

HOUSE BILL 1169

C5
HB 1540/09 – ECM

0lr2193

By: **Delegates Bartlett, Cane, Elmore, Frick, Hecht, Kipke, Krebs, McHale, Sossi, and Stull Stull, Barkley, Feldman, Haddaway, Impallaria, Manno, Mathias, Miller, Rudolph, Stifler, Taylor, and Walkup**

Introduced and read first time: February 17, 2010

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 24, 2010

CHAPTER _____

1 AN ACT concerning

2 **Agricultural and Net Energy Metering 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 authorizing the Public Service Commission to adopt certain regulations that
7 allow meter aggregation and establish a certain fee or tariff to be paid by a
8 certain eligible customer-generator to offset certain costs; defining a certain
9 ~~terms~~ term; and generally relating to net energy metering.

10 BY repealing and reenacting, with amendments,
11 Article – Public Utility Companies
12 Section 7–306
13 Annotated Code of Maryland
14 (2008 Replacement Volume and 2009 Supplement)

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

17 **Article – Public Utility Companies**

18 7–306.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

2 (2) “Biomass” means “qualified biomass” as defined in § 7-701 of this
3 title.

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

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

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

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

13 (4) ~~(4)~~ **“METER AGGREGATION” MEANS THE COMBINATION OF**
14 **READINGS FROM, AND BILLING FOR, ALL METERS, REGARDLESS OF RATE CLASS,**
15 **ON PROPERTIES OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE**
16 **CUSTOMER-GENERATOR, FOR PROPERTIES LOCATED WITHIN THE SERVICE**
17 **TERRITORY OF AN ELECTRIC COMPANY.**

18 ~~(H) “METER AGGREGATION” INCLUDES PHYSICAL METER~~
19 ~~AGGREGATION AND VIRTUAL METER AGGREGATION.~~

20 (5) “Micro combined heat and power” means the simultaneous or
21 sequential production of useful thermal energy and electrical or mechanical power not
22 exceeding 30 kilowatts.

23 ~~[(5)]~~ (6) “Net energy metering” means measurement of the difference
24 between the electricity that is supplied by an electric company and the electricity that
25 is generated by an eligible customer-generator and fed back to the electric company
26 over the eligible customer-generator’s billing period.

27 ~~(7) “PHYSICAL METER AGGREGATION” MEANS THE PHYSICAL~~
28 ~~REWIRING OF MORE THAN ONE METER, REGARDLESS OF RATE CLASS, ON~~
29 ~~PROPERTIES OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE~~
30 ~~CUSTOMER-GENERATOR TO PROVIDE A SINGLE POINT OF CONTACT FOR A~~
31 ~~SINGLE METER TO MEASURE ELECTRIC SERVICE FOR THAT ELIGIBLE~~
32 ~~CUSTOMER-GENERATOR.~~

33 ~~(8) “VIRTUAL METER AGGREGATION” MEANS THE COMBINATION~~
34 ~~OF READINGS AND BILLING FOR MORE THAN ONE METER, REGARDLESS OF RATE~~
35 ~~CLASS, ON PROPERTIES OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE~~

1 ~~CUSTOMER-GENERATOR THROUGH THE ELECTRIC COMPANY'S BILLING SYSTEM~~
2 ~~RATHER THAN THROUGH PHYSICAL METER AGGREGATION.~~

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

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

11 (d) The Commission shall require electric utilities to develop a standard
12 contract or tariff for net energy metering and make it available to eligible
13 customer-generators on a first-come, first-served basis until the rated generating
14 capacity owned and operated by eligible customer-generators in the State reaches
15 1,500 megawatts.

16 (e) (1) Except as provided in ~~subsection (g)~~ **SUBSECTIONS (G) AND (H)** of
17 this section, a net energy metering contract or tariff shall be identical, in energy rates,
18 rate structure, and monthly charges, to the contract or tariff that the customer would
19 be assigned if the customer were not an eligible customer-generator.

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

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

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

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

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

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

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

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

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

7 2. the 12-month accrual period under subparagraph (i)
8 of this paragraph expires.

9 (6) Any remaining accrued generation credit at the expiration of the
10 12-month accrual period under paragraph (5)(i)2 of this subsection:

11 (i) shall revert to the electric company; and

12 (ii) may not be recovered by the eligible customer-generator.

13 (g) (1) For an eligible customer-generator whose facility is sized to
14 produce energy in excess of the eligible customer-generator's annual energy
15 consumption, the Commission:

16 (i) may require the eligible customer-generator to install a dual
17 meter that is capable of measuring the flow of electricity in two directions; and

18 (ii) shall develop a credit formula that:

19 1. excludes recovery of transmission and distribution
20 costs; and

21 2. provides that the credit may be calculated using a
22 method other than a kilowatt-hour basis, including a method that allows a
23 dollar-for-dollar offset of electricity supplied by the grid compared to electricity
24 generated by the eligible customer-generator.

25 (2) In determining whether to require an eligible customer-generator
26 to install a dual meter under paragraph (1)(i) of this subsection, the Commission shall
27 consider the generating capacity of the eligible customer-generator.

28 (h) **THE COMMISSION MAY ADOPT REGULATIONS THAT:**

29 **(1) ALLOW METER AGGREGATION; AND**

1 **(2) ESTABLISH A FEE OR TARIFF TO BE PAID BY THE ELIGIBLE**
 2 **CUSTOMER-GENERATOR TO THE ELECTRIC COMPANY TO OFFSET THE COSTS OF**
 3 **METER AGGREGATION SERVICE.**

4 **(1)** (1) The generating capacity of an electric generating system used by
 5 an eligible customer-generator for net metering may not exceed 2 megawatts.

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

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

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

16 (i) install additional controls;

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

18 (iii) purchase additional liability insurance.

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

22 **~~(1) (1) AN ELIGIBLE CUSTOMER-GENERATOR MAY USE PHYSICAL~~**
 23 **~~METER AGGREGATION FOR NET METERING OF AGRICULTURAL PROPERTIES~~**
 24 **~~OWNED OR LEASED BY AND OPERATED BY THE ELIGIBLE~~**
 25 **~~CUSTOMER-GENERATOR.~~**

26 **~~(2) AN ELIGIBLE CUSTOMER-GENERATOR MAY USE VIRTUAL~~**
 27 **~~METER AGGREGATION FOR NET METERING OF AGRICULTURAL PROPERTIES~~**
 28 **~~OWNED OR LEASED BY AND OPERATED BY AN ELIGIBLE CUSTOMER-GENERATOR~~**
 29 **~~THAT ARE:~~**

30 **~~(1) LOCATED WITHIN 2 MILES OF THE BOUNDARIES OF THE~~**
 31 **~~CUSTOMER-GENERATOR'S PREMISES; AND~~**

32 **~~(2) WITHIN A SINGLE ELECTRIC COMPANY'S SERVICE~~**
 33 **~~TERRITORY.~~**

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

4 (1) the amount of capacity of electric generating facilities owned and
5 operated by eligible customer–generators in the State by type of energy resource;

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

9 (3) other pertinent information.

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.