Background:

- On May 9, 2024, Governor Wes Moore signed <u>SB 783</u> into law with an effective date of July 1, 2024.
- SB 783 revised Maryland Public Utility Article (PUA) sections §7-306, §7-709, §7-712, and §7-714.
- SB 783 contained various provisions affecting solar energy systems within Maryland including the establishment of a <u>Small Solar Energy</u> <u>Generating System Incentive Program</u> administered by the Maryland Public Service Commission.

Small Solar Energy Generating System Incentive Program – Overview:

- The established program provides that an eligible solar system can apply to become a certified system and receive certified solar renewable energy credits (SRECs).
- <u>Certified SRECs</u> shall have a <u>compliance value of 150%</u> for electric suppliers to apply towards meeting the Renewable Energy Portfolio Standard (RPS) established under PUA §7-703
- All renewable energy credits (RECs) shall now exist for a lifespan of <u>five years</u> (this is a change from the previous three-year lifespan)



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Small Solar Energy Generating System Incentive Program – Eligibility:

To be eligible to become a certified system, a solar energy generating system shall:

- Be located in Maryland;
- Be eligible for inclusion in meeting the RPS standard;
- Have a generating capacity of **<u>5 Megawatts or less</u>**;
- Be placed in service <u>between July 1, 2024 and January 1, 2028</u> (based on the Permission to Operate [PTO] date within the Interconnection Agreement); and
- Be one of the following systems:
 - i. A system with a generating capacity of 20 KW AC or less
 - A system with a generating capacity <u>between 20 kW AC</u> and 5 MW AC if the system is located on a rooftop, a parking canopy, or a brownfield site
 - iii. A system with a generating capacity of <u>2 MW AC or less if</u> <u>the system is used for aggregate net metering</u>





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Small Solar Energy Generating System Incentive Program – Document Requirements:

- Interconnection Agreement: A copy of the Interconnection Agreement Certificate of Completion (COC) from the system owner's electric utility company. (Must have)
- Local Permits (if applicable): A copy of the final approval of local building permits, if the system is located on a building rooftop, parking structure, or parking lot. Permits can be obtained from the local jurisdiction or county where the project is located
- Brownfield Documentation (if applicable): Documentation confirming that the system is located on a brownfield site if the system is eligible under this category. More information on Brownfield sites can be found at the Maryland Department of Environment website.
- Aggregate Net Metering Rider (if applicable): A copy of the signed and completed aggregate net metering rider submitted with the interconnection agreement for systems eligible under aggregate net metering. Additional details can be obtained from the local utility provider.
- Additional Information (if applicable): Any other information requested by the Maryland Public Service Commission.
- **Certification payment Fee:** the owner of the system shall pay to the Commission the following one-time fee:
 - <u>\$50</u> for each system with a generating capacity of less than 20 kW
 - <u>\$200</u> for each system with a generating capacity of more than 20 kW
 - At this moment, we will only accept checks.

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2024 Senate Bill 783 – The Brighter Tomorrow Act

Small Solar Energy Generating System Incentive Program -Application Process:

- Eligible Systems installed Between July 1, 2024 and January 31, 2025:
 - Please refer to the recertification guide available on the PSC website <u>here</u>.
 - Systems will be reviewed for eligibility. Qualified solar system will receive a Brighter Tomorrow certification number.
 - Eligible Systems seeking certification:
 - Please refer to the SREC Portal Application guide available on the PSC website <u>here.</u>
 - Applicants shall log into the new SREC Portal, complete the entire online application, and <u>must</u> select "yes" to the question regarding if you would like to participate in the Brighter Tomorrow program.
 - The new application portal is available <u>here</u>.

Capacity Limitations:

- The cumulative generating capacity of certified systems may <u>not</u> exceed:
 - <u>300 MW</u> for systems with a generating capacity less than 20 kW
 - <u>270 MW</u> for systems with a generating capacity between 20 ... kW_and 5 MW.

kW and 5 MW Application Portal Training:

- The Commission will host training sessions on how to navigate the new SREC application portal on the following dates/times:
 - April 1st: 3:00 4:30 PM ET
 - April 4th: 8:30 10:00 AM ET
 - April 9th: 12:00 1:30 PM ET
- The link to attend the training sessions is available <u>here</u> with the passcode: 12345

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Additional Changes/Requirements:

