Net Energy Metering In the State of Maryland

Public Utilities Article §7-306(j)

November 2025

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Executive Summary

This report is prepared by the Maryland Public Service Commission in compliance with *Annotated Code of Maryland*, Public Utilities Article ("PUA"), §7-306(j). PUA §7-306(j) requires the Commission to report on the status of Maryland's net metering program, including the amount of capacity by type of energy resource from net-metered facilities in the State and to recommend whether the cap on eligible capacity should be altered. This is the 16th report prepared by the Commission. The initial report was produced in 2008.

This 2025 report identifies a new development regarding the 3,000 MW statewide cap. While the total installed capacity of all net-metered facilities (including rooftop solar, aggregate, and operational Community Solar projects) is approximately 1,537 megawatts (MW), representing 51.23% of the cap, this figure no longer represents the full extent of potential program capacity.[1] The central finding of this report is that the pipeline of proposed but not yet operational projects, driven by the Community Solar (CS) program, is now projected to exceed the 3,000 MW cap.[2] Based on the Commission's data this pending pipeline consists of several distinct stages of forthcoming CS capacity:

- Awaiting PSC Authorization: ~700 MW of projects are awaiting Commission authorization to participate in the program.
- In Utility Interconnection Queues: ~1,728 MW of projects are in utility interconnection queues (see Table 5.)
- Program-Accepted (Not Operating): ~483 MW of projects are accepted into the program by electric companies and are awaiting completion and operation (see Table 7.)

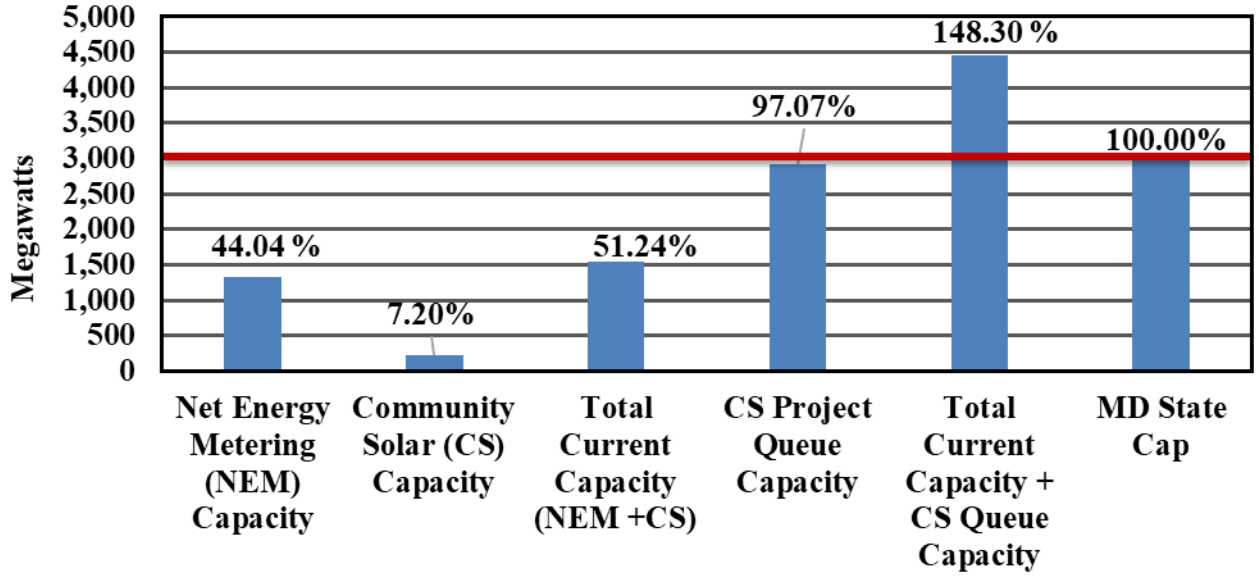
The combined total of these pending CS projects (approximately 2,911 MW) nearly exceeds the 3,000 MW statewide cap on its own before accounting for the 1,537 MW already installed or any

[1] Installed capacity as of June 30, 2025. This includes 1,321 MW installed net metering capacity and 216 MW installed community solar capacity.
[2] The total current capacity and the community solar queue capacity does not include the level of capacity pending Maryland PSC approval or the capacity from pending net energy metering projects.

future growth from other net-metered facilities.[3]

While in past years no revisions to PUA §7-306 were recommended, the substantial growth in the Community Solar queue now warrants the General Assembly's consideration to provide market certainty and maintain program stability for the State's renewable energy goals.

