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FY25 Maryland Solar Access Program

Guidance on Understanding Common Solar Energy Terms for MSAP

The Maryland Energy Administration (“MEA”) [FY25 Maryland Solar Access Program](#) (“MSAP”, “the Program”), which was established by the Brighter Tomorrow Act of 2024 (Chapter 595, 2024 Acts of Maryland), has been offered to Maryland residents since **January 1, 2025**. It aims to offer meaningful incentives to help Marylanders meeting certain income requirements get solar on their homes to help reduce their energy costs. The following terms are typically encountered in decisions related to installing solar energy systems, and other energy-related items. This document provides guidance to help MSAP applicants and interested parties better understand these terms. **None of the terms or definitions in this document, unless otherwise indicated, are meant to be legally-binding, and none of the information in this document should be construed as professional consultation.** Should there be any conflict between these terms or their definitions and any terms or definitions in statutory law, regulation, or contract, or other legal requirement, the terms of the statute(s), regulation(s), contract(s), or other legal requirement(s), as applicable, shall control. Please direct any questions that cannot be answered by this terminology guidance document to the Maryland Solar Access Program Team by sending an email to SolarAccess.MEA@Maryland.gov. **Note**, MEA reserves the right to update the contents of this document at any time, at its discretion. Any updates made will be reflected on this document where applicable, and noted as such.

Effective Date: February 4, 2025

Application: A request to receive a grant from the Maryland Energy Administration, consistent with the definition of “application” in the Strategic Energy Investment Program regulations¹.

Brighter Tomorrow Act: The 2024 landmark solar energy bill passed by the Maryland General Assembly that created many incentives and resources for solar system adoption in the state. It can be found in Chapter 595 of the 2024 Acts of Maryland.

Capacity Factor (CF): The ratio of actual energy generated by a power plant over a time period (usually a year) and the total energy that power plant could have generated over the same time period, if it was always on.

¹ COMAR 14.26.02.02(B)(3)

Completion Certificate: The Completion Certificate is the second step in the Maryland Solar Access Program application process. Within 180 days of the effective date of the Reservation Certificate, the applicant or their authorized third-party agent submits a completion certificate to MEA with all required information and supporting documents defined in the “Required Application Documents” section of the Funding Opportunity Announcement (“FOA”). MEA will review all of the information in the Completion Certificate to ensure compliance with the requirements of the FOA.

Distributed Energy Resource (DER): A distributed energy resource, or “DER”, is an energy resource such as a solar PV system, a battery storage system, or a combination of different energy technologies, that is located at the site that it produces power for—this is where the term “distributed” comes from. This is different from a central power plant, which produces a lot of energy in one place and sends it over the grid to many different communities. A DER is designed to meet the energy specifics and needs of the building(s) it serves.

Generator Nameplate Capacity (installed): The maximum amount of power that an electricity generator, such as a solar PV system, can produce at once. Installed generator nameplate capacity can be expressed in kilowatts (kW) or megawatts (MW), and is usually indicated on a metal or sticker nameplate, and is physically attached to the generator.²

Interconnection: The process of connecting an energy system, such as a solar PV system, to the electricity grid. This first requires approval from the utility that operates the electric grid.

Kilowatt (kW): 1,000 watts of electrical power.

Kilowatt-hour (kWh): 1,000 watts of power used for one hour. Electrical energy is measured in kWh. Example: If a 100-watt lightbulb is used for 10 hours, it will use 100 watts of electricity per hour. Over the 10-hour period, the lightbulb used 1 kWh.

Minimum Benefits to the Consumer: Minimum savings that a solar contract must deliver to the consumer to be eligible for a grant. To calculate minimum savings, the participating contractor must first identify the customer’s “current avoidable rate,” which varies by utility and includes the standard offer service supply rate in addition to delivery charges and other charges offset by net metered customers. Specific instructions on how to calculate the Minimum Benefits to the Consumer can be found on the [MSAP webpage](#)³ in the “Program Documents” section.

² [EIA Resource on Nameplate Capacity](#)

³ [FY25 Maryland Solar Access Program](#)

MSAP Customer Disclosure Form: The MSAP Customer Disclosure Form is designed to help the consumer understand the terms and costs of the proposed solar installation. The solar developer or vendor must complete the MSAP Customer Disclosure Form and give it to the consumer before any agreement is finalized and signed.

MSAP Consumer Protection Policy: The MSAP Consumer Protection Policy aims to ensure that consumers participating in MEA’s Maryland Solar Access Program are treated fairly, informed about their rights, and protected against deceptive practices. This policy outlines the responsibilities of solar providers, consumers’ rights, and the regulatory framework supporting these protections.

