By: **Delegates Walkup, Bozman, Eckardt, Haddaway, and Rudolph** Introduced and read first time: February 10, 2006 Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 3		Electric Companies - Net Energy Metering - Accrual of Generated Electricity - Crediting to Customer's Account		
4 5 6 7 8 9 10 11 12 13 14	FOR the purpose of allowing customer-generators that own and operate certain solar, biomass, or wind electric generating facilities and that have a net energy metering contract with an electric company to accrue electricity generation credit for a certain period; requiring the electric company to carry forward a negative kilowatts per hour reading until the customer-generator begins to consume electricity from the grid; requiring any surplus energy generated during the period in which the customer-generator accrued generation credit to be credited to the account of the customer-generator in a certain manner and during a certain period of time; and generally relating to net energy metering and the electricity generated by the use of solar, biomass, or wind electric generating facilities.			
15 16 17 18 19	Article - Section 7 Annotate	BY repealing and reenacting, with amendments, Article - Public Utility Companies Section 7-306 Annotated Code of Maryland (1998 Volume and 2005 Supplement)		
20 21		SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 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 26	title.	(2)	"Biomass" means "qualified biomass" as defined in § 7-701 of this	
27 28		(3) omass,	"Eligible customer-generator" means a customer that owns and solar, or wind electric generating facility that:	

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is located on the customer's premises;

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

(i)

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

6 (4) "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.

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

(d) The Commission shall require electric utilities to develop a standard
contract or tariff for net energy metering and make it available to eligible
customer-generators on a first-come, first-served basis until the rated generating
capacity owned and operated by eligible customer-generators in the State reaches
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.

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

(ii) Charges prohibited by this paragraph include new or additional
 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 basis35shall be measured in accordance with standard metering practices[;].

36[(2)](3)[if] IF electricity supplied by the grid exceeds electricity37generated by the eligible customer-generator during a month, the eligible

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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.

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

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

18 (g) (1) (i) Except as provided in subparagraph (ii) of this paragraph, the
19 generating capacity of an electric generating system used by an eligible
20 customer-generator for net metering may not exceed 200 kilowatts.

21 (ii) 1. An eligible customer-generator may petition the
22 Commission to use an electric generating system with a capacity not exceeding 500
23 kilowatts.

24 2. The Commission may approve a petition for use of an 25 electric generating system with a capacity not exceeding 500 kilowatts for net 26 metering if the Commission finds that the project meets public safety and reliability 27 requirements and is in the public interest.

28 (2) An electric generating system used by an eligible customer-generator

29 for net metering shall meet all applicable safety and performance standards

30 established by the National Electrical Code, the Institute of Electrical and Electronics

31 Engineers, and Underwriters Laboratories.

32 (3) The Commission may adopt by regulation additional control and
33 testing requirements for eligible customer-generators that the Commission
34 determines are necessary to protect public safety and system reliability.

35 (4) An electric company may not require an eligible customer-generator 36 whose electric generating system meets the standards of paragraphs (2) and (3) of this 37 subsection to:

38 (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, 2006.

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