Figure 1: Current Capacity Installed as Percentage of Statewide Limit



The Commission's primary recommendation is that the General Assembly take action to address the 3,000 MW cap. However, the Commission advises that a durable solution requires a comprehensive evaluation of the program's framework, not necessarily a simple increase of the statutory cap. There are numerous policy options for addressing the limitation, and any expansion of the program carries direct financial consequences for all ratepayers, who fund the cost of credits paid to net-metered and community solar customers.

The Public Service Commission is the appropriate agency to lead this complex evaluation. The Commission possesses the necessary institutional expertise in energy markets, utility rates, and

[3] The interconnection queue at each participating utility may include additional MW capacity contributing to the statewide cap not included in the CS figures listed here.

public policy to analyze the costs and benefits of different solutions. To ensure a smooth transition into a new program, the Commission advises that the current law be modified such that the current cap may be exceeded or expanded so long as the Commission has implemented a new policy framework prior to this expansion. Therefore, the Commission recommends the General Assembly authorize the PSC to convene a formal proceeding to bring stakeholders together, evaluate sustainable paths forward, and propose a balanced, long-term framework for the program. These recommendations are detailed further in this report.

The Commission continues to monitor local and national renewable energy issues, including regulation and tariff changes. As of the first quarter of 2025, 47 states plus the District of Columbia and Puerto Rico have taken 193 actions related to distributed solar policy and rate design.[4] In 2015, the Commission held a technical conference, docketed as Public Conference 40 (PC40),[5] to address distributed generation issues, including community solar implementation which had recently been adopted on a pilot basis by legislation in Maryland. In 2016, the Commission initiated Public Conference 44 (PC44) to explore issues related to grid modernization and distributed resources.[6] During 2016, the Commission directed the Maryland Net Metering Work Group (MNMWG) to implement a Community Solar Pilot Program in response to the legislative requirements of House Bill 1087 ("HB1087") of the 2015 Session, since codified at PUA §7-306.2. After a Commission rulemaking, Subtitle 62 of Title 20 of the Code of Maryland Regulations ("COMAR") was adopted in July 2016 and governs and provides a framework for the Community Solar Energy Generating Systems (CSEGS) Pilot Program.

The Commission directed the MNMWG to work collaboratively to develop utility tariffs to implement the regulations. In its Letter Order, dated February 15, 2017, the Commission

[4] *North Carolina Clean Energy Technology Center*, The 50 States of Solar: Q1 2025 Quarterly Report, April 2025.
[5] *In the Matter of the Investigation into the Technical and Financial Barriers to the Deployment of Small Distributed Energy Resources*, Public Conference 40.
[6] *In The Matter of Transforming Maryland's Electric Distribution Systems to Ensure that Electric Service Is Customer-Centered, Affordable, Reliable and Environmentally Sustainable in Maryland*, Public Conference 44.

directed Maryland's investor-owned utilities to file compliance tariffs to implement the Pilot and directed its Technical Staff to prepare forms to authorize subscriber organizations that would build and operate the CSEGSs'.

In 2019, the Maryland General Assembly amended PUA §7-306.2 to extend and expand the Pilot.[7] In 2020, through Rulemaking 56 (RM56), the Commission approved revisions to COMAR 20.62.02 to implement the extension and expansion of the Pilot.

House Bill 908 (HB 908), also known as "Community Solar Energy Generating Systems Program and Property Taxes" was signed into law and became effective July 1, 2023, by its terms.[8] The Act makes the CSEGS pilot program permanent and requires community solar systems authorized under the new law to serve at least 40 percent of their energy output to low-income and moderate-income subscribers and authorize subscription coordinators to act on behalf of a subscriber organization. The bill modifies Public Utilities Article §7-306.2 and Tax Property Article §7-237. To comply with HB 908, the MNMWG drafted revisions to current regulations which the Commission adopted on September 5, 2024 in the RM 56 proceeding.

Changes to the CS program have been made over the years during which the Pilot Program operated. After the Commission adopted additional CS regulation in March 2025, the Pilot Program transitioned to a permanent CS Program based on HB908.[9] Further CS Program enhancements, including consolidated billing, were adopted by the Commission in September 2025.