MSAP Household Income Requirements: The FY25 MSAP income limits are 150% of the average median income for the State of Maryland, in accordance with the Brighter Tomorrow Act. MSAP grants are limited to eligible applicants whose annual household income does not exceed the limits, based on household size, shown in the FY25 Household Income Requirements document, which can be found on the [MEA MSAP webpage](#)⁴.

Net Metering: Metering and billing arrangement to compensate distributed energy resource (DER) system owners for generation that their system produces onto the electricity. When a system is “net metered,” the amount of energy it produces is credited on a customer’s utility bill each month. A solar PV system that is interconnected with the electric utility grid and has received its utility permission to operate is net metered in the State of Maryland. More information about net metering can be found on the Maryland Public Service Commission’s website [here](#)⁵.

Participating Contractor List: A list of solar PV vendors that have been approved for participation in MSAP, and can be found on the [MEA MSAP webpage](#)⁶. Each solar PV contractor that installs a solar PV system that wants to participate in MSAP must be approved by MEA and listed on the MSAP Participating Contractor List. Participating contractors must be registered to operate in Maryland; must have all licenses, certifications, and requirements; and agree to abide by the MSAP Consumer Protections Policy.

Power Purchase Agreement: A third-party ownership option for a solar energy system or other distributed generation asset where a customer agrees to purchase the energy produced by the solar PV system or other distributed generation asset at a contracted price for a specified period of time. This arrangement allows the customer to have a

⁴ [FY25 Maryland Solar Access Program](#)

⁵ [Net Metering - Electricity](#)

⁶ [FY25 Maryland Solar Access Program](#)

solar PV system installed at their home, but it does not require them to purchase it outright. Instead, the customer pays a rate for the solar energy specified by their contract with the solar provider.

Prime Contractor: The contractor that completes installation of the solar system is commonly referred to as the "prime contractor." The prime contractor may decide to hire one or more additional contractors, which are usually called "subcontractors," to complete some of the work.

Project Installer: The company that will complete the installation work for the solar project.

Renewable Energy Credits (RECs): A renewable energy credit ("REC") is produced after an eligible renewable energy generating system, such as a solar PV system, produces one (1) megawatt-hour (MWh)--or, 1,000 kWh--of electricity. Each REC that is produced by an eligible system can be sold by the customer for a cash payout. RECs help energy suppliers, such as the local electric utility, meet their obligations under Maryland's Renewable Portfolio Standard. Specifically, a REC is equivalent to the environmental attributes of 1 MWh of electricity generated by a renewable generator. For more information about RECs, including how to apply and receive them when you have a solar system, see the Maryland Public Service Commission's website [here](#)⁷.

Reservation Certificate: This is the first step in the Maryland Solar Access Program application process. After the Step 1 application is submitted with all required supporting documents defined in the "Required Application Documents" section of the FOA, MEA will reserve the funds, and the applicant will receive a Reservation Certificate that documents the reserved funds.

Solar Lease: A third-party ownership option for a solar PV system, similar to a PPA. Under a lease, the solar PV system is installed on a resident's home with little-to-no up-front cost, but the resident does not own the system. Instead, the resident pays a monthly leasing fee to use the solar system. The monthly fee is to rent the equipment. It is **not** a rate to purchase the energy the system produces.

Solar Photovoltaic ("PV") System: An electricity generation system that produces an electric current resulting from the photovoltaic, or "PV" effect. The PV effect uses sunlight and certain chemical properties of the materials the solar system is made out of to generate the electricity. Most solar PV systems consist of multiple "solar panels" or "solar shingles", and if they are not mounted to the customer's roof, they can be mounted nearby on the ground or other structurally-sound surface that can support them.

⁷ [Maryland Renewable Energy Portfolio Standard Program - Frequently Asked Questions - Electricity](#)

Subcontractor: A business or other organization that a prime contractor hires to complete some or all of the work under a contract. For the MSAP, a subcontractor would be a contractor that the solar PV prime contractor hires to help with the installation, administrative elements (like contracts, sales, etc.), or other specified service(s) necessary for the safe and successful completion of the solar PV system.

Third-Party: A third-party, likely a solar contractor, can submit the application on behalf of the Maryland resident. **NOTE:** The Maryland resident must provide written consent, and the third-party must provide a copy of this consent at the time of application.

Third-Party Authorization Form: A Customer may authorize a Third Party to perform activities associated with the MSAP on their behalf, by both parties signing the Third-Party Authorization Form.