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Introduced and read first time: February 11, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies - Net Energy Metering - Biomass Electric Generating**
 3 **Facilities**

4 FOR the purpose of altering the provisions of law concerning net energy metering to
 5 include eligible customers who own certain biomass electric generating
 6 facilities; increasing the maximum allowable kilowatt capacity of certain
 7 electrical generating facilities used by net energy metering; requiring biomass
 8 electric generating systems used by eligible customers to meet certain safety
 9 and performance standards; prohibiting an electric company from requiring
 10 eligible customers who own and operate biomass electric generating facilities to
 11 meet certain additional requirements; defining a certain term; and generally
 12 relating to net energy metering and biomass electric generating facilities.

13 BY repealing and reenacting, with amendments,
 14 Article - Public Utility Companies
 15 Section 7-306
 16 Annotated Code of Maryland
 17 (1998 Volume and 2004 Supplement)

18 BY repealing and reenacting, without amendments,
 19 Article - Public Utility Companies
 20 Section 7-701(a) and (h)
 21 Annotated Code of Maryland
 22 (1998 Volume and 2004 Supplement)

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

1 **Article - Public Utility Companies**

2 7-306.

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

4 (2) "BIOMASS" MEANS "QUALIFIED BIOMASS" AS DEFINED IN § 7-701 OF
5 THIS TITLE.6 (3) "Eligible customer-generator" means a customer that owns and
7 operates a BIOMASS, solar [electrical generating facility], or [a] wind electric
8 generating facility that:

9 (i) has a capacity of not more than [80] 1,000 kilowatts;

10 (ii) is located on the customer's premises;

11 (iii) is interconnected and operated in parallel with an electric
12 company's transmission and distribution facilities; and13 (iv) is intended primarily to offset all or part of the customer's own
14 electricity requirements.15 [(3)] (4) "Net energy metering" means measurement of the difference
16 between the electricity that is supplied by an electric company and the electricity that
17 is generated by an eligible customer-generator and fed back to the electric company
18 over the eligible customer-generator's billing period.19 (b) The General Assembly finds and declares that a program to provide net
20 energy metering for eligible customer-generators is a means to encourage private
21 investment in renewable energy resources, stimulate in-State economic growth,
22 enhance continued diversification of the State's energy resource mix, and reduce costs
23 of interconnection and administration.24 (c) An electric company serving an eligible customer-generator shall ensure
25 that the meter installed for net energy metering is capable of measuring the flow of
26 electricity in two directions.27 (d) The Commission shall require electric utilities to develop a standard
28 contract or tariff for net energy metering and make it available to eligible
29 customer-generators on a first-come, first-served basis until the rated generating
30 capacity owned and operated by eligible customer-generators in the State reaches
31 34.722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.32 (e) (1) A net energy metering contract or tariff shall be identical, in energy
33 rates, rate structure, and monthly charges, to the contract or tariff that the customer
34 would be assigned if the customer were not an eligible customer-generator.35 (2) (i) A net energy metering contract or tariff may not include charges
36 that would raise the eligible customer-generator's minimum monthly charge above

1 that of customers of the rate class to which the eligible customer-generator would
2 otherwise be assigned.

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

5 (f) The electric company shall calculate net energy metering, subject to the
6 following:

7 (1) net energy produced or consumed on a monthly basis shall be
8 measured in accordance with standard metering practices;

9 (2) if electricity supplied by the grid exceeds electricity generated by the
10 eligible customer-generator during a month, the eligible customer-generator shall be
11 billed for the net energy supplied in accordance with subsection (e) of this section; and

12 (3) if electricity generated by the eligible customer-generator exceeds
13 the electricity supplied by the grid, the eligible customer-generator shall be required
14 to pay only customer charges for that month in accordance with subsection (e) of this
15 section.

16 (g) (1) A BIOMASS, [solar-electric generating system] SOLAR, or a wind
17 electric generating system used by an eligible customer-generator shall meet all
18 applicable safety and performance standards established by the National Electrical
19 Code, the Institute of Electrical and Electronics Engineers, and Underwriters
20 Laboratories.

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

24 (3) An electric company may not require an eligible customer-generator
25 whose BIOMASS, [solar-electric generating system] SOLAR, or wind electric
26 generating system meets the standards of paragraphs (1) and (2) of this subsection to:

27 (i) install additional controls;

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

29 (iii) purchase additional liability insurance.

30 7-701.

31 (a) In this subtitle the following words have the meanings indicated.

32 (h) (1) "Qualifying biomass" means a nonhazardous, organic material that is
33 available on a renewable or recurring basis, and is:

34 (i) waste material that is segregated from inorganic waste
35 material and is derived from sources including:

- 1
2 forest-related resources:
- 3 1. except for old growth timber, any of the following
 - 4 A. mill residue, except sawdust and wood shavings;
 - 5 B. precommercial soft wood thinning;
 - 6 C. slash;
 - 7 D. brush; or
 - 8 E. yard waste;
 - 9 2. a pallet, crate, or dunnage;
 - 10 3. agricultural and silvicultural sources, including tree crops,
vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or
 - 11 4. gas produced from the anaerobic decomposition of animal
12 waste or poultry waste; or
 - 13 (ii) a plant that is cultivated exclusively for purposes of being used
14 at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.
- 15 (2) "Qualifying biomass" includes biomass listed in paragraph (1) of this
16 section that is used for co-firing, subject to § 7-704(e) of this subtitle.
- 17 (3) "Qualifying biomass" does not include:
- 18 (i) unsegregated solid waste or postconsumer wastepaper; or
 - 19 (ii) an invasive exotic plant species.
- 20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2005.