Net Metering in Maryland

Net metering is a method by which a single meter is used to capture a customer's usage and the energy produced by a renewable energy generator when connected to an electric utility distribution system. Net energy metering generally utilizes the existing meter for all

[7] https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/hb0683/?ys=2019rs.
[8] 2023 Laws of Md., Ch. 652.
[9] https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/hb0908/?ys=2023rs.

calculations, avoiding the expense of a second meter to measure incoming and outgoing energy separately. The law permits net metering for solar, wind, biomass, micro combined heat and power, fuel cell, and closed conduit hydroelectric generating facilities intended to supply all or part of a customer's annual energy usage. The term "net metering" refers to the measurement of electricity on the basis that it is the net of energy used and produced by an eligible customer- generator during a single billing period, *e.g.*, one month.[10] As discussed further below, the terms of utility tariffs require a customer to pay the monthly utility customer charge, regardless of the amount of energy produced. However, for energy billed, the customer pays only for energy used, netted against any generated energy the customer produces. The practical effect of this policy is to allow customers to use the utility grid as if it were battery storage such that when a customer generates excess energy, the customer can store it for later use. The law also provides for the monetary payment of net excess generation for a customer that terminates service, for eligible customer generators that accrue net excess generation indefinitely, or, at the end of April, for eligible customer generators that accrue net excess generation annually.[11] The dollar value of net excess generation is equal to the generation or commodity portion of the rate that the electric company would have charged the eligible

[10] "Eligible customer-generator" means a customer that owns and operates, leases and operates, or contracts with a third party that owns and operates a biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit hydroelectric generating facility that: (i) is located on the customer's premises or contiguous property; (ii) is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and (iii) is intended primarily to offset all or part of the customer's own electricity requirements. *See* PUA §7-306(a) (4).

[11] PUA §7-306(f)(6) states:

> (i) If an eligible customer–generator elects to accrue net excess generation under paragraph (5)(i)1 of this subsection, on or before 30 days after the billing cycle that is complete immediately prior to the end of April of each year, the electric company shall pay each eligible customer-generator for the dollar value of any accrued net excess generation remaining at the end of the previous 12-month period ending with the billing cycle that is complete immediately prior to the end of April.
>
> (ii) Within 15 days after the date the eligible customer-generator that elects to accrue net excess generation under paragraph (5)(i)1 of this subsection closes the eligible customer- generator's account, the electric company shall pay the eligible customer-generator for the dollar value of any accrued net excess generation remaining at the time the eligible customer-generator closes the account**.** *See also* PUA §7-306(f) (5) for certain provisions applicable to eligible customer generators who elect to accrue net excess generation for an indefinite period.

customer-generator which is then averaged over the previous 12-month period and multiplied by the number of kilowatt hours of net excess generation. PUA §7-306 was amended by Senate Bill 143, which was enacted during the 2023 legislative session effective October 1, 2023, according to its terms. This bill allows eligible customer-generators to elect to accrue net excess generation indefinitely rather than receive monetary payment for net excess generation each year.[12] The following table summarizes the total amount of excess generation credit payouts by rate class for each utility operating in Maryland. As **Table 1** indicates, approximately $8,888,859.35 in excess generation credits were paid to residential and commercial customers in the 12-month period ending April 30, 2025.

Eligible customer-generators may also benefit from less costly interconnections with the utility because of the use of only a single standard meter. The simplified interconnection allows the customer to use the renewable generator in a grid-connected manner without significant additional installation or operating expense. For larger commercial customers, interconnection sometimes requires a more expensive installation, the cost of which is required by utility tariffs to be recovered from the customer.

[12] 2023 Laws of Md., Ch. 458.

