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Introduced and read first time: March 3, 2005

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies - Net Energy Metering - Accrual of Generated**
3 **Electricity - Crediting to Customer's Account**

4 FOR the purpose of allowing customer-generators that own and operate certain solar
5 electrical generating facilities or wind electric generating facilities and that
6 have a net energy metering contract with an electric company to accrue
7 electricity generation credit for a certain period; requiring the electric company
8 to carry forward a negative kilowatts per hour reading until the
9 customer-generator begins to consume electricity from the grid; requiring any
10 surplus energy generated during the period in which the customer-generator
11 accrued generation credit to be credited to the account of the
12 customer-generator in a certain manner and during a certain period of time;
13 and generally relating to net energy metering and the electricity generated by
14 the use of solar or wind electric generating facilities.

15 BY repealing and reenacting, with amendments,
16 Article - Public Utility Companies
17 Section 7-306
18 Annotated Code of Maryland
19 (1998 Volume and 2004 Supplement)

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

22 **Article - Public Utility Companies**

23 7-306.

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

25 (2) "Eligible customer-generator" means a customer that owns and
26 operates a solar electrical generating facility or a wind electric generating facility
27 that:

28 (i) has a capacity of not more than 80 kilowatts;

1 (ii) is located on the customer's premises;

2 (iii) is interconnected and operated in parallel with an electric
3 company's transmission and distribution facilities; and

4 (iv) is intended primarily to offset all or part of the customer's own
5 electricity requirements.

6 (3) "Net energy metering" means measurement of the difference between
7 the electricity that is supplied by an electric company and the electricity that is
8 generated by an eligible customer-generator and fed back to the electric company
9 over the eligible customer-generator's billing period.

10 (b) The General Assembly finds and declares that a program to provide net
11 energy metering for eligible customer-generators is a means to encourage private
12 investment in renewable energy resources, stimulate in-State economic growth,
13 enhance continued diversification of the State's energy resource mix, and reduce costs
14 of interconnection and administration.

15 (c) An electric company serving an eligible customer-generator shall ensure
16 that the meter installed for net energy metering is capable of measuring the flow of
17 electricity in two directions.

18 (d) The Commission shall require electric utilities to develop a standard
19 contract or tariff for net energy metering and make it available to eligible
20 customer-generators on a first-come, first-served basis until the rated generating
21 capacity owned and operated by eligible customer-generators in the State reaches
22 34.722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.

23 (e) (1) A net energy metering contract or tariff shall be identical, in energy
24 rates, rate structure, and monthly charges, to the contract or tariff that the customer
25 would be assigned if the customer were not an eligible customer-generator.

26 (2) (i) A net energy metering contract or tariff may not include charges
27 that would raise the eligible customer-generator's minimum monthly charge above
28 that of customers of the rate class to which the eligible customer-generator would
29 otherwise be assigned.

30 (ii) Charges prohibited by this paragraph include new or additional
31 demand charges, standby charges, customer charges, and minimum monthly charges.

32 (f) (1) The electric company shall calculate net energy metering[, subject to
33 the following:] IN ACCORDANCE WITH THIS SUBSECTION.

34 [(1)] (2) [net] NET energy produced or consumed on a monthly basis
35 shall be measured in accordance with standard metering practices[;].

36 [(2)] (3) [if] IF electricity supplied by the grid exceeds electricity
37 generated by the eligible customer-generator during a month, the eligible

1 customer-generator shall be billed for the net energy supplied in accordance with
2 subsection (e) of this section[; and].

3 [(3)] (4) [if] IF electricity generated by the eligible customer-generator
4 exceeds the electricity supplied by the grid, the eligible customer-generator shall be
5 required to pay only customer charges for that month in accordance with subsection
6 (e) of this section.

7 (5) (I) A CUSTOMER-GENERATOR UNDER PARAGRAPH (4) OF THIS
8 SUBSECTION MAY ACCRUE GENERATION CREDIT FOR A PERIOD NOT TO EXCEED 12
9 MONTHS.

10 (II) THE ELECTRIC COMPANY SHALL CARRY FORWARD A NEGATIVE
11 KILOWATTS PER HOUR READING UNTIL THE CUSTOMER-GENERATOR BEGINS TO
12 CONSUME ELECTRICITY FROM THE GRID.

13 (III) ANY SURPLUS ENERGY GENERATED DURING THE PERIOD IN
14 WHICH THE CUSTOMER-GENERATOR ACCRUED GENERATION CREDIT UNDER
15 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE CREDITED, ON THE BASIS OF THE
16 AVERAGE AVOIDED COST OF ELECTRICITY GENERATION, TO THE ACCOUNT OF THE
17 CUSTOMER-GENERATOR BEFORE A NEW 12-MONTH PERIOD BEGINS.

18 (g) (1) A solar-electric generating system or a wind electric generating
19 system used by an eligible customer-generator shall meet all applicable safety and
20 performance standards established by the National Electrical Code, the Institute of
21 Electrical and Electronics Engineers, and Underwriters Laboratories.

22 (2) The Commission may adopt by regulation additional control and
23 testing requirements for eligible customer-generators that the Commission
24 determines are necessary to protect public safety and system reliability.

25 (3) An electric company may not require an eligible customer-generator
26 whose solar-electric generating system or wind electric generating system meets the
27 standards of paragraphs (1) and (2) of this subsection to:

- 28 (i) install additional controls;
- 29 (ii) perform or pay for additional tests; or
- 30 (iii) purchase additional liability insurance.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2005.