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**BILL NO.:** **House Bill 1276**  
**Electric Universal Service Program – Solar**  
**Procurement Study**

**COMMITTEE:** **Economic Matters**

**HEARING DATE:** **March 3, 2016**

**SPONSORS:** **Delegates Clippinger and Stein**

**POSITION:** **Informational**

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House Bill 1276 requires the Public Service Commission (Commission) to study and make recommendations about the advisability of establishing a requirement for procuring a portion of the electricity supply for Electric Universal Service Program participants from solar and certain other renewable sources. The Bill specifically requires the Commission to study a number of different factors and convene workgroups to assist in the study, and requires all State and local agencies to cooperate in the study. A report would be due to the House Economic Matters Committee and the Senate Finance Committee by July 1, 2017.

The study requirements are numerous and can be complex. Among other things, the requirements include:

1. The needs and locations of EUSP participants.
2. Siting requirements, including engineering and technical requirements.
3. Financing of the community solar facilities, including the availability of tax credits and other incentives.
4. The means for integration of procurement of these resources into existing procurement processes (e.g. Standard Offer Service) or other processes, and the use of power purchase agreements (PPAs).
5. The impact of procurement on other ratepayers.

The study parameters have implications for the existing Standard Offer Service procurement process, as well as Commission oversight over the EUSP program, and the operation and administration of the existing Electric Universal Service Program (EUSP) by DHCD. In addition, there is a 3-year Community Solar Pilot Program, with its own extensive study requirements, and a report to the House Economic Matters Committee and Senate Finance Committee by July 1, 2019.<sup>1</sup> If the Committee is interested in such a study, OPC suggests that a report deadline that is coincident with the community solar pilot program report deadline may allow for efficient use of relevant information, data, and insights from the pilot program, which also has a focus on low and moderate income customers.

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<sup>1</sup> A Commission-sponsored Community Solar Pilot Program Work Group met extensively for several months beginning July 2015, and continuing through February 2016. The Commission conducted 4 rulemaking sessions in the past three months, and at the last rulemaking session on February 22, 2016, voted to approve publication of a proposed set of regulations for comment. There are still extensive implementation matters to be addressed, in addition to establishing a framework and process for the 3-year study.