

HOUSE BILL 258

C5, M5

4lr1429

By: **Delegate Qi**

Introduced and read first time: January 12, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy – Customer–Sited Solar Program**

3 FOR the purpose of establishing the Customer–Sited Solar Program within the Maryland
4 Energy Administration for the purpose of providing grants to certain eligible
5 customer–generators for certain solar energy generating systems; authorizing a
6 third party to apply for a grant on behalf of an eligible customer–generator under
7 certain circumstances; requiring the Administration to publish certain mapping
8 tools; providing for the funding of Program grants from certain compliance fee and
9 allowance proceeds in the Strategic Energy Investment Fund; and generally relating
10 to the Customer–Sited Solar Program.

11 BY adding to
12 Article – State Government
13 Section 9–2016 and 9–20B–05(f)(13), (g–1), and (g–2)
14 Annotated Code of Maryland
15 (2021 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Government
18 Section 9–20B–05(f)(12) and (13) and (i)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, without amendments,
22 Article – State Government
23 Section 9–20B–05(g)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2023 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
27 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – State Government

9–2016.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “ELIGIBLE CUSTOMER–GENERATOR” HAS THE MEANING STATED IN § 7–306 OF THE PUBLIC UTILITIES ARTICLE.

(3) “LOW TO MODERATE INCOME” MEANS A HOUSEHOLD WITH AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 80% OF THE AVERAGE MEDIAN INCOME FOR THE STATE.

(4) “LOW– TO MODERATE–INCOME COMMUNITY” MEANS ANY CENSUS TRACT IN WHICH, ACCORDING TO THE MOST RECENT U.S. CENSUS BUREAU SURVEY, THE AVERAGE MEDIAN INCOME IS AT OR BELOW 80% OF THE AVERAGE MEDIAN INCOME FOR THE STATE.

(5) “OVERBURDENED COMMUNITY” HAS THE MEANING STATED IN § 1–701 OF THE ENVIRONMENT ARTICLE.

(6) “PROGRAM” MEANS THE CUSTOMER–SITED SOLAR PROGRAM ESTABLISHED IN THIS SECTION.

(7) “UNDERSERVED COMMUNITY” HAS THE MEANING STATED IN § 1–701 OF THE ENVIRONMENT ARTICLE.

(B) THERE IS A CUSTOMER–SITED SOLAR PROGRAM IN THE ADMINISTRATION.

(C) THE PURPOSE OF THE PROGRAM IS TO:

(1) INCREASE DEPLOYMENT OF CUSTOMER–SITED SOLAR ENERGY GENERATING SYSTEMS; AND

(2) PROVIDE GRANTS TO ELIGIBLE CUSTOMER–GENERATORS THAT HAVE INSTALLED SOLAR ENERGY GENERATING SYSTEMS WITH OR WITHOUT ENERGY STORAGE.

(D) THE ADMINISTRATION SHALL:

1 **(1) ON OR BEFORE NOVEMBER 1, 2024, ESTABLISH APPLICATION AND**
2 **INCOME VERIFICATION PROCEDURES FOR THE PROGRAM; AND**

3 **(2) AWARD GRANTS FROM THE PROGRAM.**

4 **(E) THE PROGRAM MAY PROVIDE GRANTS TO ELIGIBLE**
5 **CUSTOMER-GENERATORS AS FOLLOWS:**

6 **(1) AN INCOME-VERIFIED ELIGIBLE CUSTOMER-GENERATOR WITH A**
7 **LOW TO MODERATE INCOME IS ELIGIBLE FOR A GRANT EQUAL TO \$750 PER**
8 **KILOWATT OF NAMEPLATE CAPACITY FOR A SOLAR ENERGY GENERATING SYSTEM,**
9 **UP TO A MAXIMUM OF \$7,500 PER SYSTEM;**

10 **(2) A NON-INCOME-VERIFIED ELIGIBLE CUSTOMER-GENERATOR**
11 **LOCATED IN A LOW- TO MODERATE-INCOME COMMUNITY, AN OVERBURDENED**
12 **COMMUNITY, OR AN UNDERSERVED COMMUNITY IS ELIGIBLE FOR A GRANT EQUAL**
13 **TO \$500 PER KILOWATT OF NAMEPLATE CAPACITY FOR A SOLAR ENERGY**
14 **GENERATING SYSTEM, UP TO A MAXIMUM OF \$5,000 PER SYSTEM; AND**

15 **(3) A NON-INCOME-VERIFIED ELIGIBLE CUSTOMER-GENERATOR**
16 **LOCATED OUTSIDE A LOW- TO MODERATE-INCOME COMMUNITY, AN**
17 **OVERBURDENED COMMUNITY, OR AN UNDERSERVED COMMUNITY IS ELIGIBLE FOR**
18 **A GRANT EQUAL TO \$400 PER KILOWATT OF NAMEPLATE CAPACITY FOR A SOLAR**
19 **ENERGY GENERATING SYSTEM, UP TO A MAXIMUM OF \$4,000 PER SYSTEM.**

