**Tax Incentives**

1. Creation of a personal property tax exemption for non-residential rooftop and parking canopy solar installations..
2. Permissive grant of authority for local jurisdictions to offer assessment abatements for real property that is host to a solar parking canopy.
3. Change from the current taxing structure of real property and personal property taxes to a P.I.L.O.T. for ground-mounted solar installations.
4. The State should extend the sunset provision for the property tax exemption for certain community solar installations

**Interconnection**

1. Utilities should eliminate the use of aggregate circuit capacity limits, and replace them with a hosting-capacity based screening methodology.

**Permitting**

1. For residential permitting - require all local jurisdiction permitting authorities to adopt an online standardized permit process including, but not limited to, Solar App+

**Interconnection**

1. Interconnection fee structure - Support moving from a causer-pays model to a fee model where costs are distributed among those who benefit from the grid upgrades.
2. Increase net metering cap from 2MW-AC to 5MW-AC.
3. Encourage the Public Service Commission to allow meter collar adapters
4. Raise existing net metering capacity cap of 3000 MW
5. Interconnection application for Community Solar projects - remove requirement to include Subscriber Organization info at time of interconnection application. Allow this to be selected/added later.

**MBE**

1. The State should conduct a Disparity Study Analysis of a) the availability of businesses and non-profit organizations owned by minorities and women in the solar industry and b) the utilization of these entities as contractors and subcontractors in the Maryland solar marketplace.

**Workforce**

1. Require the State to adopt into code the federal prevailing wage charges as put forth in the IRA.

*AMENDMENT to (13) - Require the state to adopt a prevailing wage policy that copies provisions from the IRA. To receive increased credit and deduction amounts under the IRA, workers must be paid the local prevailing wage, defined in accordance with Department of Labor standards, for work on facility construction, as well as for alterations and repairs in a five-to-twelve-year period, depending on the credit, after a facility is placed in service. The IRA also establishes punishments and penalties for non-compliance.*

*Here is the language from the IRA to use as a model (H.R. 5376, Subtitle D, Part 1, provision f):*

*(f) Wage…Requirements.--Section 45(b) is amended by adding at the end the following new paragraphs:*

*``(6) Increased credit amount for qualified facilities.--*

*``(A) In general.--In the case of any qualified facility which satisfies the requirements of subparagraph (B), the amount of the credit determined under subsection (a) (determined after the application of paragraphs (1) through (5) and without regard to this paragraph) shall be equal to such amount multiplied by 5.*

*``(B) Qualified facility requirements.--A qualified facility meets the requirements of this subparagraph if it is one of the following:*

*``(i) A facility with a maximum net output of less than 1 megawatt (as measured in alternating current).*

*``(ii) A facility the construction of which begins prior to the date that is 60 days after the Secretary publishes guidance with respect to the requirements of paragraphs (7)(A) and (8).*

*``(iii) A facility which satisfies the requirements of paragraphs (7)(A) and (8).*

*``(7) Prevailing wage requirements.--*

*``(A) In general.--The requirements described in this subparagraph with respect to any qualified facility are that the taxpayer shall ensure that any laborers and mechanics employed by the taxpayer or any contractor or subcontractor in–*

*``(i) the construction of such facility, and*

*``(ii) with respect to any taxable year, for any portion of such taxable year which is within the period described in subsection (a)(2)(A)(ii), the alteration or repair of such facility, shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such facility is located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.*

1. Require Community Benefits Plan for projects over 1 MW (but give flexibility in the terms of the plan; could employ a PLA agreement or a Community Workforce Agreement or establish other mechanisms for delivering local workforce benefits)

*AMENDMENT to (14) - Require the state to adopt an apprenticeship policy that copies provisions from the IRA. To receive increased credit and deduction amounts under the IRA, a sufficient proportion of workers from registered apprenticeship programs must be hired, including hiring these qualified apprentices for at least 10% of the labor hours spent on facility construction, alteration, or repair work (rising to 12.5% for facilities where construction begins in 2023 and 15% in 2024 and later years). The IRA also establishes punishments and penalties for non-compliance.*

*Here is the language from the IRA to use as a model (H.R. 5376, Subtitle D, Part 1, provision f):*

*(f) …Apprenticeship Requirements.--Section 45(b) is amended by adding at the end the following new paragraphs:*

