
By: Delegates Rosenberg, Hubbard, Morhaim, and Pitkin

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Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Solar Electrical Generation - Net Energy Metering**

3 FOR the purpose of promoting the use of solar electricity generation in the State;
4 defining certain terms; stating findings of the General Assembly; requiring the use
5 of a certain meter type for net energy metering; requiring the Public Service
6 Commission to develop certain contracts or tariffs for certain customer-generators
7 under certain circumstances; establishing certain requirements for certain net
8 energy metering contracts and tariffs; establishing requirements for certain billing
9 calculations and credits; requiring certain customer-generators to meet certain
10 standards; authorizing the Commission to adopt certain regulations regarding public
11 safety and system reliability; prohibiting certain electric companies from imposing
12 certain additional requirements on certain customer-generators; and generally
13 relating to solar electricity generation and net energy metering.

14 BY adding to

15 Article 78 - Public Service Commission Law
16 Section 54M
17 Annotated Code of Maryland
18 (1995 Replacement Volume and 1996 Supplement)

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

21 **Article 78 - Public Service Commission Law**

22 54M.

23 (A) (1) IN THIS SECTION THE FOLLOWING TERMS HAVE THE MEANINGS
24 INDICATED.

25 (2) "ELIGIBLE CUSTOMER-GENERATOR" MEANS A CUSTOMER THAT:

26 (I) IS SERVED BY AN ELECTRIC COMPANY AT A SINGLE-FAMILY
27 DWELLING WHICH IS THE PRINCIPAL RESIDENCE OF THE CUSTOMER EITHER ON A
28 RESIDENTIAL SERVICE TARIFF OR A GENERAL SERVICE TARIFF; AND

29 (II) OWNS AND OPERATES A SOLAR ELECTRICAL GENERATING
30 FACILITY THAT:

2

- 1 1. HAS A CAPACITY OF NOT MORE THAN 80 KILOWATTS;
- 2 2. IS LOCATED ON THE CUSTOMER'S PREMISES;
- 3 3. IS INTERCONNECTED AND OPERATED IN PARALLEL WITH
- 4 AN ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION FACILITIES; AND
- 5 4. IS INTENDED PRIMARILY TO OFFSET ALL OR PART OF
- 6 THE CUSTOMER'S OWN ELECTRICITY REQUIREMENTS.

7 (3) "NET ENERGY METERING" MEANS MEASUREMENT OF THE
8 DIFFERENCE BETWEEN THE ELECTRICITY THAT IS SUPPLIED BY AN ELECTRIC
9 COMPANY AND THE ELECTRICITY THAT IS GENERATED BY AN ELIGIBLE
10 CUSTOMER-GENERATOR AND FED BACK TO THE ELECTRIC COMPANY OVER THE
11 ELIGIBLE CUSTOMER-GENERATOR'S BILLING PERIOD.

12 (B) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT A PROGRAM TO
13 PROVIDE NET ENERGY METERING FOR ELIGIBLE CUSTOMER-GENERATORS IS A
14 MEANS TO ENCOURAGE PRIVATE INVESTMENT IN RENEWABLE ENERGY
15 RESOURCES, STIMULATE IN-STATE ECONOMIC GROWTH, ENHANCE CONTINUED
16 DIVERSIFICATION OF THE STATE'S ENERGY RESOURCE MIX, AND REDUCE COSTS OF
17 INTERCONNECTION AND ADMINISTRATION.

18 (C) AN ELECTRIC COMPANY SERVING AN ELIGIBLE CUSTOMER-GENERATOR
19 SHALL ENSURE THAT THE METER INSTALLED FOR NET ENERGY METERING IS A
20 STANDARD SINGLE, NONDEMAND, NONTIME DIFFERENTIATED METER THAT
21 REGULATES REVERSE FLOW OF ELECTRICITY TO MEASURE THE FLOW OF
22 ELECTRICITY IN TWO DIRECTIONS.

23 (D) THE COMMISSION SHALL DEVELOP A STANDARD CONTRACT OR TARIFF
24 FOR NET ENERGY METERING AND MAKE IT AVAILABLE TO ELIGIBLE
25 CUSTOMER-GENERATORS ON A FIRST-COME, FIRST-SERVED BASIS UNTIL THE
26 RATED GENERATING CAPACITY OWNED AND OPERATED BY ELIGIBLE
27 CUSTOMER-GENERATORS IN THE STATE REACHES 34,722 MEGAWATTS, 0.2% OF THE
28 STATE'S ADJUSTED PEAK-LOAD FORECAST FOR 1998.