Table 1: Excess Generation Credit Payouts for the 12-month Period Ending April 30, 2025		
Electric Utility	**Residential**	**Commercial**
Baltimore Gas and Electric Company	$1,932,727.94	$1,538,673.68
Potomac Electric Power Company	$2,242,246.30	$728,742.08
Delmarva Power & Light Company	$380,404.18	$1,083,491.56
The Potomac Edison Company	$270,333.86	$218,284.05
Southern Maryland Electric Cooperative, Inc.	$213,578.42	$6,693.28
Choptank Electric Cooperative	$105,564.62	$150,615.51
Easton Utilities Commission	$1,221.34	$12,313.29
Mayor and Council of Berlin	$1,255.58	$1,057.19
City of Hagerstown Light Department	$1,593.21	$0.00
Thurmont Municipal Light Company	$63.26	$0.00
Williamsport Municipal Electric Light Plant	$0.00	$0.00
State Total	**$5,148,988.71**	**$3,739,870.64**

Utilities implement the net energy metering operations authorized in PUA §7-306 through tariffs that are filed with the Commission. These tariffs place terms and conditions on net energy metering operations. These tariffs also include eligibility requirements that cap the maximum installed size of the renewable generator and the state-wide limit on net energy metering. Any statutory change requires each utility to revise its tariff and file the revision with the Commission.

Eligibility Cap

Electric companies are required to permit net metering for eligible customers. The aggregate limit on eligible renewable generation capacity in the State is 3,000 MW as of October 1, 2021, due to legislation that doubled the existing capacity limit of 1,500 MW. This limit represents approximately 18.45 percent of the peak demand in Maryland, which for 2025 was forecasted at 16,260 MW.[13] The generating capacity of an electric generating system used by an

[13] *Ten-Year Plan (2024-2033) of Electric Companies in Maryland*, issued November 2024, Appendix Table 3(a)(i), page 33.

eligible customer-generator for net metering may not exceed 2 MW or 5 MW for a community solar energy generating system.[14]

Current Level of Renewable Deployment

The Commission Staff surveyed Maryland electric companies for the number of net-metered facilities currently operating in each electric company's distribution service territory. The total generation amount has increased from approximately 364 kW in 2007 to 1,321,096 kW through the end of June 2025.[15] **Table 2** below shows the results of the Commission Staff's survey of net-metered installations through June 30, 2025. For comparison, **Table 3** shows the net-metered installations from the previously reported 12-month period ending June 30, 2024. In the 12 months since June 30, 2024, net metering capacity has increased by 110,163 kW, representing a 9.10 percent increase from the previously reported capacity, as shown in **Table 4.**

[14] PUA §7-306(g)(1). Please note that SB 0110/HB 0440 amended PUA §7-306 to allow Community Solar Energy Generating Systems to net meter up to 5 MW, effective October 1, 2022.
[15] The installed capacity referenced does not include installed community solar capacity.

Table 2: Net Metering Capacity as of June 30, 2025					
Electric Utility	**Solar (kW)**	**Wind (kW)**	**Biomass (kW)**	**Total (kW)**	**Total (MW)**
Baltimore Gas and Electric Company	563,753	101	0	563,855	564
Potomac Electric Power Company	359,965	78	0	360,042	360
Delmarva Power & Light Company	127,290	889	240	128,179	128
The Potomac Edison Company	139,872	7	256	139,880	140
Southern Maryland Electric Cooperative, Inc.	90,274	36	320	90,310	90
Choptank Electric Cooperative	33,703	353	30	34,057	34
Easton Utilities Commission	3,490	0	15	3,490	3
Mayor and Council of Berlin	598	0	0	598	1
Town of Hagerstown Light Department	368	0	0	368	0
Thurmont Municipal Light Company	290	0	0	290	0
Williamsport Municipal Light Plant	28	0	0	28	0
State Total	**1,319,631**	**1,464**	**861**	**1,321,097**	**1,320**

Table 3: Net Metering Capacity as of June 30, 2024					
Electric Utility	**Solar (kW)**	**Wind (kW)**	**Biomass (kW)**	**Total (kW)**	**Total (MW)**
Baltimore Gas and Electric Company	524,200	101	0	524,302	524
Potomac Electric Power Company	315,733	78	0	315,811	316
Delmarva Power & Light Company	119,477	889	240	120,606	121
The Potomac Edison Company	127,095	7	256	127,358	127
Southern Maryland Electric Cooperative, Inc.	84,860	36	320	85,216	85
Choptank Electric Cooperative	32,479	353	30	32,863	33
Easton Utilities Commission	3,575	0	6	3,581	4
Mayor and Council of Berlin	591	0	0	591	1
Town of Hagerstown Light Department	323	0	0	323	0
Thurmont Municipal Light Company	255	0	0	255	0
Williamsport Municipal Light Plant	28	0	0	28	0
State Total	**1,208,616**	**1,464**	**852**	**1,210,934**	**1,211**

The amount of installed capacity has increased each year since the inception of Maryland's net metering program. **Table 4** shows the installed capacity and the growth rates relative to previous years for the five periods from 2021 through 2025. Capacity grew steadily through 2021 when the net installed capacity grew by 7.90 percent; for 2022, capacity growth increased to 8.37 percent; and for 2023, capacity growth fell to 6.24 percent. From 2023 to 2024, capacity growth surged to an 18.46 percent growth rate which then slowed to a 9.10 percent growth rate in 2025.

