

HOUSE BILL 1169

C5
HB 1540/09 – ECM

0lr2193

By: **Delegates Bartlett, Cane, Elmore, Frick, Hecht, Kipke, Krebs, McHale, Sossi, and Stull**

Introduced and read first time: February 17, 2010

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Agricultural Energy Production Act of 2010**

3 FOR the purpose of providing that a certain customer-generator may use certain
4 methods of meter aggregation on certain agricultural properties owned or leased
5 by and operated by an eligible customer-generator under certain circumstances;
6 defining certain terms; and generally relating to net energy metering.

7 BY repealing and reenacting, with amendments,
8 Article – Public Utility Companies
9 Section 7–306
10 Annotated Code of Maryland
11 (2008 Replacement Volume and 2009 Supplement)

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

14 **Article – Public Utility Companies**

15 7–306.

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

17 (2) “Biomass” means “qualified biomass” as defined in § 7–701 of this
18 title.

19 (3) “Eligible customer-generator” means a customer that owns and
20 operates, leases and operates, or contracts with a third party that owns and operates a
21 biomass, micro combined heat and power, solar, or wind electric generating facility
22 that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) is located on the customer's premises or contiguous property;
- 2 (ii) is interconnected and operated in parallel with an electric
3 company's transmission and distribution facilities; and
- 4 (iii) is intended primarily to offset all or part of the customer's
5 own electricity requirements.

6 (4) (I) **“METER AGGREGATION” MEANS THE COMBINATION OF**
7 **READINGS FROM, AND BILLING FOR, ALL METERS, REGARDLESS OF RATE CLASS,**
8 **ON PROPERTIES OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE**
9 **CUSTOMER-GENERATOR, FOR PROPERTIES LOCATED WITHIN THE SERVICE**
10 **TERRITORY OF AN ELECTRIC COMPANY.**

11 (II) **“METER AGGREGATION” INCLUDES PHYSICAL METER**
12 **AGGREGATION AND VIRTUAL METER AGGREGATION.**

13 (5) **“Micro combined heat and power” means the simultaneous or**
14 **sequential production of useful thermal energy and electrical or mechanical power not**
15 **exceeding 30 kilowatts.**

16 [(5)] (6) **“Net energy metering” means measurement of the difference**
17 **between the electricity that is supplied by an electric company and the electricity that**
18 **is generated by an eligible customer-generator and fed back to the electric company**
19 **over the eligible customer-generator's billing period.**

20 (7) **“PHYSICAL METER AGGREGATION” MEANS THE PHYSICAL**
21 **REWIRING OF MORE THAN ONE METER, REGARDLESS OF RATE CLASS, ON**
22 **PROPERTIES OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE**
23 **CUSTOMER-GENERATOR TO PROVIDE A SINGLE POINT OF CONTACT FOR A**
24 **SINGLE METER TO MEASURE ELECTRIC SERVICE FOR THAT ELIGIBLE**
25 **CUSTOMER-GENERATOR.**

26 (8) **“VIRTUAL METER AGGREGATION” MEANS THE COMBINATION**
27 **OF READINGS AND BILLING FOR MORE THAN ONE METER, REGARDLESS OF RATE**
28 **CLASS, ON PROPERTIES OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE**
29 **CUSTOMER-GENERATOR THROUGH THE ELECTRIC COMPANY'S BILLING SYSTEM**
30 **RATHER THAN THROUGH PHYSICAL METER AGGREGATION.**

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

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

4 (d) The Commission shall require electric utilities to develop a standard
5 contract or tariff for net energy metering and make it available to eligible
6 customer-generators on a first-come, first-served basis until the rated generating
7 capacity owned and operated by eligible customer-generators in the State reaches
8 1,500 megawatts.

9 (e) (1) Except as provided in subsection (g) of this section, a net energy
10 metering contract or tariff shall be identical, in energy rates, rate structure, and
11 monthly charges, to the contract or tariff that the customer would be assigned if the
12 customer were not an eligible customer-generator.

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

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

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

22 (2) Net energy produced or consumed on a monthly basis shall be
23 measured in accordance with standard metering practices.

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

27 (4) If electricity generated by the eligible customer-generator exceeds
28 the electricity supplied by the grid, the eligible customer-generator shall be required
29 to pay only customer charges for that month in accordance with subsection (e) of this
30 section.

31 (5) (i) An eligible customer-generator under paragraph (4) of this
32 subsection may accrue generation credit for a period not to exceed 12 months.

33 (ii) The electric company shall carry forward a negative
34 kilowatt-hour reading until:

35 1. the eligible customer-generator's consumption of
36 electricity from the grid eliminates the credit; or

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

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

7 **(I) (1) AN ELIGIBLE CUSTOMER-GENERATOR MAY USE PHYSICAL**
8 **METER AGGREGATION FOR NET METERING OF AGRICULTURAL PROPERTIES**
9 **OWNED OR LEASED BY AND OPERATED BY THE ELIGIBLE**
10 **CUSTOMER-GENERATOR.**

11 **(2) AN ELIGIBLE CUSTOMER-GENERATOR MAY USE VIRTUAL**
12 **METER AGGREGATION FOR NET METERING OF AGRICULTURAL PROPERTIES**
13 **OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE CUSTOMER-GENERATOR**
14 **THAT ARE:**

15 **(I) LOCATED WITHIN 2 MILES OF THE BOUNDARIES OF THE**
16 **CUSTOMER-GENERATOR'S PREMISES; AND**

17 **(II) WITHIN A SINGLE ELECTRIC COMPANY'S SERVICE**
18 **TERRITORY.**

19 **[(i)] (J)** On or before February 1 of each year, the Commission shall report
20 to the General Assembly, in accordance with § 2-1246 of the State Government
21 Article, on the status of the net metering program under this section, including:

22 (1) the amount of capacity of electric generating facilities owned and
23 operated by eligible customer-generators in the State by type of energy resource;

24 (2) based on the need to encourage a diversification of the State's
25 energy resource mix to ensure reliability, whether the rated generating capacity limit
26 in subsection (d) of this section should be altered; and

27 (3) other pertinent information.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2010.