

2024 Senate Bill 783 – The Brighter Tomorrow Act

Background:

- On May 9, 2024, Governor Wes Moore signed [SB 783](#) 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 **Small Solar Energy Generating System Incentive Program** 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).
- **Certified SRECs** shall have a **compliance value of 150%** for electric suppliers to apply towards meeting the Renewable Energy Portfolio Standard (RPS) established under PUA §7-703



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Small Solar Energy Generating System Incentive Program – System 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 **5 Megawatts or less**;
 - Be placed in service **between July 1, 2024 and January 1, 2028**;
and
 - Be one of the following systems:
 - i. A system with a generating capacity of **20 Kilowatts or less**
 - ii. A system with a generating capacity of **2 MW or less** if the system is used for aggregate net metering
 - iii. A system with a generating capacity **between 20 kW and 5 MW** if the system is located on a rooftop, a parking canopy, or a brownfield site



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Small Solar Energy Generating System Incentive Program – Application Process:

- The Commission will start accepting applications for certified systems no later than January 1, 2025
- If an eligible system is placed in service **between July 1, 2024 and January 1, 2025**, that system can:
 - Apply for certification as a Tier 1 renewable source **before** January 1, 2025
 - Apply to become a certified system under the program **on or after** January 1, 2025
- If an eligible system is placed in service **after January 1, 2025**, that system can apply to become a certified system **at the same time** that it applies for certification as a Tier 1 renewable source

Small Solar Energy Generating System Incentive Program – Application Requirements:

- An eligible system must submit the following information when applying to become a certified system:
 - A form officially requesting that the system be certified to receive certified SRECs
 - A copy of the interconnection agreement between the system’s applicant and the applicant’s electric company
 - A copy of the final approval of local building permits if the system is seeking certification due to eligibility as a system located on a rooftop, parking lot, or parking structure
 - Documentation demonstrating that the system is located on a brownfield site if the system is seeking certification due to eligibility as a system located on a brownfield site
 - A copy of the aggregate net metering rider submitted with the interconnection agreement if the system is seeking certification due to eligibility as an aggregate net metering system
 - Any other information as requested by the Commission

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Small Solar Energy Generating System Incentive Program – Capacity Limitations:

- The generating capacity of certified systems may **not** exceed:
 - **300 MW** for systems with a generating capacity less than 20 kW
 - **270 MW** for systems with a generating capacity between 20 kW and 5 MW

Other Renewable Energy Credit (REC) Changes:

- All renewable energy credits (RECs) shall now exist for a lifespan of **five years** (this is a change from the previous three-year lifespan)
- At the time that **any solar system** is certified by the Commission as a Tier 1 renewable source, the owner of the system shall pay to the Commission the following one-time fee:
 - **\$50** for each system with a generating capacity of **less than 20 kW**
 - **\$200** for each system with a generating capacity of **more than 20 kW**
- The Commission will update stakeholders regarding the available payment options and payment processes for the fee.
- Certified systems will receive a unique REC certification number that identifies the project as a certified system.

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 [Maryland Department of Labor](#). The interconnection agreement date associated with the project will serve as the date for determining applicability of prevailing wage requirements.

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Frequently Asked Questions

- **Q:** Does the expanded lifetime of renewable energy credits (RECs) from three years to five years apply to RECs across all tiers?
 - **A:** Yes. The change in REC timeframe from three years to five years will apply to all RECs types (Tier 1, Tier 2, offshore wind, and geothermal)
- **Q:** Does the expanded lifetime of renewable energy credits (RECs) from three years to five years apply retroactively to pre-existing RECs?
 - **A:** Yes, existing RECs that previously had an original lifespan of three years will now have a lifespan of five years.
- **Q:** Regarding retroactivity of RECs increasing from three to five years: If a compliance party uses a calendar year 2020 MD2 REC, would it be accepted for calendar year 2024 compliance?
 - **A:** The Commission interprets the bill language to allow the retroactivity of RECs and that the 2020 RECs should be usable for 2024 compliance. The Commission team organizing SB783 implementation has had discussions about pursuing a change to COMAR 20.61.03.01 (C) to revise “two calendar years” to “four calendar years.” Updates regarding these changes will be forthcoming.



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Frequently Asked Questions:

- **Q:** 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 apply to become a certified system starting on January 1, 2025. This project can still apply as a Tier 1 renewable source prior to January 1, 2025.
- **Q:** Will the current SREC application portal be changed?
 - **A:** The SREC application portal will be updated as this program is implemented. The Commission will inform stakeholders whenever changes occur. SREC Application information is available [here](#).
- **Q:** When will the PSC start collecting the application fee and will it apply to existing certified systems?
 - **A:** Applicants shall pay the application fees as stated in the Brighter Tomorrow Act, starting on or after January 1, 2025. The format of how to submit fees is currently being contemplated, and the Commission will keep parties updated on this information as we move forward with updating the SREC portal. If a previously certified system meets the requirements for SB 783 and would like to participate in the program, the system will have to be recertified, and the applicant would have to pay the application fee.



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Frequently Asked Questions:

- **Q:** What is the new process of becoming a certified system and where are the official forms and portal located?
 - **A:** The Commission is developing a new SREC application portal to comply with the requirements of SB783. The Commission is in the initial stage of selecting a contractor to develop this portal and will be able to provide more information regarding specific forms and processes based on input from the contractor.
- **Q:** What other information is expected to be requested by the Commission?
 - **A:** SB 783 specifies that the applicant shall supply to the Commission “any other information required by the Commission”. This other information will vary by the individual project that is applying for SREC certification and will likely be sought by Commission Staff contacting the applicant directly.
- **Q:** Is it possible for a project to capture the 150% SREC multiplier if the project meets eligibility requirements to be included in meeting the RPS Standard and the system size is 5 MW or less?
 - **A:** For a project to receive the 150% SREC multiplier, the project must meet the eligibility criteria established in the law, meet the application requirements, and be reviewed and certified by Commission Staff through an established process (more details to come).



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Frequently Asked Questions:

- **Q:** Does the 150% SREC multiplier mean that a certified project would receive revenue for its SRECs at 150% of the current SREC value?
 - **A:** The Commission is the entity responsible for certifying the projects and will work with PJM to label the projects as “SREC Certified”. 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.
- **Q:** What is the timeline for receiving the 150% REC multiplier?
 - **A:** Within the law (Public Utilities Article § 7-709.1(i)(1)), it is stated that “A certified system shall continue to be eligible to generate certified SRECs for 15 years after the date of certification by the Commission, or January 1, 2025, whichever is later, after which the system shall be eligible to generate non-certified solar renewable energy credits as long as the system meets the requirements as a Tier 1 renewable source.”
- **Q:** 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?
 - **A:** At this moment, there is no indication that the state of Maryland is considering expanding the 270 MW cap to a larger number.



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Frequently Asked Questions:

- **Q:** 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?
 - **A:** 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 the deficiency.
- **Q:** 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?
 - **A:** 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.



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