

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Public Service Commission**
(DLS Control No. 20-012)

Overview and Legal and Fiscal Impact

The regulations implement Chapters 461 and 462 of the Acts of 2019 by (1) extending the termination date of the Community Solar Energy Generating Systems Pilot Program; (2) annually increasing the pilot program's capacity limits; (3) repealing the limit on the maximum number of subscribers for any given community solar energy generating system; and (4) revising the schedule for operational deadlines.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Public Service Commission:

Community Solar Energy Generation Systems: Pilot Program:

COMAR 20.62.02.01, .02, .03, and .04

Pilot Program Administration: COMAR 20.62.03.04 and .08

Legal Analysis

Background

Chapters 346 and 347 of 2015 required the Public Service Commission to establish a Community Solar Energy Generating Systems Pilot Program. Regulations to establish the program were adopted in July 2016, and program implementation began in mid-2017. Chapters 461 and 462 of 2019 extended the program through December 31, 2024, delayed a reporting requirement for the commission, and required the program's capacity to increase annually. Chapters 461 and 462 also specified that community solar energy generating systems could have an unlimited number of subscribers. As mentioned, the regulations implement Chapters 461 and 462.

Summary of Regulations

The regulations extend the Community Solar Energy Generating Systems Pilot Program through December 31, 2024, and make stylistic changes.

Additionally, the regulations require electric companies to accept an additional 0.05% of 2015 capacity for projects of 50kW or less during the fourth through seventh year of the program. If certain program categories have unused capacity at the end of any year of the program, the unused capacity shall be carried forward in the same category to the following year. Capacity that has remained unused following the sixth year shall be reallocated by the commission upon good cause shown.

Regulation 20.62.02.03 specifies that there is no limit to the number of subscribers a community solar energy generating system may have.

Finally, the regulations revise the schedule for operational deadlines. Currently, an electric company is required to remove a project from its pilot program queue if the project fails to begin operating within 12 months of submission of a completed application by the subscriber organization (unless the subscriber organization of the project provides an additional deposit of \$50 per kW). This 12-month window is extended to 24 months under the regulations. A separate requirement that an electric company remove a project from the electric company's pilot program queue if the project fails to begin within 18 months of application is extended to 36 months.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The commission cites §§ 2-113, 2-121, 7-306, 7-306.1 and 7-306.2 of the Public Utilities Article as statutory authority for the regulations. Section 2-113 broadly requires the commission to supervise and regulate the public service companies subject to the commission's jurisdiction. Section 2-121 authorizes the commission to adopt reasonable regulations as necessary to carry out any law that relates to the commission. Section 7-306 requires the commission to require electric utilities to develop a standard contract or tariff for net energy metering and make it available to eligible customer-generators. Section 7-306.1 sets forth a process for the interconnection of a solar electric generating facility on an eligible customer generator's property. Section 7-306.2 requires the commission to establish a program for community solar energy generating systems and adopt regulations to implement the program.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The commission advises that the regulations have minimal or no impact on State or local governments. The Department of Legislative Services concurs and notes that the regulations

implement Chapters 461 and 462 of 2019 – legislation that was also assessed to have no material effect on State finances or operations in the accompanying fiscal and policy notes.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The commission advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs and notes that the regulations implement Chapters 461 and 462 of 2019 – legislation that was also assessed to have a minimal effect on small businesses in the accompanying fiscal and policy notes.

Contact Information

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