- The developer of any prospective solar project that has a generating capacity over 1 MW shall ensure that workers are paid not less than the prevailing wage rate as determined by the <u>Maryland Department</u> <u>of Labor</u>.
- The interconnection agreement date associated with the project will serve as the date for determining applicability of prevailing wage requirements.
- For more information please visit the Maryland Department of Labor Webpage available <u>here.</u>



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Frequently Asked Questions: General Information

- What are the benefits of participating in the "multiplier" program?
 Will Certified SRECs have higher pricing than non-certified MD SRECs?
 - Certified SRECs have a compliance value of **150% (1.5x) the standard SREC value**. This means that a utility or supplier can count a Certified SREC as 150% toward meeting Renewable Portfolio Standard (RPS) requirements. The Commission does not determine how the market will respond and value the multiplier SRECs in terms of the revenue that is received as a result, as this is dependent on the entities that purchase SRECs for RPS compliance purposes.
- Will PJM/GATS retroactively assign 'certified' status to SRECs generated after 01/01/2025 for already registered systems?
 - Yes, the Maryland PSC is working with PJM/GATS to recertify eligible applications retroactively. If a system is currently receiving the standard 100% SREC value and is an eligible system that qualifies for the 150% multiplier, the system will need to go through the application process and the PSC will ensure that PJM/GATS updates the certification to be retroactive to 01/01/2025.



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Frequently Asked Questions: General Information

- Can applicants submit recertification applications in batches to the Maryland PSC?
 - No. The PSC will conduct reconciliation for applications submitted between 07/01/2024 and 01/31/2025, and
 PJM/GATS will update certifications accordingly. Please refer to the recertification guide available on the PSC website here.
- Under the program, there is only 270 MW available for certified systems that are sized between 20 kW and 5 MW. Once this threshold is reached, will there still be a 150% REC multiplier available for projects?
 - At this moment, there is no indication that the state of Maryland is considering expanding the 270 MW cap to a larger number.
- Will the Commission be able to track progress towards the 270 MW and 300 MW program caps?
 - With the new SREC Application Portal, the PSC anticipates
 having the ability to track, on a frequent basis, the cumulative progress towards the 270 MW and 300 MW program caps.
 Updates on this ability will be forthcoming on the Commission website and SREC Application Portal.



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2024 Senate Bill 783 – The Brighter Tomorrow Act

Frequently Asked Questions:

Renewable Energy Credits (RECs) Expansion and Retroactivity

- Does the extended REC lifetime from three to five years apply across all REC tiers?
 - Yes, this extension applies to all REC types (Tier 1, Tier 2, offshore wind, and geothermal).
- Does the five-year REC lifespan apply retroactively to existing RECs?
 - Yes, RECs that previously had a three-year lifespan will now be valid for five years.
- Can a compliance party use a 2020 MD Tier 2 REC for 2024 compliance?
 - The Commission interprets the bill language to allow the retroactivity of RECs and that the 2020 RECs should be usable for 2024 compliance. Updates regarding these changes (specifically those to COMAR 20.61.03.01 C) will be forthcoming.

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Frequently Asked Questions: Renewable Energy Credits (RECs) Expansion and Retroactivity

- How can I confirm whether my certification number has been approved for the Small Solar Generating Incentive program (Brighter Tomorrow)?
 - The applicant will receive an approval email with a letter order. The letter order will have a certification number in the format of MD-9XXXXX-SUN-01-BT
- If my eligible solar project was placed into service between July 1, 2024 and January 1, 2025, will I automatically receive certified system status?
 - A: No, an eligible solar project that is placed into service between July 1, 2024 and January 1, 2025 will need to go through the Recertification process outlined in the guide available on the Commission's website here.

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Frequently Asked Questions: Application Process

- When will the PSC start collecting the application fee, and will it apply to existing certified systems?
 - Application fees will be collected starting Spring 2025, as required by the Brighter Tomorrow Act. Previously approved systems that wish to participate in the new program must be recertified and pay the application fee. Further details on fee submission will be provided as the application portal is updated.
- Where can I find the new Solar PV certification portal?
 - The new SREC application portal will have an official launch date in Spring of 2025. The link to the new portal will be available on the Commission's website <u>here</u>.
 - The new application portal is available <u>here</u>.
- What additional information may the PSC request during the certification process?
 - SB 783 specifies that the applicant shall supply to the Commission "any other information required by the Commission." Applicants must provide any additional documentation requested by the PSC. Requirements will vary by project, and Commission Staff will contact applicants as needed.