20 **(F) GRANTS SHALL BE FUNDED AS FOLLOWS:**

21 **(1) A GRANT AWARDED UNDER SUBSECTION (E)(1) OR (2) OF THIS**
22 **SECTION SHALL BE FUNDED FROM FEES COLLECTED UNDER § 7-705(B)(2)(I)2 OF**
23 **THE PUBLIC UTILITIES ARTICLE; AND**

24 **(2) A GRANT AWARDED UNDER SUBSECTION (E)(3) OF THIS SECTION**
25 **SHALL BE FUNDED FROM ALLOWANCES COLLECTED UNDER § 9-20B-05(G)(3) OF**
26 **THIS TITLE AND CREDITED IN ACCORDANCE WITH § 9-20B-05(G-1) OF THIS TITLE.**

27 **(G) THE ADMINISTRATION SHALL USE THE INCOME VERIFICATION**
28 **PROCESSES UNDER § 7-306.2(F)(1)(IV) OF THE PUBLIC UTILITIES ARTICLE TO**
29 **VERIFY INCOME FOR AN ELIGIBLE CUSTOMER-GENERATOR WITH A LOW TO**
30 **MODERATE INCOME.**

31 **(H) A THIRD PARTY MAY:**

(1) APPLY FOR A GRANT ON BEHALF OF AN ELIGIBLE CUSTOMER-GENERATOR WITH PROOF OF CONSENT FROM THE ELIGIBLE CUSTOMER-GENERATOR; AND

(2) BE ASSIGNED A GRANT BY THE ELIGIBLE CUSTOMER-GENERATOR TO ACT ON BEHALF OF THE ELIGIBLE CUSTOMER-GENERATOR.

(I) (1) FUNDING USED FOR GRANTS UNDER THIS SECTION SHALL BE MONITORED THROUGH AN APPLICATION PROCESS MAINTAINED BY THE ADMINISTRATION AND VISIBLE ON THE ADMINISTRATION'S WEBSITE.

(2) DATA ON THE ADMINISTRATION'S WEBSITE SHALL:

(I) INCLUDE THE AMOUNT OF FUNDING AVAILABLE, RESERVED, AND SPENT FOR THE FISCAL YEAR; AND

(II) BE UPDATED WEEKLY.

(J) THE ADMINISTRATION SHALL PUBLISH MAPPING TOOLS TO ALLOW AN ELIGIBLE CUSTOMER-GENERATOR TO DETERMINE WHETHER THE ELIGIBLE CUSTOMER IS LOCATED WITHIN A LOW- TO MODERATE-INCOME COMMUNITY, AN OVERBURDENED COMMUNITY, OR AN UNDERSERVED COMMUNITY.

(K) (1) BEGINNING IN FISCAL YEAR 2028, THE ADMINISTRATION MAY ADJUST THE GRANT AMOUNTS AVAILABLE UNDER THE PROGRAM TO REFLECT MARKET CONDITIONS AND THE PREVAILING PRICES OF SOLAR ENERGY GENERATING SYSTEMS.

(2) IN MAKING AN ADJUSTMENT TO A GRANT AMOUNT UNDER THIS SECTION, THE ADMINISTRATION SHALL:

(I) ENSURE CONTINUED GROWTH AND DEPLOYMENT OF THE CUSTOMER-SITED INDUSTRY AND MINIMIZE MARKET DISRUPTION; AND

(II) CONSIDER COMPARABLE PROGRAMS AND INCENTIVES IN OTHER STATES.

9-20B-05.

(f) The Administration shall use the Fund:

(12) to provide at least \$500,000 each year to the Resiliency Hub Grant Program Fund under § 9-2011 of this title; [and]

(13) TO PROVIDE GRANTS THROUGH THE CUSTOMER-SITED SOLAR PROGRAM UNDER § 9-2016 OF THIS TITLE; AND

[(13)] (14) to pay the expenses of the Program.

(g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article shall be allocated as follows:

(1) at least 50% shall be credited to an energy assistance account to be used for the Electric Universal Service Program and other electricity assistance programs in the Department of Human Services;

(2) at least 20% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for:

(i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and

(ii) the moderate-income residential sector;

(3) at least 20% shall be credited to a renewable and clean energy programs account for:

(i) renewable and clean energy programs and initiatives;

(ii) energy-related public education and outreach; and

(iii) climate change and resiliency programs; and

(4) up to 10%, but not more than \$7,500,000, shall be credited to an administrative expense account for costs related to the administration of the Fund, including the review of electric company plans for achieving electricity savings and demand reductions that the electric companies are required under law to submit to the Administration.

(G-1) (1) BEGINNING IN FISCAL YEAR 2025, OF THE AMOUNT IN THE RENEWABLE AND CLEAN ENERGY PROGRAMS ACCOUNT UNDER SUBSECTION (G)(3) OF THIS SECTION, AT LEAST ONE-HALF SHALL BE CREDITED TO THE CUSTOMER-SITED SOLAR PROGRAM FOR ELIGIBLE CUSTOMER-GENERATORS THAT ARE NOT ELIGIBLE FOR INCENTIVES UNDER SUBSECTION (G)(3)(I) OF THIS SECTION.

