

# SENATE BILL 557

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By: **Senator Feldman**

Introduced and read first time: January 31, 2018

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Electric Generating Systems – Net Metering and Community**  
3 **Solar Energy**

4 FOR the purpose of increasing the generating capacity limit for an electric generating  
5 system used by an eligible customer-generator for net metering; providing for an  
6 exception to the capacity limit for an electric generating system used for net metering  
7 and located on a brownfield site; requiring an electric generating system used for net  
8 metering to comply with local land use and planning laws; increasing the generating  
9 capacity limit for a community solar energy generating system; providing for an  
10 exception to the capacity limit for a community solar energy generating system  
11 located on a brownfield site; requiring a community solar energy generating system  
12 to comply with local land use and planning laws; defining certain terms; providing  
13 for the application of this Act; and generally relating to electric generating systems  
14 used for net metering and community solar energy generating systems.

15 BY repealing and reenacting, with amendments,  
16 Article – Public Utilities  
17 Section 7–306(a) and (g) and 7–306.2(a)  
18 Annotated Code of Maryland  
19 (2010 Replacement Volume and 2017 Supplement)

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

22 **Article – Public Utilities**

23 7–306.

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (3)    **“BROWNFIELD” MEANS:**

2                    (I)    **A FORMER INDUSTRIAL OR COMMERCIAL SITE IDENTIFIED**  
3 **BY FEDERAL OR STATE LAWS OR REGULATIONS AS CONTAMINATED OR POLLUTED;**

4                    (II)   **A CLOSED LANDFILL REGULATED BY THE DEPARTMENT OF**  
5 **THE ENVIRONMENT; OR**

6                    (III)   **MINED LANDS.**

7           (4)    “Closed conduit hydro” means a hydroelectric generating facility that:

8                    (i)    generates electricity within existing piping or limited adjacent  
9 piping of a potable water supply system;

10                   (ii)   is owned or operated by a municipal corporation or public water  
11 authority; and

12                   (iii)   is designed to produce less energy than is consumed to operate  
13 the water supply system.

14                    [(4)] (5)    “Eligible customer–generator” means a customer that owns and  
15 operates, leases and operates, or contracts with a third party that owns and operates a  
16 biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit  
17 hydroelectric generating facility that:

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

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

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

23                    [(5)] (6)    “Fuel cell” means an electric generating facility that:

24                    (i)    includes integrated power plant systems containing a stack,  
25 tubular array, or other functionally similar configuration used to electrochemically convert  
26 fuel to electric energy; and

27                    (ii)   may include:

28                            1.    an inverter and fuel processing system; and

29                            2.    other plant equipment to support the plant’s operation or

1 its energy conversion, including heat recovery equipment.

2 **[(6)] (7)** “Micro combined heat and power” means the simultaneous or  
3 sequential production of useful thermal energy and electrical or mechanical power not  
4 exceeding 30 kilowatts.

5 **(8) (I) “MINED LANDS” MEANS THE SURFACE OR SUBSURFACE OF**  
6 **AN AREA IN WHICH SURFACE MINING OPERATIONS WILL BE, ARE BEING, OR HAVE**  
7 **BEEN CONDUCTED.**

8 **(II) “MINED LANDS” INCLUDES:**

9 **1. PRIVATE WAYS AND ROADS USED FOR MINING**  
10 **APPURTENANT TO ANY SURFACE MINING AREA;**

11 **2. LAND EXCAVATIONS;**

12 **3. WORKINGS; AND**

13 **4. OVERBURDEN.**

14 **[(7)] (9)** “Net energy metering” means measurement of the difference  
15 between the electricity that is supplied by an electric company and the electricity that is  
16 generated by an eligible customer-generator and fed back to the electric grid over the  
17 eligible customer-generator’s billing period.

18 **[(8)] (10)** “Net excess generation” means the amount of the electricity  
19 generated by an eligible customer-generator that is in excess of the electricity consumed  
20 by the eligible customer-generator and that results in a negative kilowatt-hour reading at  
21 the end of the eligible customer-generator’s billing cycle.

22 **(g) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
23 **SUBSECTION, THE** generating capacity of an electric generating system used by an eligible  
24 customer-generator for net metering may not exceed **[2] 10** megawatts.

25 **(2) IF LOCATED ON A BROWNFIELD SITE, AN ELECTRIC GENERATING**  
26 **SYSTEM USED BY AN ELIGIBLE CUSTOMER-GENERATOR FOR NET METERING HAS NO**  
27 **GENERATING CAPACITY LIMIT.**

28 **(3) AN ELECTRIC GENERATING SYSTEM USED BY AN ELIGIBLE**  
29 **CUSTOMER-GENERATOR FOR NET METERING SHALL COMPLY WITH LOCAL LAND**  
30 **USE AND PLANNING LAWS.**

31 **[(2)] (4)** An electric generating system used by an eligible  
32 customer-generator for net metering shall meet all applicable safety and performance

1 standards established by the National Electrical Code, the Institute of Electrical and  
2 Electronics Engineers, and Underwriters Laboratories.