*``(8) Apprenticeship requirements.--The requirements described in this paragraph with respect to the construction of any qualified facility are as follows:*

*``(A) Labor hours.--*

*``(i) Percentage of total labor hours.-- Taxpayers shall ensure that, with respect to the construction of any qualified facility, not less than the applicable percentage of the total labor hours of the construction, alteration, or repair work (including such work performed by any contractor or subcontractor)*

**Procedural**

1. Encourage DLS to specifically include in Fiscal Notes the ratepayer impacts (i.e. the changes in cost of utility service for various rate classes) for new or revised energy incentives (e.g. alterations to the alternative compliance payment structure, net energy metering, RPS, etc.)

**Studying RPS/ACP**

1. Require a Study to inform long term RPS Reform.
   1. OPTION A - Require a Study to inform RPS Reform. The General Assembly should extend the mandate of the Solar Task Force, with MEA as the Chair.

*AMENDMENT Option 1 to (16)(a)- Require a Study to inform RPS Reform. The General Assembly should task MEA as the Chair, along with other applicable stakeholders, to conduct a study on comprehensive RPS Reform options, with a report to be filed by a specific date with options & recommendations.*

*AMENDMENT Option 2 to (16)(a) - Require a Study to inform RPS Reform. The General Assembly should task MEA as the Chair, along with other applicable stakeholders, with a report to be filed by a specific date. The goals of the Study should include:*

1. *To quantify ratepayer impacts of ACP Alterations across rate classes*
2. *To quantify the total incentive amounts needed to support each solar project type*
3. *To study the cost effectiveness, operational viability, and social value of RPS Reform options, including but not limited to:*
   1. *“multipliers” based on system sizes*
   2. *“multipliers” based on project types*
   3. *“fixed” SREC prices for multi-year terms*
   4. *SREC “futures market”*
4. *To document best practices for targeted grant programs*
   1. OPTION B - Require recurring Study to inform comprehensive RPS Reform. The General Assembly should:
      1. delegate to the PSC the responsibility for managing Maryland's solar renewable energy certificate (SREC) market to ensure a robust and cost-effective solar industry.
         1. In doing so, the legislature should direct the PSC to address problems in Maryland's existing SREC market structure: currently SREC prices are too low, not properly differentiated by type, and variable from year to year.
      2. direct the PSC to open an initial evidentiary proceeding with opportunity for public participation to determine how to address this, and consider at least two approaches.
         1. First, the PSC should be directed to evaluate imposing a “firm fixed price,” where the PSC or another entity sets SREC prices on an annual or regular basis, differentiated by type of solar (i.e. the SREC could be higher for solar sited on rooftops, on brownfields, or in underserved communities), which are fixed for the lifespan of a given project.
         2. Alternatively, the PSC should be directed to evaluate maintaining a variable SREC price, but set a floor for SREC prices, raise the ceiling (i.e., the alternative compliance payment), and create an “SREC multiplier” that provides higher incentives for different types of solar.
      3. Direct the PSC to reevaluate and reset values either annually or biannually to allow for real time corrections to structure the market to achieve statutory outcomes in a cost-effective manner.

*AMENDMENT to (16)(b) - The General Assembly should delegate to the PSC the responsibility for managing Maryland’s solar renewable energy certificate (SREC) market to ensure a robust and cost-effective solar industry. In doing so, the General Assembly should direct the PSC to utilize one of two potential solutions to the problems in Maryland’s existing SREC market:*

*i. The PSC should impose a “firm fixed price,” whereby the PSC sets SREC prices on an annual or regular basis, differentiated by type of solar, which are fixed for the lifespan of a given project; or*

*ii. The PSC should set a floor SREC price and a ceiling SREC price (i.e. the alternative compliance payment) annually or biannually, and create an “SREC multiplier” that provides differentiated incentives for different types of solar.*

*The General Assembly should require the PSC to report biannually to the General Assembly on the progress that this SREC market reform is making towards meeting Maryland’s goal of 14.5% solar generation and the impact that this SREC market reform is having on electricity rates.*

**RPS “Bridge” Policies**

1. Adopt a temporary (3-year “bridge” with a sunset provision) incentive policy in the 2024 legislative session to incentivize solar while Maryland designs and subsequently implements its long-term RPS reform policy. [Voted on general goal. Did not vote on specific bridge policies, i.e. SREC multiplier structures or changes to the ACP Schedule.]

