

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	02/14/2020	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 3/13/2020

2. COMAR Codification

Title	Subtitle	Chapter	Regulation
20	62	02	01, .02, .03, and .04
20	62	03	04 and .08

3. Name of Promulgating Authority

Public Service Commission

4. Name of Regulations Coordinator **Telephone Number**
Tonya L Johnson 410-767-8381

Mailing Address

6 St. Paul Street, 16th Floor

City **State** **Zip Code**
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5. Name of Person to Call About this Document **Telephone No.**
Andrew S. Johnston 410-767-8067

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6. Check applicable items:

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: 1/6/2020.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R

(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by H. Robert Erwin, General Counsel, (telephone #410-767-8039) on 2/14/2020. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Andrew S. Johnston

Title

Executive Secretary

Telephone No.

410-767-8067

Date

2/14/2020

Title 20
PUBLIC SERVICE COMMISSION
Subtitle 62 COMMUNITY SOLAR ENERGY GENERATION SYSTEMS
20.62.02 Pilot Program
Subtitle 62 COMMUNITY SOLAR ENERGY GENERATION SYSTEMS
20.62.03 Pilot Program Administration

Authority: Public Utilities Article, §§2-113, 2-121, 7-306, 7-306.1, and 7-306.2,
Annotated Code of Maryland

Notice of Proposed Action

[]

The Maryland Public Service Commission proposes to amend Regulations .01, .02, .03, and .04 under COMAR 20.62.02 Pilot Program and Regulations .04 and .08 under COMAR 20.62.03 Pilot Program Administration.

This action was considered by the Maryland Public Service Commission at a scheduled rule making (RM 56) meeting held on December 18, 2019, notice of which was given under General Provisions Article, §3-302, Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to (1) Revise COMAR 20.62 to be consistent with statutory revisions to Public Utilities Article §7-306.2 which revisions became effective June 1, 2019;

- (2) Extend the length of the Community Solar Pilot Program ("Pilot");
- (3) Require that the Pilot's capacity increase annually;
- (4) Eliminate the limitation on the number of enrollments for any given community solar energy generating system ("CSGES"); and
- (5) Revise the schedule for operational deadlines.

The proposed revisions to Chapter 02 extend the Pilot, increases the Pilot's capacity and its allocation of capacity to low and moderate income customers on an annual basis, and delete any limitation to the number of subscriber accounts for a given CSEGS.

The proposed revisions to Chapter 03 double the time from completion of an application to construct a CSEGS to operation of the CSEGS under ordinary circumstances and clarify the circumstances under which collocation is not permitted.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Andrew S. Johnston, Executive Secretary, Maryland Public Service Commission, 6 St. Paul Street, 16th Floor, Baltimore, MD 21202, or call 410-767-8067, or email to , or fax to 410-333-6495. Comments will be accepted through 4/13/2020. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2020

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used: Special Fund - Public Utility Regulation Fund

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly: These regulations represent limited changes to existing regulations extending an existing Pilot Program for four years without any substantial changes.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

Developers of solar facilities, which are small businesses, will continue to benefit from the ability to construct and manage community solar energy generation systems for an additional four years. Retail suppliers of electricity will be unaffected by these revised regulations because a member of a subscriber organization may continue as a retail customer. Other small businesses will be unaffected except to the extent that they participate, in which case, they may realize savings on their electric bills.

G. Small Business Worksheet:

1a. Intended Beneficiaries. Who are the intended beneficiaries of the proposed regulation? Are these intended beneficiaries primarily households or businesses?

Electric customers who lack the ability to install solar systems on their rooftops due to their status as renters or lack of space that is appropriately exposed to sun.

1b. Intended Beneficiaries: Households. If households are the primary intended beneficiaries, will the proposal affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?

Electric customers who lack the ability to install solar systems on their rooftops due to their status as renters or lack of space that is appropriately exposed to sun.

1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries, identify the businesses by industry or by types of business activities. How will businesses be impacted? Are these Maryland establishments disproportionately small businesses? If so, how will these Maryland small businesses be affected? Can you identify or estimate the present number of small businesses affected? Can you estimate the present total payroll or total employment of small businesses affected?

Any businesses subscribing to a registered community solar energy generating system (“CSEGS”) and to the extent the CSEGS is a small business, the CSEGS.

2a. Other Direct or Indirect Impacts: Adverse. Businesses may not be the intended beneficiaries of the proposal. Instead, the proposal may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does this proposal require Maryland businesses to respond in such a fashion that they will incur additional work-time costs or monetary costs in order to comply? Describe how Maryland establishments may be adversely affected. Will Maryland small businesses bear a disproportionate financial burden or suffer consequences that affect their ability to compete? Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs — usually expressed as payroll, akin to calculations for legislative fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)

No adverse impacts are anticipated.

2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than or in addition to changed consumer spending patterns. How may Maryland businesses be positively impacted by this initiative? Will Maryland small businesses share proportionately or disproportionately in these gains? Can you estimate the possible number of Maryland small businesses positively affected?

The Pilot Program will make solar energy available to electric customers who do not

have the option of purchasing a rooftop solar system for their dwellings, and the program will help Maryland to meet its Renewable Portfolio Standard goals by making more solar derived electricity available.

3. Long-Term Impacts. There are instances where the longer run economic impact effect from regulations differ significantly from immediate impact. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impact described above, or (b) may mitigate or offset the initial economic impact described above?

This is a pilot program of limited size. Long term impacts are unknown at this time.

4. Estimates of Economic Impact. State Government Article, §2-1505.2 requires that an agency include estimates, as appropriate, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.