Table 4: Net Metering Capacity Growth for the Previous Five Years			
Year end	**KW**	**KW Change**	**Percent Change**
30-Jun-25	1,321,096	110,163	9.10%
30-Jun-24	1,210,933	188,713	18.46%
30-Jun-23	1,022,220	60,080	6.24%
30-Jun-22	962,140	74,340	8.37%
30-Jun-21	887,800	65,008	7.90%

Recommendation on Eligibility Cap

The central recommendation of this 2025 report concerns the adequacy of the 3,000 MW statewide net metering cap. As of June 30, 2025, the current level of installed capacity, approximately 1,537 megawatts (MW)[16], is 51.23 percent of the eligible State cap of 3,000 MW. However, this figure no longer reflects the full demand on the program and is not the primary matter for legislative review.

As detailed in this report, the pending (non-operational) project queues have grown substantially. This growth is driven almost entirely by the Community Solar program. The Commission has identified a multi-stage pipeline of forthcoming capacity:

- Awaiting PSC Authorization: ~700 MW
- CS Projects in Utility Interconnection Queues (Table 5): ~1,728 MW
- CS Projects Accepted in Program (Not Operating, Table 7): ~483 MW

The combined total of just the pending CS projects (approximately 2,911 MW) nearly exceeds the 3,000 MW statewide cap, before accounting for the 1,537 MW already installed or any future rooftop or aggregate NEM growth. The total potential capacity (installed + pending) now significantly exceeds the statutory limit.

Table 5 below shows the approximate total capacity level of Community Solar Energy Generating System projects in the interconnection queue as of June 30, 2025. The total capacity

[16] Installed capacity as of June 30, 2025. This includes 1,321 MW installed net metering capacity and 259.06 MW installed community solar capacity.

level of projects in the queue is approximately 1,728 MW.

The Commission recognizes that not all projects in the queue will ultimately be constructed. Project development timelines can exceed 12-36 months and some projects are withdrawn. For example, participating utilities have reported that 164 MW of CSEGS project capacity has been withdrawn for various reasons.[17] This uncertainty is a normal part of the development process.

However, even accounting for this attrition, the Commission finds that the 3,000 MW cap may no longer be sufficient to accommodate the demonstrated market demand. The Commission finds that its previous position of monitoring the cap's progression is no longer sufficient, given that the queue of proposed projects now exceeds the available capacity.

The Commission recommends the General Assembly consider legislative action during the 2026 session to address the net metering cap. This action is necessary to provide market certainty, avoid disruption to the renewable energy industry as projects are unable to move forward, and ensure the State's ability to meet its renewable energy goals.

The MNMWG and Commission Technical Staff will continue to monitor progression towards the net metering cap and the Commission stands ready to work with the General Assembly to analyze the impacts of various policy options for addressing the cap.

[17] Failing to reach the operational deadline under COMAR 20.62.03.04C could cause a project to be removed.

Table 5: Approximate Community Solar Energy Generating Systems Capacity of Projects in Queue	
Utility	**Capacity (MW)**
Baltimore Gas and Electric Company	710
Potomac Electric Power Company	91
Delmarva Power and Light Company	206
Potomac Edison Company	720
Total	**1727**

Net Metering Regulations COMAR 20.50.10

COMAR 20.50.10 promotes the deployment of net-metered facilities and simplifies the requirements for customer interconnection. The regulations address the allowed size for net metering eligibility as a multiple of customer load and establish aggregate net metering for agricultural, municipal, and non-profit customers. Under House Bill 1188, enacted during the 2023 legislative session and effective October 1, 2023, the list of eligible customer-generators expanded to include public senior higher education institutions, as defined in §10-101 of the Education Article.[18] COMAR sections 20.50.10.05 and 20.50.10.07 are subject to change in future rulemaking proceedings to implement the legislative changes to net metering delineated in House Bill 1188 and Senate Bill 143. On September 27, 2023, the Commission granted, by letter order, waivers of COMAR 20.50.10.05(E)(1) and 20.50.10.07(B) until updated regulations were published.