**Residential Clean Energy Rebate**

1. Residential Clean Energy Rebate Amounts
   1. OPTION A - Adopt a temporary (3-year “bridge”) incentive policy in 2024 to incentivize residential solar while Maryland designs and subsequently implements its long-term RPS reform policy. Specifically, increase the Residential Clean Energy Rebate amount from $1000 to $7000k-$7500 for verified low-and-moderate income households, $5000 for households in HB550 (low-income, underserved, or overburdened) census tracts, and $3000-$4000 for households in other census tracts.

*AMENDMENT Option 1 to (18)(a) - Adopt a temporary (3-year “bridge”) incentive policy in 2024 to incentivize residential solar while Maryland designs and subsequently implements its long-term RPS reform policy. Specifically, increase the Residential Clean Energy Rebate amount from $1000 to $5000 for households in HB550 (low-income, underserved, or overburdened) census tracts and $3000 for households in other census tracts, with a $15 million total cap on the entire program.*

*AMENDMENT Option 2 to (18)(a) - The legislature should establish a single-family residential solar grant program using SACP funds to leverage private dollars for the installation of single-family solar systems benefiting low to moderate income homeowners and overburdened and underserved communities.*

*The program should have two tiers:*

* *Tier 1: For households who qualify via geographic eligibility within LMIOU census tracks.*
* *Tier 2: Higher level grant for households who are income verified within LMIOU census tracks. Households that are income verified shall also be eligible to receive a roof repair grant and/or panel upgrade grant.*

*The program shall be open to all business models and the grant shall be assignable to the system owner if that is different from the homeowner.*

*Should the legislature deem that income verification beyond self-attestation is necessary, the legislature should establish a streamlined verification process whereby the State issues eligibility status of an applicant within 30 days of application.*

*The legislature should amend the eligibility for SACP funds to include LMI households that are outside of LMIOU communities.*

*The legislature should also explore establishing a grant program for homeowners outside of the LMIOU communities. SACP funds shall not be used for this purpose.*

*The legislature should set a reasonable soft cap on this program, with discretion provided to the MEA to exceed this amount based on program success and funds available.*

* 1. OPTION B - Revise the Residential Clean Energy Rebate Program to carve out the largest share for verified LMI households. Increase the rebate amount to $1.50 per Watt for verified LMI households.

*AMENDMENT to (18)(b) - Adopt a temporary (3-year “bridge”) incentive policy in 2024 to incentivize residential solar while Maryland designs and subsequently implements its long-term RPS reform policy. Specifically, increase the Residential Clean Energy Rebate amount from $1000 to:*

* *$7500 for verified Low-and-Moderate Income (LMI) households. LMI households can be pre-qualified with participation in the Electric Universal Service Program (EUSP). (Estimated $3.75 million, 500 grants.)*
* *$2000 for households in other census tracts, excluding properties with assessed values (SDAT) $800K and above. (Estimated $6.25 million, 3125 grants.)*

*Institute a $10 million total cap on the entire program with timed buckets for the income groups, allowing MEA to adjust funding allocation as buckets are spent.*

* 1. OPTION C - Eliminate the Residential Clean Energy Rebate Program and reallocate the funds to a targeted LMI Residential Rooftop Solar Program.

*AMENDMENT to (18)(c) - Eliminate the current Residential Clean Energy Rebate Program and replace it with a LMI Renewable Energy Program, with a focus on highly subsidized installations for Low Income households and low interest financing for moderate income households.*

* 1. OPTION D - Establish a sliding scale (rather than a “cliff”) based on household income for the Residential Clean Energy Rebate.

1. Require that 3rd party owned solar systems are eligible for all Maryland incentives, including the Residential Clean Energy Rebate Program. Require that eligibility is contingent on meeting consumer protection requirements (i.e. cap on escalator rate).

**Other Residential Rooftop Measures**

1. Eliminate the Maryland Energy Storage Income Tax Credit and reallocate the funds to a targeted LMI Residential Rooftop Solar Program.
2. Require a portion of Electric Universal Service Program (EUSP) funding be utilized to install residential rooftop solar systems on the homes of EUSP-eligible recipients to cover 100% of annual usage and eliminate their ongoing need for EUSP.