For an additional four years, electric customers who lack the ability to install solar systems on their rooftops due to their status as renters or lack of space that is appropriately exposed to sun and developers of solar facilities, which are small businesses, will benefit from the ability to subscribe to, construct, and manage community solar energy generation systems. Retail suppliers of electricity will be unaffected by these regulations because a member of a subscriber organization may continue as a retail customer. Other small businesses will be unaffected except to the extent that they participate, in which case, they may realize savings on their electric bills.

Attached Document:

Title 20 PUBLIC SERVICE COMMISSION

Subtitle 62 COMMUNITY SOLAR ENERGY GENERATION SYSTEMS

Chapter 02 Pilot Program

.01 Pilot Program Structure.

A. Each electric company shall establish a program to accept and administer community solar energy generating system projects for a period of [3] 7 years from the earlier of:

(1)—(2) (text unchanged)

B. *Community solar energy generating system programs may not end prior to December 31, 2024.*

[B.] C. (text unchanged)

[C.] D. (text unchanged)

[D.] E. (text unchanged)

.02 Program Generation Capacity.

A. Capacity Limit.

(1) Statewide Capacity.

(a) Subject to §A(1)(b) of this regulation, an electric company may not accept pilot program project applications after the Statewide capacity of pilot projects has exceeded [1.5] 3.25 percent of the 2015 Maryland peak demand in MW as measured by the sum of the nameplate capacity of each project's inverter.

(b) (text unchanged)

(c) *An electric company shall accept an additional 0.05 percent of 2015 capacity for projects of 50kW or less during the fourth through seventh year of the program.*

(2) Annual Cap. The following percentages of 2015 Maryland peak demand will set annual program capacity:

(a)—(c) (text unchanged)

(d) *Fourth year — .350*

(e) *Fifth year — .400*

(f) *Sixth year — .450*

(g) *Seventh year — .500*

(3) Program Categories. An electric company shall accept pilot projects in each of the following categories up to the annual and program capacity limits according to the percentages shown in each of the following [paragraphs] *sub-paragraphs*:

(a) (text unchanged)

(i)—(iv) (text unchanged)

(b) (text unchanged)

(c) Low and Moderate Income Category (LMI) — 30 percent — Projects serving more than 30 percent of kWh output to Low or Moderate income [customers] *subscribers* of which Low Income subscribers receive a minimum of 10 percent of kWh output.

(d)—(e) (text unchanged)

(4) Electric Company Program Capacity Limits.

(a) Subject to the annual and category limits established in this regulation, an electric company shall accept pilot program applications up to [1.5] 3.25 percent of its 2015 Maryland peak demand.

(b) An electric company may accept project applications after it has accepted [1.5] 3.25 percent of its 2015 peak demand in MW as measured by the sum of the nameplate capacity of each project's inverter.

(c) An electric company may cease accepting project applications according to the annual percentages listed in Regulation .02A(2) of this chapter as applied to that company's 2015 peak demand.

(d)—(f) (text unchanged)

(5) Unused Annual Capacity. Electric company capacity in each year which remains unused by projects shall be added to the capacity of the following year such that the total Statewide capacity does not exceed the limit in §A of this regulation.

[(6) Unused Category Capacity. If a category listed in §A(3) of this regulation has unused capacity at the end of the second year of the program, the unused capacity shall be allocated on a pro-rata basis to the other categories for the third year of the program.]

(a) *If a category listed in §A(3) of this regulation has 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.*

(b) *Capacity that has remained unused following the sixth year shall be reallocated by the Commission upon good cause shown.*

B.—D. (text unchanged)

.03 Number of Accounts per Project.

A. A subscriber organization may subscribe [up to 350 accounts per CSEGS unless the electric company in the project's service territory has developed an automated billing function for the program.] *as many accounts as needed to match each CSEGS's capacity.*

[B. A subscriber organization may subscribe as many accounts as needed to match the CSEGS's capacity if the electric company serving the CSEGS has developed an automated billing function for the program.]

[C.] B. An electric company may require a subscriber organization to maintain a minimum average subscription size of 2 kW per customer for an individual CSEGS during the pilot program.

.04 Subscription Credits.

A.—D. (text unchanged)

E. An electric company shall retain a record of a pilot project's kilowatt hours applied to each subscriber's account for a period of [3] 7 years.

F.—G. (text unchanged)

Chapter 03 Pilot Program Administration

.04 Pilot Program Queue.

A.—B. (text unchanged)

C. [Operation] *Operational* Deadline.

(1) If a project fails to begin operating within [12] 24 months of submission of a completed application by the subscriber organization, the electric company shall remove the project from the electric company's pilot program queue unless the subscriber organization of the project provides to the electric company an additional deposit of \$50 per kW to maintain its position within the pilot program queue.

(2) If a project fails to begin operating within [18] 36 months of application, the electric company shall remove the project from the electric company's pilot program queue.

(3) The electric company shall extend the [operation] *operational* deadline on a day-for-day basis for the following reasons:

(a)—(b) (text unchanged)

(4)—(7) (text unchanged)

D.—F. (text unchanged)

.08 Project Location.

A. Colocation.

(1) An electric company may not accept a CSEGS project of 500 kW or greater that is proposed to be located on the same or *an adjacent [property] parcel* as an existing or proposed CSEGS project *of 500 kW or greater which is located in its service territory and is owned by [the same] any subscriber organization or affiliate [of 500 kW or greater in its service territory.] thereof.*

(2)—(4) (text unchanged)

B.—C. (text unchanged)