29 (E) (1) A NET ENERGY METERING CONTRACT OR TARIFF SHALL BE
30 IDENTICAL, IN ENERGY RATES, RATE STRUCTURE, AND MONTHLY CHARGES, TO
31 THE CONTRACT OR TARIFF THAT THE CUSTOMER WOULD BE ASSIGNED IF THE
32 CUSTOMER WERE NOT AN ELIGIBLE CUSTOMER-GENERATOR.

33 (2) A NET ENERGY METERING CONTRACT OR TARIFF MAY NOT
34 INCLUDE CHARGES THAT WOULD RAISE THE ELIGIBLE CUSTOMER-GENERATOR'S
35 MINIMUM MONTHLY CHARGE ABOVE THAT OF CUSTOMERS OF THE RATE CLASS TO
36 WHICH THE ELIGIBLE CUSTOMER-GENERATOR WOULD OTHERWISE BE ASSIGNED.
37 CHARGES PROHIBITED BY THIS PARAGRAPH INCLUDE NEW OR ADDITIONAL
38 DEMAND CHARGES, STANDBY CHARGES, CUSTOMER CHARGES, AND MINIMUM
39 MONTHLY CHARGES.

40 (F) THE ELECTRIC COMPANY SHALL CALCULATE NET ENERGY METERING
41 OVER AN ANNUAL BILLING PERIOD, SUBJECT TO THE FOLLOWING:

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1 (1) NET ENERGY PRODUCED OR CONSUMED ON A MONTHLY BASIS
2 SHALL BE MEASURED IN ACCORDANCE WITH STANDARD METERING PRACTICES;

3 (2) IF ELECTRICITY SUPPLIED BY THE GRID EXCEEDS ELECTRICITY
4 GENERATED BY THE ELIGIBLE CUSTOMER-GENERATOR DURING A MONTH, THE
5 ELIGIBLE CUSTOMER-GENERATOR SHALL BE BILLED FOR THE NET ENERGY
6 SUPPLIED IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION;

7 (3) IF ELECTRICITY GENERATED BY THE ELIGIBLE
8 CUSTOMER-GENERATOR EXCEEDS THE ELECTRICITY SUPPLIED BY THE GRID, THE
9 ELIGIBLE CUSTOMER-GENERATOR SHALL BE CREDITED ON THE NEXT MONTHLY
10 BILL FOR THE EXCESS KILOWATT-HOURS GENERATED IN ACCORDANCE WITH
11 SUBSECTION (E) OF THIS SECTION;

12 (4) AT THE END OF THE ANNUAL BILLING PERIOD, THE ELIGIBLE
13 CUSTOMER-GENERATOR SHALL BE PAID FOR ANY REMAINING UNUSED CREDIT
14 FOR EXCESS KILOWATT-HOURS GENERATED DURING THE PERIOD. THE CREDIT
15 SHALL BE PAID AT THE RATE APPLICABLE TO SMALL POWER PRODUCERS WITH
16 GENERATING FACILITIES OF LESS THAN 80 KILOWATTS CAPACITY, IN ACCORDANCE
17 WITH SUBSECTION (E) OF THIS SECTION.

18 (G) (1) A SOLAR-ELECTRIC GENERATING SYSTEM USED BY AN ELIGIBLE
19 CUSTOMER-GENERATOR SHALL MEET ALL APPLICABLE SAFETY AND
20 PERFORMANCE STANDARDS ESTABLISHED BY THE NATIONAL ELECTRICAL CODE,
21 THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, AND
22 UNDERWRITERS LABORATORIES.

23 (2) THE COMMISSION MAY ADOPT BY REGULATION ADDITIONAL
24 CONTROL AND TESTING REQUIREMENTS FOR ELIGIBLE CUSTOMER-GENERATORS
25 THAT THE COMMISSION DETERMINES ARE NECESSARY TO PROTECT PUBLIC SAFETY
26 AND SYSTEM RELIABILITY.

27 (3) AN ELECTRIC COMPANY MAY NOT REQUIRE AN ELIGIBLE
28 CUSTOMER-GENERATOR WHOSE SOLAR-ELECTRIC GENERATING SYSTEM MEETS
29 THE STANDARDS OF PARAGRAPHS (1) AND (2) OF THIS SUBSECTION TO:

30 (I) INSTALL ADDITIONAL CONTROLS;

31 (II) PERFORM OR PAY FOR ADDITIONAL TESTS; OR

32 (III) PURCHASE ADDITIONAL LIABILITY INSURANCE.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 1997.