*AMENDMENT to (21) - Require a portion of Electric Universal Service Program (EUSP) funding be utilized to install residential rooftop solar systems on the homes of EUSP-eligible recipients recipients and/or to pay for community solar subscriptions to cover 100% of annual usage and eliminate their ongoing need for EUSP.*

1. Update codes for new construction - require electrical wiring and electrical panels that are solar and EV-ready
2. Adopt the “ConnectedSolutions” model for solar + battery. Provide an upfront cash rebate to help offset the capital cost of installing the battery storage device and then provides a stream of compensation to the battery for performing valuable grid services on a pay-for-performance basis.

**RPS Reform (longterm)**

1. RPS Reform in the 2024 legislative session
   1. OPTION A - The state should freeze the ACP Schedule in the 2024 legislative session (no sunset provision).
   2. OPTION B - The state should increase the ACP Schedule in the 2024 legislative session.

**Use of ACP Funds**

1. ACP Funding Formula proposals:
   1. The ACP Funding formula should require that the State to reserve:
      1. 60% of ACP funds to provide financial incentives for the development of community solar projects on rooftops and parking lots in and for low-income and disadvantaged communities, including community solar projects on the rooftops of multifamily residential properties; and
      2. 40% of ACP funds to incentivize the development of single-family rooftop solar for low-income homeowners.
   2. The State should use multiple financing tools to incentivize priority community solar projects, with a focus on low-cost, long-term debt financing that can be recycled and re-deployed by the state for future programs.
      1. 60% of the next fiscal year’s allotment of ACP community solar funds should be reserved for a loan fund to be used to incentivize community solar development on the built environment, with priority placed on <2 MW projects that are at least 50% low-income and offer a minimum 20% bill discount and/or are located on rooftops and parking lots. Loan terms could be tiered, with interest rates and term length being tied to priority project areas.
      2. The remaining 40% should be reserved for grant funding. Grant funding could be used as an additional financial incentive for projects where there is a limited repayment mechanism (battery storage) or to supplement low-cost financing for priority projects where project costs exceed what low-cost financing will allow (parking canopies, <500 kW projects), or for enabling improvements which would prepare a building for the installation of solar panels for community solar projects described in 25(b)(i) above
   3. MEA should allocate ACP-funding to programs based on the following priorities. Competitive awards for ACP-Funded programs should also give specific consideration based on the following priorities:
      1. Projects with greater LMI participation
      2. Projects on previously developed sites (rooftops, parking lots, brownfields, etc.)
      3. Projects with higher costs and/or financing challenges, including rooftop and canopy projects that are below 1 MW.
      4. Projects that incorporate agrovoltaics
      5. Projects that are ecologically compromised and are not targeted for mitigation or restoration
2. ACP Acceptable Uses
   1. The state should allow ACP Funds to be utilized for installation of rooftop solar for low income households, as well as enabling improvements which would prepare a home for the installation of solar panels (i.e. roof repairs, electrical upgrades, structural repairs, etc.)

*AMENDMENT to (26)(a) - The state should allow ACP Funds to be utilized for installation of rooftop and community solar for low income households, as well as enabling improvements which would prepare a home or other building for the installation of solar panels (i.e. roof repairs, electrical upgrades, structural repairs, etc.)*

* 1. The state should allow ACP Funds to be utilized for moderate-income households, while reserving at least 60% for low-income, underserved, and overburdened communities.

**Siting/Permitting**

1. For ground mount solar projects:

*AMENDMENT to (27) - For non-residential ground mount solar projects:*

* 1. OPTION A - State agencies set state-wide model permit design standards (setbacks, zoning, soil, etc) that local jurisdictions must follow, that includes public comment, considers state goals related to solar development, and considers environmental preservation guardrails.

*AMENDMENT to (27)(a) - PSC set state-wide model permit design standards (setbacks, zoning, soil, etc) that local jurisdictions must follow, that includes public comment, considers state goals related to solar development, and considers environmental preservation guardrails.*

* 1. OPTION B - State agencies set state-wide setbacks as follows:
     1. Explicitly require the Commission to establish a reasonable setback in each CPCN order.
     2. Limit setbacks statewide for community solar 1MW-2MW

*AMENDMENT to (27)(b) PSC set state-wide setbacks:*

*i. The PSC will establish statewide setback and other design standards for all*

*projects greater than 100 kW*

*ii. Counties and AHJ's may challenge these statewide setbacks to the PSC for*

*individual projects for good cause.*

*iii. Counties remain responsible for zoning and zoning exceptions.*

1. Streamlining Licensing for Community Solar 2MW - 5W
   1. OPTION A - Establish a “DG-CPCN” License for community solar projects between 2MW - 5MW, that incorporates a “model permit design” and the standardized licensing conditions developed. Increase personnel at PPRP to meet the anticipated workload associated with an increase in applications.

