase the solar carve-out to 4% by 2022 (a 60% increase over the current 2.5% target).
- Reduce ACPs such that costs to electricity customers with the higher carve-out percentage are no higher than they would be under the 2016 RPS bill. This also addresses the State's fiscal impacts.
- Introduce a project size cap to reduce the amount of new capacity eligible for the solar carve out. Projects above the size cap would still be eligible for Tier 1.

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Future Issues to be Addressed



While the basic features of MDVSEIA's legislative proposal have been determined, details will evolve prior to and during the 2017 legislative session.

- The precise level of the project cap is yet to be set.
- Legislation may be introduced by other parties on solar siting that may effect MDVSEIA's legislation.
- Additional options for improving solar economics in the State may be addressed including opening the MEA \$1,000 grant program to third-party owned systems and focusing on lowering permitting and other soft costs.