Eligible Customer Size. Under the regulations, a customer may participate in net metering using facilities that are sized to produce up to 200 percent of a customer's annual baseline kWh use.

[18] 2023 Laws of Md., Ch. 460.

Aggregate Net Metering. The aggregation of net-metered loads is accomplished by combining meter readings from multiple utility service points. Utilities can provide this service by using the physical interconnection of service points or by summing the total usage from two or more meters (virtual aggregation). Only certain types of customers are permitted to use this service. Agricultural, municipal (including county governments), and nonprofit entities *(e.g.,* churches or schools) are permitted to aggregate net-metered loads under the regulations. The Commission, in a recent letter order, also clarified that federal agencies may participate in net metering aggregation.[19] Aggregation may provide increased incentives for system deployment by providing more significant economies of scale for installations and allowing a customer to make the most efficient use of existing solar or wind resources. An example of an agricultural application of aggregate net metering would be combining the load on a farm's barn, outbuildings, and residence. A solar array may be installed on a barn which would generally have excellent sun exposure, although it would use little electric power. Joining the load of the residence (which may have less roof area or be in a shady location) and outbuildings to the load of the barn would make the installation more practical and cost-effective for the customer.

Table 6 below shows the number of pending projects, projects under construction[20], and completed projects operating for the Net Metering Aggregation Program reported by utilities as of June 30, 2025. There are 22 projects pending, 70 projects that are under construction, and 322 completed projects.[21]

[19] Letter Order, Maillog No. 311193.
[20] Projects under construction have started but not completed installation and are not providing kWh credits to the aggregated accounts.
[21] The number of completed projects has been revised from the reported number of projects in the 2024 Net Metering Report.

Table 6: Aggregate Net Metering (ANEM) Program Projects Pending, Under Construction, and Completed Projects as of June 30, 2025			
Electric Utility	**Projects Pending**	**Projects under Construction**	**Completed Projects**
Baltimore Gas and Electric Company	12	50	113
Potomac Electric Power Company	2	7	20
Delmarva Power & Light Company	1	9	63
The Potomac Edison Company	5	0	74
Southern Maryland Electric Cooperative, Inc.	0	0	41
Choptank Electric Cooperative	2	4	5
Easton Utilities Commission	0	0	6
Mayor and Council of Berlin	0	0	0
Town of Hagerstown Light Department	0	0	0
Thurmont Municipal Light Company	0	0	0
Williamsport Municipal Light Plant	0	0	0
State Total	**22**	**70**	**322**

Community Solar Energy Generating Systems

During the 2015 legislative session, the General Assembly passed House Bill 1087 and its Senate Bill counterpart, SB398, requiring the Commission to develop a Pilot Program and report on a new type of net-metering, Community Solar Energy Generating Systems (CSEGS). HB1087/SB398 was signed into law in May 2015 and is codified at PUA §7-306.2. The law directed the Commission to establish a three-year pilot program and to report to the legislature on the results by 2019. During the 2019 legislative session, PUA §7-306.2 was amended to extend the Pilot through December 31, 2024 with capacity increasing annually.[22] The limit on the number of subscribers allowed for a given CSEGS was also removed with this legislation. On February 22, 2022, the Commission approved revisions to COMAR 20.62 pertaining to capacity, subscription coordinators, and specialized locations. On July 1, 2022, in its report on the CSEGS Pilot Program to the General Assembly, the Commission recommended a full cost-benefit

[22] HB683/SB520.

analysis be conducted at the end of the Pilot. Additionally, the report recommended that the General Assembly consider maximizing low-and-moderate income (LMI) participation, coordinating potential CSEGS projects with electric companies for grid and market benefits, pairing CSEGS projects with energy storage to increase grid and market benefits, and other issues when considering future legislation.[23] House Bill 908, enacted during the 2023 legislative session, made the CSEGS pilot program permanent by amending PUA §7-306.2 and requires systems authorized under the new law to serve at least 40 percent of its energy output to low-income and moderate-income subscribers.