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Frequently Asked Questions: Technical and Compliance Questions

- What is considered the official "Placed In-Service" date for certification?
 - The Permission to Operate (PTO) date listed on a project's Certificate of Completion for Interconnection is considered the official "Placed In-Service" date.
- Related to the revisions to PUA §7-249 within SB 783 which discuss the waiver of personal property taxes for solar projects, does the waiver of personal property taxes apply only to projects that are over 2 MW and obtain a CPCN from the Commission?
 - No, as clarified by the legislative sponsor of SB 783, the law should be implemented to qualify solar systems, whether or not they go through the CPCN process, as eligible for the personal property tax waiver.
- What if the entity applying to receive certified SRECs is unable to obtain or provide a copy of the final approval of local building permits as required in the application requirements?
 - The onus is on the entity that is applying for certified SRECs to be able to provide the eligible materials required for the application. Ultimately, if the application that is supplied by the entity is deficient, the Commission can request additional information from the entity to make up for for the deficiency.



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Frequently Asked Questions: 150% SREC Multiplier

- Can a project receive the 150% SREC multiplier if it meets eligibility requirements and is 5 MW or smaller?
 - Yes, projects must meet all eligibility criteria outlined in the law, submit a complete application, and receive PSC certification to qualify for the 150% SREC multiplier.
- Does the 150% SREC multiplier guarantee 1.5x revenue for certified projects?
 - Not necessarily. Utilities and suppliers can count Certified SRECs as 150% toward RPS compliance. The Commission does not determine how the market will respond and value these
 150% SRECs in terms of the revenue that is received as a result, as this is dependent on the entities that purchase SRECs for RPS compliance purposes.
- How long will a project be eligible for the 150% SREC multiplier?
 - Certified systems can generate Certified SRECs for 15 years
 from the date of certification or January 1, 2025, whichever is
 later. After this period, the system can still generate standard
 Tier 1 RECs if it remains eligible. (PUA 7-709.1(i)(1))



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Frequently Asked Questions: 150% SREC Multiplier

- Regarding a 'Proposed Change' Application, if an applicant completes an "Interconnection Change" form for an existing system and the form includes a signed date on or after July 1, 2024, does the system qualify for the 150% SREC Multiplier?
 - No. The 150% SREC Multiplier is explicitly for solar installations that are placed in-service between July 1, 2024 and July 1, 2028. Because the project was placed in-service prior to July 1, 2024, despite the 'Proposed Change' application, this project would not be eligible for the 150% SREC Multiplier.
- Regarding a 'Proposed Growth' Application, if an applicant installs a capacity expansion on an existing system that was interconnected prior to July 1, 2024, does the system qualify for the 150% SREC Multiplier and does an updated interconnection agreement grant eligibility to participate in the program?
 - No in most cases. As stated above, the 150% SREC Multiplier is explicitly for solar installations that are placed in-service between July 1, 2024 and July 1, 2028. Because the project was placed in-service prior to July 1, 2024, it would not be eligible for the 150% SREC Multiplier. This determination, however, does depend on the specific circumstances of the capacity expansion (such as new panels, new meters, new inverter, new Certificate of Completion), and may be decided on a caseby-case basis.



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Frequently Asked Questions: 150% SREC Multiplier

- If an applicant's project is eligible to receive the 150% SREC multiplier, but the applicant applies for the traditional 100% SREC, can the applicant apply, at a later time, for certification for the 150% SREC multiplier?
 - No the applicant will not be able to receive certification for the 150% SREC multiplier at a later time. The applicant will have extensive information in the form of fact sheets and guides, as well as abundant information available on the application portal that will provide direction on whether or not a project is eligible and how an applicant can apply for the 150% SREC multiplier. In general, the PSC will not grant certification to the applicants in this circumstance, however, the Commission is amenable to making exceptions to this on a case-by-case basis if there is good cause shown.
- Does the 150% SREC Multiplier apply to community solar projects?
 - Yes, the 1.5 multiplier can apply to community solar projects, so long as the community solar project meets the eligibility requirements in the Brighter Tomorrow Act.



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