

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 257
Finance

(Senator Beidle)

Economic Matters

Public Service Commission – Reporting Requirements

This bill alters the date by which the Public Service Commission (PSC) must report to the General Assembly each year regarding net metering, from September 1 to November 1. The bill also eliminates a separate reporting requirement relating to customer education about retail energy customer choice. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None. The bill does not substantively change State activities or operations, as discussed below.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Net Metering

PSC must report to the General Assembly by September 1 each year on the status of the net metering program established under § 7-306 of the Public Utilities Article. Along with other pertinent information, the report must include (1) the amount of capacity of electric generating facilities owned and operated by eligible customer-generators in the State by type of energy resource and (2) whether the rated generating capacity limit that is set in statute should be altered.

Generally, net energy metering is the measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer-generator and fed back to the electric company over the eligible customer-generator's billing period. PSC must require electric utilities to develop and make net metering tariffs available to eligible customer-generators. The generating capacity of an eligible customer-generator for net metering may be up to two megawatts. Eligible energy sources are solar, wind, biomass, micro combined heat and power, fuel cell, and certain types of hydroelectric. There is a statewide net metered capacity limit of 3,000 megawatts.

Retail Energy Customer Choice

PSC must report to the General Assembly by December 31 each year on the status and success of efforts to educate customers about customer choice. Under § 7-510.1 of the Public Utilities Article, PSC must educate customers about customer choice by including specified information on its website and working with media outlets in the State to develop and air public service announcements.

The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland. The resulting system of customer choice allows the customer to purchase electricity from a competitive supplier or to continue receiving electricity under standard offer service (SOS). Default SOS electric service is provided by a customer's *electric company* (e.g., Baltimore Gas and Electric Company or Pepco). Competitive electric supply is provided by competitive *electricity suppliers*. In either case, the electric company delivers the electricity and recovers the costs for delivery through distribution rates.

State Fiscal Effect: PSC advises that adjusting the deadline for the annual net metering report will help it complete the report on time, after receiving from external parties the data necessary to complete the report. PSC further advises that relevant information relating to customer choice is already encompassed within the annual reports that PSC is required to submit under the Public Utilities Article.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 341 (Delegate Brooks) - Economic Matters.

Information Source(s): Public Service Commission; Department of Legislative Services

Fiscal Note History: First Reader - January 25, 2022
js/lgc Third Reader - February 22, 2022

Analysis by: Tyler Allard

Direct Inquiries to:
(410) 946-5510
(301) 970-5510