The Maryland Net Metering Work Group, a Staff-facilitated stakeholder group, was reconvened in July 2015 to develop a program design to implement the CSEGS legislation. Following the development of the program parameters, the Commission established Rulemaking 56 (RM56) to codify the program.[24] Community solar regulations were adopted as final in July 2016 and participating utilities filed implementation tariffs in September 2016. Throughout the second half of 2016, the MNMWG worked to revise the utilities' proposed CSEGS tariffs to implement the new regulations. On February 15, 2017, the Commission issued a letter order directing each investor-owned utility to file revised tariffs and finalize program details. In addition, Staff and the MNMWG were directed to finalize application materials and report on program details applicable to the Pilot Program Study Plan. Through the fifth year of the Pilot, 349.07 MWs of capacity were offered under the net metering cap. The Pilot's capacity may be installed over a seven-year period with annual capacity allotments increasing over time. In addition to open systems, the program capacity includes categories for low- and moderate-income customers, small systems, rooftop systems, and installations on buildings and parking

[23] Public Service Commission of Maryland, Report on the Community Solar Energy Generating System (CSEGS) Pilot Program, July 1, 2022.

[24] RM56, *Revisions to COMAR 20.62 - Community Solar Energy Generation Systems.*

facilities. Implementation of the Pilot began in the second quarter of 2017 following the approval of Pilot participants.

In 2020, the RM56 rulemaking accepted changes to COMAR 20.62.02 which increased the statewide capacity to 3.25 percent of the 2015 Maryland peak demand in the fourth year (2021) and outlined further increases for years 5, 6, and 7 to implement the extension and expansion of the Pilot. The revised regulations also removed the 350-account limit on the number of accounts a subscriber organization may subscribe to for a given CSEGS. In the 2022 legislative session, the General Assembly passed Senate Bill 110/House Bill 440 which amended PUA §7-306 and increased the maximum size of a Community Solar Energy Generating System from 2 MW to 5 MW, effective October 1, 2022.[25] In May 2025, the investor-owned utilities filed proposed tariff revisions to their Community Solar tariff pages to comply with updates to COMAR Title 20, Subtitle 62 adopted by the Commission during its February 4, 2025 final rule-making session in RM 56 and to establish the Community Solar Pilot Program as permanent. On July 9, 2025, the Commission reviewed and accepted the tariff revisions for filing with an effective date of July 1, 2025.

Table 7 below presents the total number of projects accepted into the Pilot Program and the number of new projects that have commenced operations as of June 30, 2025. Since the previous report, 56 new projects have commenced operation, bringing the total number of operating projects to 170 with an aggregate capacity of approximately 216 MW which is an approximate increase of 34.22 percent in capacity year over year. The change in aggregate capacity is reflected in **Table 8** below. There have been 126 new projects accepted into the program, increasing the total number of pending projects to 311, which could add approximately 483 MW of Community Solar capacity once operational.

[25] Senate Bill 110 and House Bill 440 Electricity – Community Solar Generating Systems – Net Energy Metering and Generating Capacity.

Table 7: Community Solar Capacity as of June 30, 2025								
Electric Utility	**Newly Accepted Projects (Not Operating)**		**New Projects (Operating)**		**Total Accepted Projects (Not Operating)**		**Total Projects (Operating)**	
	No. of Projects	**MW**	**No. of Projects**	**MW**	**No. of Projects**	**MW**	**No. of Projects**	**MW**
BGE	27	48.61	35	32.06	127	196.65	98	118.77
Pepco	47	51.91	16	13.05	95	89.88	42	41.10
Delmarva	38	100.57	0	0.00	55	125.74	9	16.32
PE	14	35.9	5	10	34	70.59	21	39.96
State Total	**126**	**237**	**56**	**55**	**311**	**483**	**170**	**216**

Table 8: Change in Community Solar Capacity								
Electric Utility	**Total Projects Operating as of June 30, 2024**		**Total Projects Operating as of June 30, 2025**		**Change in Capacity (MW)**		**Percent Change in Capacity (%)**	
	No. of Projects	**MW**	**No. of Projects**	**MW**	**No. of Projects**	**MW**	**No. of Projects**	**MW**
BGE	63	86.71	98	118.77	35	32.06	55.56%	36.98%
Pepco	26	28.06	42	41.10	16	13.05	61.54%	46.52%
Delmarva	9	16.32	9	16.32	0	0.00	0.00%	0.00%
PE	16	29.96	21	39.96	5	10.00	31.25%	33.38%
State Total	114	161	170	216	**56**	**55**	**49.12%**	**34.22%**

As shown in **Table 9 below**, the electric companies credited a total of 284,448,624 kWh to CSEGS subscribers (electric customers of the four electric utilities listed above) over the 12-month period (ending June 30, 2025) and 746,268,298 kWh over the life of the program (2018 – June 2025).[26]

[26] The earliest community solar projects became operational in 2018.