3           [(3)] (5)       The Commission may adopt by regulation additional control and  
4 testing requirements for eligible customer–generators that the Commission determines are  
5 necessary to protect public safety and system reliability.

6           [(4)] (6)       An electric company may not require an eligible  
7 customer–generator whose electric generating system meets the standards of paragraphs  
8 [(2)] (4) and [(3)] (5) of this subsection to:

- 9                       (i)     install additional controls;
- 10                      (ii)    perform or pay for additional tests; or
- 11                      (iii)   purchase additional liability insurance.

12           [(5)] (7)       An eligible customer–generator or the eligible  
13 customer–generator’s assignee shall own and have title to all renewable energy attributes  
14 or renewable energy credits associated with any electricity produced by its electric  
15 generating system.

16 7–306.2.

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

18                       (2)     “Baseline annual usage” means:

19                               (i)     a subscriber’s accumulated electricity use in kilowatt–hours for  
20 the 12 months before the subscriber’s most recent subscription; or

21                               (ii)    for a subscriber that does not have a record of 12 months of  
22 electricity use at the time of the subscriber’s most recent subscription, an estimate of the  
23 subscriber’s accumulated 12 months of electricity use in kilowatt–hours, determined in a  
24 manner the Commission approves.

25                       (3)     **“BROWNFIELD” HAS THE MEANING STATED IN § 7–306 OF THIS**  
26 **SUBTITLE.**

27                       (4)     “Community solar energy generating system” means a solar energy  
28 system that:

- 29                               (i)     is connected to the electric distribution grid serving the State;
- 30                               (ii)    is located in the same electric service territory as its subscribers;

1 (iii) is attached to the electric meter of a subscriber or is a separate  
2 facility with its own electric meter;

3 (iv) credits its generated electricity, or the value of its generated  
4 electricity, to the bills of the subscribers to that system through virtual net energy  
5 metering;

6 (v) has at least two subscribers;

7 (vi) does not have subscriptions larger than 200 kilowatts  
8 constituting more than 60% of its subscriptions;

9 (vii) **EXCEPT AS PROVIDED IN ITEM (VIII) OF THIS PARAGRAPH,**  
10 has a generating capacity that does not exceed **[2] 10** megawatts as measured by the  
11 alternating current rating of the system's inverter; **[and]**

12 **(VIII) IF LOCATED ON A BROWNFIELD SITE, HAS NO GENERATING**  
13 **CAPACITY LIMIT;**

14 **(IX) COMPLIES WITH LOCAL LAND USE AND PLANNING LAWS;**  
15 **AND**

16 **[(viii)] (X)** may be owned by any person.

17 **[(4)] (5)** "Program" means the Community Solar Energy Generating  
18 Systems Pilot Program.

19 **[(5)] (6)** "Subscriber" means a retail customer of an electric company that:

20 (i) holds a subscription to a community solar energy generating  
21 system; and

22 (ii) has identified one or more individual meters or accounts to which  
23 the subscription shall be attributed.

24 **[(6)] (7)** "Subscriber organization" means:

25 (i) a person that owns or operates a community solar energy  
26 generating system; or

27 (ii) the collective group of subscribers of a community solar energy  
28 generating system.

29 **[(7)] (8)** "Subscription" means the portion of the electricity generated by  
30 a community solar energy generating system that is credited to a subscriber.

1            ~~[(8)]~~ **(9)**        “Unsubscribed energy” means any community solar energy  
2 generating system output in kilowatt–hours that is not allocated to any subscriber.

3            ~~[(9)]~~ **(10)**      “Virtual net energy metering” means measurement of the  
4 difference between the kilowatt–hours or value of electricity that is supplied by an electric  
5 company and the kilowatt–hours or value of electricity attributable to a subscription to a  
6 community solar energy generating system and fed back to the electric grid over the  
7 subscriber’s billing period, as calculated under the tariffs established under subsection  
8 (e)(2) of this section.

9            SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
10 apply only prospectively to a new or expanded electric generating system used by an eligible  
11 customer–generator for net metering, or to a new or expanded community solar energy  
12 generating system for which an interconnection agreement with the local electric company  
13 is executed for the electric generating system used by an eligible customer–generator for  
14 net metering or for the community solar energy generating system on or after the effective  
15 date of this Act.

16            SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2018.