*AMENDMENT to (28)(a) - Establish a “DG-CPCN” License for community solar projects between 2MW - 5MW, that incorporates a “model permit design” and the standardized licensing conditions developed. Only allow the expedited review if there is no County or local opposition and the developer agrees to a Community Benefits Agreement or similar program that benefits the local community/County.*

* 1. OPTION B - Update the Public Utilities Article that allows projects between 2MW - 5MW to have the option to permit either through the local process or through the PSC CPCN process.

1. Require MEA in concert with other State agencies to set a percentage of agricultural zoned land in each county that shall be made available for solar development in order to facilitate the State’s energy goals.

*AMENDMENT Option 1 to (29) - Require MEA in concert with other State agencies to set a percentage of land in each county that shall be made available for solar development in order to facilitate the State’s energy goals.*

*AMENDMENT OPTION 2 to (29) - Require MDP or MDA in concert with other State agencies to set a percentage of agricultural land in each county that shall be made available for solar development in order to facilitate the State’s energy goals.*

1. Counties must adopt plans that allow for energy development with restrictions no more onerous than for new commercial or residential building developments.
2. Require ground-mount solar in excess of 1 MW to meet the following criteria before the receipt of a final building permit:

*AMENDMENT to (31) - Set standards and best practices for ground mounted solar projects above 1MW. These standards may include, but are not limited to:*

* 1. Ensure topsoil remains onsite, require native vegetative mix and other appropriate protections to maintain soil integrity.

*AMENDMENT to (31)(a) - Ensure topsoil remains onsite, require native vegetative mix or agrovoltaics and other appropriate protections to maintain soil integrity.*

* 1. Consider water run-off, pollution, and unnecessary soil compaction in the design and construction of projects.

*AMENDMENT to (31)(b) - Require water run-off, pollution, and unnecessary soil compaction in the design and construction of projects.*

* 1. Comply with the Forest Conservation Act.
  2. Incorporate green infrastructure to manage stormwater runoff.
  3. Discourage the use of herbicide to control vegetation.
  4. Protect nearby natural resources and wildlife habitat of special significance.
  5. Construct arrays with co-benefits for crops, such as pollinator habitats, and animal husbandry whenever practical.
  6. Non-agrivoltaic projects shall be required to specify a seed mix underneath the solar array of native vegetation and pollinators in coordination with the Maryland Department of the Environment and require the submission of a vegetation management plan.

*AMENDMENT to (31)(h) - Non-agrivoltaic projects shall be required to specify a seed mix underneath the solar array of non-invasive vegetation and pollinators in coordination with the Maryland Department of the Environment and require the submission of a vegetation management plan.*

* 1. Coordinate with all applicable State Agencies.
  2. Provide the results of the United States Fish and Wildlife Service’s Information for Planning and Consulting environmental review or a comparable successor tool that is consistent with any applicable United States Fish and Wildlife Service solar wildlife guidelines that have been subject to public review
  3. Host a Public Meeting and provide notice to the County as well as all parcels within ¼ mile of the project area
     1. When developing projects in overburdened and underserved communities, as determined by the Maryland Department of the Environment’s environmental justice screening tool, additional public outreach and community consultation will be required.

*AMENDMENT to combine (31) and (32) - solar-specific laws and permitting guidelines to incorporate best practices for estimating and managing stormwater runoff from ground-mounted solar facilities, including but not limited to consideration of pre-construction, construction, and post-construction practices that will protect and maintain the integrity of soils, the health and infiltrative capacity of vegetative ground cover, and the potential benefits of green infrastructure.*

1. Update Maryland’s solar-specific laws and permitting guidelines to incorporate best practices for estimating and managing stormwater runoff.
2. Create an ombudsman position at MEA or PSC for questions and concerns regarding the implementation of permitting and siting, to serve as a mediator for conflicts between applicants and counties.