

HOUSE BILL 584

C5

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CF SB 508

By: **Delegate R. Watson**

Introduced and read first time: January 20, 2021

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2021

CHAPTER _____

1 AN ACT concerning

2 **Public Utilities – Net Energy Metering**

3 FOR the purpose of ~~increasing the maximum generation capacity of an electric generating~~
4 ~~system that may be used by an eligible customer generator for net metering;~~
5 prohibiting the Public Service Commission from prohibiting the construction or
6 operation of multiple net metered solar generating facilities located on certain
7 contiguous lots solely because the capacity of the combined net metering systems
8 exceeds a certain limit under certain circumstances; and generally relating to the
9 net metering of electric generating systems.

10 BY repealing and reenacting, without amendments,
11 Article – Public Utilities
12 Section 7–306(a)(1), (4), (7), and (8) and (b) through (f)
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2020 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Public Utilities
17 Section 7–306(g)
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2020 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Public Utilities

1
2 7–306.

3 (a) (1) In this section the following words have the meanings indicated.

4 (4) “Eligible customer–generator” means a customer that owns and
5 operates, leases and operates, or contracts with a third party that owns and operates a
6 biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit hydro
7 electric generating facility that:

8 (i) is located on the customer’s premises or contiguous property;

9 (ii) is interconnected and operated in parallel with an electric
10 company’s transmission and distribution facilities; and

11 (iii) is intended primarily to offset all or part of the customer’s own
12 electricity requirements.

13 (7) “Net energy metering” means measurement of the difference between
14 the electricity that is supplied by an electric company and the electricity that is generated
15 by an eligible customer–generator and fed back to the electric grid over the eligible
16 customer–generator’s billing period.

17 (8) “Net excess generation” means the amount of the electricity generated
18 by an eligible customer–generator that is in excess of the electricity consumed by the
19 eligible customer–generator and that results in a negative kilowatt–hour reading at the
20 end of the eligible customer–generator’s billing cycle.

21 (b) The General Assembly finds and declares that a program to provide net energy
22 metering for eligible customer–generators is a means to encourage private investment in
23 renewable energy resources, stimulate in–State economic growth, enhance continued
24 diversification of the State’s energy resource mix, and reduce costs of interconnection and
25 administration.

26 (c) An electric company serving an eligible customer–generator shall ensure that
27 the meter installed for net energy metering is capable of measuring the flow of electricity
28 in two directions.

29 (d) The Commission shall require electric utilities to develop a standard contract
30 or tariff for net energy metering and make it available to eligible customer–generators on
31 a first–come, first–served basis until the rated generating capacity owned and operated by
32 eligible customer–generators in the State reaches 1,500 megawatts.

1 (e) (1) A net energy metering contract or tariff shall be identical, in energy
2 rates, rate structure, and monthly charges, to the contract or tariff that the customer would
3 be assigned if the customer were not an eligible customer-generator.

4 (2) (i) A net energy metering contract or tariff may not include charges
5 that would raise the eligible customer-generator's minimum monthly charge above that of
6 customers of the rate class to which the eligible customer-generator would otherwise be
7 assigned.

8 (ii) Charges prohibited by this paragraph include new or additional
9 demand charges, standby charges, customer charges, and minimum monthly charges.

10 (f) (1) The electric company shall calculate net energy metering in accordance
11 with this subsection.

12 (2) Net energy produced or consumed on a regular basis shall be measured
13 in accordance with standard metering practices.

14 (3) If electricity supplied by the grid exceeds electricity generated by the
15 eligible customer-generator during a month, the eligible customer-generator shall be billed
16 for the net energy supplied in accordance with subsection (e) of this section.

17 (4) If electricity generated by the eligible customer-generator exceeds the
18 electricity supplied by the grid, the eligible customer-generator shall be billed only
19 customer charges for that month in accordance with subsection (e) of this section.

20 (5) (i) An eligible customer-generator under paragraph (4) of this
21 subsection may accrue net excess generation for a period:

22 1. not to exceed 12 months; and

23 2. that ends with the billing cycle that is complete
24 immediately prior to the end of April of each year.

25 (ii) The electric company shall carry forward net excess generation
26 until:

27 1. the eligible customer-generator's consumption of
28 electricity from the grid eliminates the net excess generation; or

29 2. the accrual period under subparagraph (i) of this
30 paragraph expires.

31 (iii) 1. The dollar value of net excess generation shall be equal to
32 the generation or commodity portion of the rate that the eligible customer-generator would
33 have been charged by the electric company averaged over the previous 12-month period

1 ending with the billing cycle that is complete immediately prior to the end of April
2 multiplied by the number of kilowatt–hours of net excess generation.

