
By: **Delegate Holmes**

Introduced and read first time: January 25, 2006

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies - Net Energy Metering - Accrual of Generated**
3 **Electricity - Crediting to Customer's Account**

4 FOR the purpose of allowing customer-generators who own and operate certain solar,
5 biomass, or wind electric generating facilities and who use net energy metering
6 to accrue electricity generation credit for a certain period; requiring the electric
7 company to carry forward a negative kilowatts-per-hour reading for a certain
8 period under certain circumstances; requiring any surplus energy generated
9 during the period in which the customer-generator accrued generation credit to
10 be credited to the account of the customer-generator in a certain manner and
11 during a certain period of time; and generally relating to net energy metering
12 and the electricity generated by the use of solar, biomass, or wind electric
13 generating facilities.

14 BY repealing and reenacting, with amendments,
15 Article - Public Utility Companies
16 Section 7-306
17 Annotated Code of Maryland
18 (1998 Volume and 2005 Supplement)

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

21 **Article - Public Utility Companies**

22 7-306.

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

24 (2) "Biomass" means "qualified biomass" as defined in § 7-701 of this
25 title.

26 (3) "Eligible customer-generator" means a customer that owns and
27 operates a biomass, solar, or wind electric generating facility that:

28 (i) is located on the customer's premises;

1 (ii) is interconnected and operated in parallel with an electric
2 company's transmission and distribution facilities; and

3 (iii) is intended primarily to offset all or part of the customer's own
4 electricity requirements.

5 (4) "Net energy metering" means measurement of the difference between
6 the electricity that is supplied by an electric company and the electricity that is
7 generated by an eligible customer-generator and fed back to the electric company
8 over the eligible customer-generator's billing period.

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

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

17 (d) The Commission shall require electric utilities to develop a standard
18 contract or tariff for net energy metering and make it available to eligible
19 customer-generators on a first-come, first-served basis until the rated generating
20 capacity owned and operated by eligible customer-generators in the State reaches
21 34.722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.

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

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

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

31 (f) (1) The electric company shall calculate net energy metering[, subject to
32 the following:] IN ACCORDANCE WITH THIS SUBSECTION.

33 [(1)] (2) [net] NET energy produced or consumed on a monthly basis
34 shall be measured in accordance with standard metering practices[;].

35 [(2)] (3) [if] IF electricity supplied by the grid exceeds electricity
36 generated by the eligible customer-generator during a month, the eligible
37 customer-generator shall be billed for the net energy supplied in accordance with
38 subsection (e) of this section[; and].

1 [(3)] (4) [if] IF electricity generated by the eligible customer-generator
2 exceeds the electricity supplied by the grid, the eligible customer-generator shall be
3 required to pay only customer charges for that month in accordance with subsection
4 (e) of this section.

5 (5) (I) A CUSTOMER-GENERATOR UNDER PARAGRAPH (4) OF THIS
6 SUBSECTION MAY ACCRUE GENERATION CREDIT FOR A PERIOD NOT TO EXCEED 12
7 MONTHS.

8 (II) THE ELECTRIC COMPANY SHALL CARRY FORWARD A NEGATIVE
9 KILOWATT-HOUR READING UNTIL:

10 1. THE CUSTOMER-GENERATOR BEGINS TO CONSUME
11 ELECTRICITY FROM THE GRID; OR

12 2. THE 12-MONTH ACCRUAL PERIOD UNDER
13 SUBPARAGRAPH (I) OF THIS PARAGRAPH EXPIRES.

14 (III) ANY SURPLUS ENERGY GENERATED DURING THE PERIOD IN
15 WHICH THE CUSTOMER-GENERATOR ACCRUED GENERATION CREDIT UNDER
16 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE CREDITED, ON THE BASIS OF THE
17 AVERAGE COST OF ELECTRICITY GENERATION, TO THE ACCOUNT OF THE
18 CUSTOMER-GENERATOR BEFORE A NEW 12-MONTH PERIOD BEGINS.

19 (g) (1) (i) Except as provided in subparagraph (ii) of this paragraph, the
20 generating capacity of an electric generating system used by an eligible
21 customer-generator for net metering may not exceed 200 kilowatts.

22 (ii) 1. An eligible customer-generator may petition the
23 Commission to use an electric generating system with a capacity not exceeding 500
24 kilowatts.

25 2. The Commission may approve a petition for use of an
26 electric generating system with a capacity not exceeding 500 kilowatts for net
27 metering if the Commission finds that the project meets public safety and reliability
28 requirements and is in the public interest.

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

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

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

- 1 (i) install additional controls;
- 2 (ii) perform or pay for additional tests; or
- 3 (iii) purchase additional liability insurance.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2006.