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**By: Delegates Rosenberg, Hubbard, Morhaim, and Pitkin**

Introduced and read first time: January 31, 1997

Assigned to: Environmental Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 1997

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CHAPTER \_\_\_\_

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.

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

2 (I) IS SERVED BY AN ELECTRIC COMPANY AT A SINGLE-FAMILY  
3 DWELLING WHICH IS:

4 1. A RESIDENCE OF THE CUSTOMER ON A RESIDENTIAL  
5 SERVICE TARIFF; OR

6 2. THE PRINCIPAL RESIDENCE OF THE CUSTOMER ~~EITHER~~  
7 ~~ON A RESIDENTIAL SERVICE TARIFF OR A GENERAL SERVICE TARIFF; AND~~

8 (II) OWNS AND OPERATES A SOLAR ELECTRICAL GENERATING  
9 FACILITY THAT:

10 1. HAS A CAPACITY OF NOT MORE THAN 80 KILOWATTS;

11 2. IS LOCATED ON THE CUSTOMER'S PREMISES;

12 3. IS INTERCONNECTED AND OPERATED IN PARALLEL WITH  
13 AN ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION FACILITIES; AND

14 4. IS INTENDED PRIMARILY TO OFFSET ALL OR PART OF  
15 THE CUSTOMER'S OWN ELECTRICITY REQUIREMENTS.

16 (3) "NET ENERGY METERING" MEANS MEASUREMENT OF THE  
17 DIFFERENCE BETWEEN THE ELECTRICITY THAT IS SUPPLIED BY AN ELECTRIC  
18 COMPANY AND THE ELECTRICITY THAT IS GENERATED BY AN ELIGIBLE  
19 CUSTOMER-GENERATOR AND FED BACK TO THE ELECTRIC COMPANY OVER THE  
20 ELIGIBLE CUSTOMER-GENERATOR'S BILLING PERIOD.

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

27 (C) AN ELECTRIC COMPANY SERVING AN ELIGIBLE CUSTOMER-GENERATOR  
28 SHALL ENSURE THAT THE METER INSTALLED FOR NET ENERGY METERING IS A  
29 ~~STANDARD SINGLE, NONDEMAND, NONTIME DIFFERENTIATED METER THAT~~  
30 ~~REGULATES REVERSE FLOW OF ELECTRICITY TO MEASURE~~ CAPABLE OF  
31 MEASURING THE FLOW OF ELECTRICITY IN TWO DIRECTIONS.

32 (D) THE COMMISSION SHALL REQUIRE ELECTRIC UTILITIES TO DEVELOP A  
33 STANDARD CONTRACT OR TARIFF FOR NET ENERGY METERING AND MAKE IT  
34 AVAILABLE TO ELIGIBLE CUSTOMER-GENERATORS ON A FIRST-COME,  
35 FIRST-SERVED BASIS UNTIL THE RATED GENERATING CAPACITY OWNED AND  
36 OPERATED BY ELIGIBLE CUSTOMER-GENERATORS IN THE STATE REACHES 34.722  
37 MEGAWATTS, 0.2% OF THE STATE'S ADJUSTED PEAK-LOAD FORECAST FOR 1998.

38 (E) (1) A NET ENERGY METERING CONTRACT OR TARIFF SHALL BE  
39 IDENTICAL, IN ENERGY RATES, RATE STRUCTURE, AND MONTHLY CHARGES, TO

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1 THE CONTRACT OR TARIFF THAT THE CUSTOMER WOULD BE ASSIGNED IF THE  
2 CUSTOMER WERE NOT AN ELIGIBLE CUSTOMER-GENERATOR.

3 (2) A NET ENERGY METERING CONTRACT OR TARIFF MAY NOT  
4 INCLUDE CHARGES THAT WOULD RAISE THE ELIGIBLE CUSTOMER-GENERATOR'S  
5 MINIMUM MONTHLY CHARGE ABOVE THAT OF CUSTOMERS OF THE RATE CLASS TO  
6 WHICH THE ELIGIBLE CUSTOMER-GENERATOR WOULD OTHERWISE BE ASSIGNED.  
7 CHARGES PROHIBITED BY THIS PARAGRAPH INCLUDE NEW OR ADDITIONAL  
8 DEMAND CHARGES, STANDBY CHARGES, CUSTOMER CHARGES, AND MINIMUM  
9 MONTHLY CHARGES.

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

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

14 (2) IF ELECTRICITY SUPPLIED BY THE GRID EXCEEDS ELECTRICITY  
15 GENERATED BY THE ELIGIBLE CUSTOMER-GENERATOR DURING A MONTH, THE  
16 ELIGIBLE CUSTOMER-GENERATOR SHALL BE BILLED FOR THE NET ENERGY  
17 SUPPLIED IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION; AND

18 (3) IF ELECTRICITY GENERATED BY THE ELIGIBLE  
19 CUSTOMER-GENERATOR EXCEEDS THE ELECTRICITY SUPPLIED BY THE GRID, THE  
20 ELIGIBLE CUSTOMER-GENERATOR SHALL BE ~~CREDITED ON THE NEXT MONTHLY~~  
21 ~~BILL FOR THE EXCESS KILOWATT HOURS GENERATED~~ REQUIRED TO PAY ONLY  
22 CUSTOMER CHARGES FOR THAT MONTH IN ACCORDANCE WITH SUBSECTION (E) OF  
23 THIS SECTION.

24 ~~(4) AT THE END OF THE ANNUAL BILLING PERIOD, THE ELIGIBLE~~  
25 ~~CUSTOMER-GENERATOR SHALL BE PAID FOR ANY REMAINING UNUSED CREDIT~~  
26 ~~FOR EXCESS KILOWATT HOURS GENERATED DURING THE PERIOD. THE CREDIT~~  
27 ~~SHALL BE PAID AT THE RATE APPLICABLE TO SMALL POWER PRODUCERS WITH~~  
28 ~~GENERATING FACILITIES OF LESS THAN 80 KILOWATTS CAPACITY, IN ACCORDANCE~~  
29 ~~WITH SUBSECTION (E) OF THIS SECTION.~~

30 (G) (1) A SOLAR-ELECTRIC GENERATING SYSTEM USED BY AN ELIGIBLE  
31 CUSTOMER-GENERATOR SHALL MEET ALL APPLICABLE SAFETY AND  
32 PERFORMANCE STANDARDS ESTABLISHED BY THE NATIONAL ELECTRICAL CODE,  
33 THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, AND  
34 UNDERWRITERS LABORATORIES.

35 (2) THE COMMISSION MAY ADOPT BY REGULATION ADDITIONAL  
36 CONTROL AND TESTING REQUIREMENTS FOR ELIGIBLE CUSTOMER-GENERATORS  
37 THAT THE COMMISSION DETERMINES ARE NECESSARY TO PROTECT PUBLIC SAFETY  
38 AND SYSTEM RELIABILITY.

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

42 (I) INSTALL ADDITIONAL CONTROLS;

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

2 (III) PURCHASE ADDITIONAL LIABILITY INSURANCE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

4 October 1, 1997.