3 2. For customers served by an electricity supplier, the dollar
4 value of the net excess generation shall be equal to the generation or commodity rate that
5 the customer would have been charged by the electricity supplier multiplied by the number
6 of kilowatt–hours of net excess generation.

7 (6) (i) On or before 30 days after the billing cycle that is complete
8 immediately prior to the end of April of each year, the electric company shall pay each
9 eligible customer–generator for the dollar value of any accrued net excess generation
10 remaining at the end of the previous 12–month period ending with the billing cycle that is
11 complete immediately prior to the end of April.

12 (ii) Within 15 days after the date the eligible customer–generator
13 closes the eligible customer–generator’s account, the electric company shall pay the eligible
14 customer–generator for the dollar value of any accrued net excess generation remaining at
15 the time the eligible customer–generator closes the account.

16 (7) (i) Notwithstanding paragraphs (5) and (6) of this subsection, an
17 eligible customer–generator served by an electric cooperative that serves a population of
18 less than 250,000 in its distribution territory may choose to be paid for the dollar value of
19 net excess generation remaining at the end of each month instead of at the end of the
20 accrual period specified under paragraph (5)(i) of this subsection.

21 (ii) If an eligible customer–generator chooses to be paid for the dollar
22 value of net excess generation remaining at the end of each month:

23 1. the customer–generator may accrue net excess generation
24 on a monthly basis;

25 2. the dollar value of the net excess generation shall be equal
26 to the generation or commodity portion of the rate that the eligible customer–generator
27 would have been charged by the electric company for the previous month; and

28 3. on or before 30 days after the end of each month, the
29 electric cooperative shall pay the eligible customer–generator for the dollar value of net
30 excess generation remaining at the end of the previous month.

31 (g) (1) ~~The~~ **EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS**
32 **SUBSECTION, THE** generating capacity of an electric generating system used by an eligible
33 customer–generator for net metering may not exceed ~~2~~ **5** megawatts.

34 (2) An electric generating system used by an eligible customer–generator
35 for net metering shall meet all applicable safety and performance standards established by
36 the National Electrical Code, the Institute of Electrical and Electronics Engineers, and
37 Underwriters Laboratories.

1 (3) The Commission may adopt by regulation additional control and testing
2 requirements for eligible customer–generators that the Commission determines are
3 necessary to protect public safety and system reliability.

4 (4) An electric company may not require an eligible customer–generator
5 whose electric generating system meets the standards of paragraphs (2) and (3) of this
6 subsection to:

- 7 (i) install additional controls;
- 8 (ii) perform or pay for additional tests; or
- 9 (iii) purchase additional liability insurance.

10 (5) An eligible customer–generator or the eligible customer–generator’s
11 assignee shall own and have title to all renewable energy attributes or renewable energy
12 credits associated with any electricity produced by its electric generating system.

13 **(6) THE COMMISSION MAY NOT PROHIBIT THE CONSTRUCTION OR**
14 **OPERATION OF MULTIPLE NET METERED SOLAR ENERGY GENERATING FACILITIES**
15 **LOCATED ON SEPARATE CONTIGUOUS LOTS THAT ARE OWNED BY A LOCAL**
16 **GOVERNMENT SOLELY BECAUSE THE CAPACITY OF THE COMBINED NET METERING**
17 **SYSTEMS EXCEEDS THE LIMIT ESTABLISHED UNDER PARAGRAPH (1) OF THIS**
18 **SUBSECTION, IF:**

19 **(I) THE NET METERED SOLAR ENERGY GENERATING**
20 **FACILITIES ARE INTENDED TO BE USED SOLELY FOR THE BENEFIT OF THE LOCAL**
21 **GOVERNMENT;**

22 **(II) THE TOTAL CAPACITY OF THE NET METERED SOLAR ENERGY**
23 **GENERATING FACILITIES ON THE CONTIGUOUS LOTS DOES NOT EXCEED 5**
24 **MEGAWATTS;**

25 **(III) THE CONTIGUOUS LOTS WERE NOT SUBDIVIDED FOR THE**
26 **PURPOSE OF CIRCUMVENTING THE LIMIT ESTABLISHED UNDER PARAGRAPH (1) OF**
27 **THIS SUBSECTION; AND**

28 **(IV) THE UTILITY SERVING THE NET METERED SOLAR ENERGY**
29 **GENERATING FACILITIES IS NOT AN ELECTRIC COOPERATIVE OR MUNICIPAL**
30 **ELECTRIC UTILITY.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2021.