(2) PROCEEDS THAT ARE ALLOCATED FOR CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION AND REMAIN UNUSED IN A GIVEN FISCAL YEAR SHALL BE CARRIED FORWARD AS FOLLOWS:

(I) PROCEEDS ALLOCATED BUT UNUSED FROM A PREVIOUS YEAR SHALL BE USED BEFORE PROCEEDS ALLOCATED FOR THE CURRENT FISCAL YEAR; AND

(II) THE ADMINISTRATION SHALL REALLOCATE WITHIN THE RENEWABLE AND CLEAN ENERGY PROGRAMS ACCOUNT ANY PROCEEDS THAT REMAIN ALLOCATED BUT UNUSED FOR 3 FISCAL YEARS AFTER COLLECTION.

(G-2) (1) PROCEEDS RECEIVED BY THE FUND FROM COMPLIANCE FEES UNDER § 7-705(B)(2)(I)2 OF THE PUBLIC UTILITIES ARTICLE SHALL BE ALLOCATED AS FOLLOWS:

(I) BEGINNING IN FISCAL YEAR 2025, AT LEAST 60% OF THE PROCEEDS SHALL SUPPORT THE INSTALLATION OF NEW SOLAR ENERGY GENERATING SYSTEMS UNDER THE CUSTOMER-SITED SOLAR PROGRAM;

(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IN THE ADMINISTRATION'S DISCRETION, A CERTAIN PERCENTAGE OF PROCEEDS SHALL PROVIDE TO HOUSEHOLDS WITH LOW TO MODERATE INCOME, AS DEFINED IN § 9-2016 OF THIS TITLE, GRANTS TO REPAIR, IMPROVE, OR MODERNIZE THE HOUSE FOR THE INSTALLATION OF A SOLAR ENERGY GENERATING SYSTEM;

(III) PROCEEDS COLLECTED BUT UNUSED FROM A PREVIOUS YEAR SHALL BE USED BEFORE PROCEEDS ALLOCATED FOR THE CURRENT YEAR; AND

(IV) THE ADMINISTRATION SHALL REALLOCATE TO OTHER AUTHORIZED USES ANY PROCEEDS THAT ARE NOT USED WITHIN 3 FISCAL YEARS AFTER COLLECTION.

(2) A GRANT UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE DISTRIBUTED AS FOLLOWS:

(I) A GRANT FOR A ROOF REPLACEMENT OR A STRUCTURAL ROOF REPAIR SHALL BE AT LEAST \$2 PER SQUARE FOOT BUT MAY NOT EXCEED \$5,000 IN TOTAL; AND

(II) A GRANT FOR AN ELECTRICAL PANEL UPGRADE MAY NOT EXCEED \$1,500 AND MAY BE APPLIED FOR BEFORE A SOLAR ENERGY GENERATING SYSTEM IS INSTALLED.

1 **(3) (I) AN APPLICANT FOR A GRANT UNDER THIS SUBSECTION**
2 **SHALL INCLUDE IN THE APPLICATION AN EXECUTED CONTRACT TO PURCHASE OR**
3 **LEASE A SOLAR ENERGY GENERATING SYSTEM OR AN EXECUTED POWER PURCHASE**
4 **AGREEMENT FOR THE SYSTEM.**

5 **(II) THE SOLAR ENERGY GENERATING SYSTEM SHALL BE**
6 **INSTALLED WITHIN 180 DAYS AFTER A GRANT UNDER THIS SUBSECTION IS**
7 **DISTRIBUTED.**

8 (i) (1) Except as provided in paragraph (2) of this subsection, compliance fees
9 paid under § 7–705(b) of the Public Utilities Article may be used only to make loans and
10 grants to support the creation of new Tier 1 renewable energy sources in the State that are
11 owned by or directly benefit:

12 (i) low– to moderate–income communities located in a census tract
13 with an average median income at or below 80% of the average median income for the State;
14 or

15 (ii) overburdened or underserved communities, as defined in § 1–701
16 of the Environment Article.

17 (2) Compliance fees paid under § 7–705(b)(2)(i)2 of the Public Utilities
18 Article shall be accounted for separately within the Fund and may be used only to make
19 loans and grants to support the creation of new solar energy sources in the State that are
20 owned by or directly benefit:

21 (i) low– to moderate–income communities located in a census tract
22 with an average median income at or below 80% of the average median income for the State;
23 [or]

24 (ii) overburdened or underserved communities, as defined in § 1–701
25 of the Environment Article; **OR**

26 **(III) HOUSEHOLDS WITH LOW TO MODERATE INCOME, AS**
27 **DEFINED IN § 9–2016 OF THIS TITLE.**

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
29 1, 2024.