

# SENATE BILL 508

C5

1lr2175  
CF HB 584

---

By: **Senator Peters**

Introduced and read first time: January 20, 2021

Assigned to: Finance

---

## A BILL ENTITLED

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:

22 **Article – Public Utilities**

23 7–306.

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

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

23 (c) An electric company serving an eligible customer-generator shall ensure that  
24 the meter installed for net energy metering is capable of measuring the flow of electricity  
25 in two directions.

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

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

33 (2) (i) A net energy metering contract or tariff may not include charges  
34 that would raise the eligible customer-generator’s minimum monthly charge above that of  
35 customers of the rate class to which the eligible customer-generator would otherwise be  
36 assigned.

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

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

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

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

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

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

15 1. not to exceed 12 months; and

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

18 (ii) The electric company shall carry forward net excess generation  
19 until:

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

22 2. the accrual period under subparagraph (i) of this  
23 paragraph expires.

24 (iii) 1. The dollar value of net excess generation shall be equal to  
25 the generation or commodity portion of the rate that the eligible customer-generator would  
26 have been charged by the electric company averaged over the previous 12-month period  
27 ending with the billing cycle that is complete immediately prior to the end of April  
28 multiplied by the number of kilowatt-hours of net excess generation.

29 2. For customers served by an electricity supplier, the dollar  
30 value of the net excess generation shall be equal to the generation or commodity rate that  
31 the customer would have been charged by the electricity supplier multiplied by the number  
32 of kilowatt-hours of net excess generation.

33 (6) (i) On or before 30 days after the billing cycle that is complete  
34 immediately prior to the end of April of each year, the electric company shall pay each

1 eligible customer-generator for the dollar value of any accrued net excess generation  
2 remaining at the end of the previous 12-month period ending with the billing cycle that is  
3 complete immediately prior to the end of April.

4 (ii) Within 15 days after the date the eligible customer-generator  
5 closes the eligible customer-generator's account, the electric company shall pay the eligible  
6 customer-generator for the dollar value of any accrued net excess generation remaining at  
7 the time the eligible customer-generator closes the account.

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

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

15 1. the customer-generator may accrue net excess generation  
16 on a monthly basis;

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

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

23 (g) (1) The generating capacity of an electric generating system used by an  
24 eligible customer-generator for net metering may not exceed **[2] 5** megawatts.

25 (2) An electric generating system used by an eligible customer-generator  
26 for net metering shall meet all applicable safety and performance standards established by  
27 the National Electrical Code, the Institute of Electrical and Electronics Engineers, and  
28 Underwriters Laboratories.

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

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

35 (i) install additional controls;

1 (ii) perform or pay for additional tests; or

2 (iii) purchase additional liability insurance.

3 (5) An eligible customer-generator or the eligible customer-generator's  
4 assignee shall own and have title to all renewable energy attributes or renewable energy  
5 credits associated with any electricity produced by its electric generating system.

6 (6) **THE COMMISSION MAY NOT PROHIBIT THE CONSTRUCTION OR**  
7 **OPERATION OF MULTIPLE NET METERED SOLAR ENERGY GENERATING FACILITIES**  
8 **LOCATED ON SEPARATE CONTIGUOUS LOTS THAT ARE OWNED BY A LOCAL**  
9 **GOVERNMENT SOLELY BECAUSE THE CAPACITY OF THE COMBINED NET METERING**  
10 **SYSTEMS EXCEEDS THE LIMIT ESTABLISHED UNDER PARAGRAPH (1) OF THIS**  
11 **SUBSECTION.**

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