Table 9: CSEGS kWh and Dollar Credits				
Electric Utility	**12-Month Period (Ending June 30, 2025)**		**Lifetime Amount**	
	Excess kWh	**Credits Paid**	**Excess kWh**	**Credits Paid**
BGE	147,029,921	$25,390,293.59	421,689,510	$66,036,464.79
Pepco	59,673,327	$8,923,787.08	131,432,444	$21,653,192.27
Delmarva	32,073,809	$4,987,460.99	69,112,134	$11,211,069.73
PE	45,671,567	$0.00	124,034,210	$0.00

Electric companies have various methods for recovering revenues associated with the application of subscription credits to customer accounts. For example, Baltimore Gas and Electric Company (BGE) recovers customer distribution credits through its decoupling mechanism. Transmission and energy costs, which are offset through reduced sales, are recovered through the company's transmission rates and the Standard Offer Service (SOS) energy cost adjustment mechanism. Currently, Potomac Edison (PE) applies a kWh reduction to subscribers' metered kWh use rather than bill credits. PE will transition to a dollar credit method on January 1, 2026.

BGE, Pepco, Delmarva, and PE have provided Commission Staff with estimated monthly bill impacts for an average residential customer as a result of community solar for the 12 months ending June 30, 2025, and an estimated monthly bill impact for an average residential customer at the current maximum capacity (i.e., all projects in queue are operational). The utility estimated the bill impacts for an average residential customer and summarized them in **Table 10** below. At the current capacity level, the estimated monthly bill impact for an average residential customer in each service territory is between $0.60 and $2.59 per month. At the current maximum capacity, the estimated monthly bill impact for an average residential customer in each service territory ranges from $2.28 to $29.15.

Table 10: Estimated Residential Monthly Bill Impacts[27]		
Utility	**At Current Capacity**	**At Current Maximum Capacity**
BGE	$1.41	$4.66
Pepco	$1.65	$2.28
Delmarva	$2.59	$29.15
PE	$0.60	$26.00

Other Issues

At this time, the Commission re-emphasizes that the total pending pipeline of Community Solar projects in queue or development (approximately 2,911 MW) would nearly exceed the statewide capacity cap of 3,000 MW on its own before accounting for existing operational capacity. This situation creates market uncertainty for projects already in development and may impede the progress of a key component of Maryland's renewable energy strategy. Therefore, the Commission's primary recommendation to the General Assembly is to address the PUA §7-306 cap in a timely manner.

However, the Commission advises that a durable solution requires a comprehensive evaluation of the program's framework, not necessarily a simple increase of the cap. There are numerous ways to address the 3,000 MW limitation and each path carries different long-term implications. For instance, any capacity expansion of the program has direct financial consequences for all ratepayers who must fund the cost of credits paid to net-metered and community solar customers. A thorough analysis is required to balance the State's renewable goals with the financial impact on Maryland residents and businesses.

The Public Service Commission is the appropriate agency to lead this complex evaluation. The Commission possesses the necessary institutional expertise in energy markets,

[27] The current maximum capacity includes all projects in queue, including projects that have not yet been approved for interconnection.

utility rates, and energy policy to conduct a robust analysis.

In order to create long-term program stability and protect ratepayer interests, the Commission recommends the General Assembly authorize the PSC to convene a formal proceeding. This proceeding would bring together utilities, industry experts, consumer advocates, and other stakeholders to thoroughly evaluate options, analyze costs and benefits, and propose a balanced, sustainable policy framework for the future of net metering in Maryland. The Commission stands ready to undertake this work and report its findings to the General Assembly. To ensure a smooth transition into a new program, the Commission advises that the current law be modified such that the current cap may be exceeded or expanded so long as the Commission has implemented a new policy framework prior to this expansion.