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Grosfeld, Hooper, Jones, Kelley, Klausmeier, Lawlah, Middleton, and  
Pinsky Pinsky, Gladden, and Exum**

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Electric Companies - Net Energy Metering - Accrual of Generated**  
3 **Electricity**

4 FOR the purpose of allowing customer-generators ~~who~~ that own and operate certain  
5 solar, wind, or biomass electric generating facilities and ~~who~~ use net energy  
6 metering to accrue electricity generation credit for a certain period; requiring  
7 the electric company to carry forward a negative kilowatts-per-hour reading for  
8 a certain period under certain circumstances; altering the definition of eligible  
9 customer-generator to include certain customers that lease and operate certain  
10 generating facilities; authorizing the Public Service Commission to require  
11 certain customer-generators whose facilities are sized to produce energy in  
12 excess of a certain annual energy consumption to install a certain dual meter;  
13 requiring the Commission to develop a certain credit formula for certain  
14 customer-generators whose facilities are sized to produce energy in excess of a  
15 certain annual energy consumption; and generally relating to net energy  
16 metering and solar, wind, and biomass electric generating facilities.

17 BY repealing and reenacting, with amendments,  
18 Article - Public Utility Companies  
19 Section 7-306  
20 Annotated Code of Maryland  
21 (1998 Volume and 2005 Supplement)

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

1 **Article - Public Utility Companies**

2 7-306.

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

4 (2) "Biomass" means "qualified biomass" as defined in § 7-701 of this  
5 title.6 (3) "Eligible customer-generator" means a customer that owns and  
7 operates OR LEASES AND OPERATES a biomass, solar, or wind electric generating  
8 facility that:

9 (i) is located on the customer's premises;

10 (ii) is interconnected and operated in parallel with an electric  
11 company's transmission and distribution facilities; and12 (iii) is intended primarily to offset all or part of the customer's own  
13 electricity requirements.14 (4) "Net energy metering" means measurement of the difference between  
15 the electricity that is supplied by an electric company and the electricity that is  
16 generated by an eligible customer-generator and fed back to the electric company  
17 over the eligible customer-generator's billing period.18 (b) The General Assembly finds and declares that a program to provide net  
19 energy metering for eligible customer-generators is a means to encourage private  
20 investment in renewable energy resources, stimulate in-State economic growth,  
21 enhance continued diversification of the State's energy resource mix, and reduce costs  
22 of interconnection and administration.23 (c) An electric company serving an eligible customer-generator shall ensure  
24 that the meter installed for net energy metering is capable of measuring the flow of  
25 electricity in two directions.26 (d) The Commission shall require electric utilities to develop a standard  
27 contract or tariff for net energy metering and make it available to eligible  
28 customer-generators on a first-come, first-served basis until the rated generating  
29 capacity owned and operated by eligible customer-generators in the State reaches  
30 34,722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.31 (e) (1) A EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, A net  
32 energy metering contract or tariff shall be identical, in energy rates, rate structure,  
33 and monthly charges, to the contract or tariff that the customer would be assigned if  
34 the customer were not an eligible customer-generator.35 (2) (i) A net energy metering contract or tariff may not include charges  
36 that would raise the eligible customer-generator's minimum monthly charge above

1 that of customers of the rate class to which the eligible customer-generator would  
2 otherwise be assigned.

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

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

7 [(1)] (2) [net] NET energy produced or consumed on a monthly basis  
8 shall be measured in accordance with standard metering practices[;].

9 [(2)] (3) [if] IF electricity supplied by the grid exceeds electricity  
10 generated by the eligible customer-generator during a month, the eligible  
11 customer-generator shall be billed for the net energy supplied in accordance with  
12 subsection (e) of this section[; and].

13 [(3)] (4) [if] IF electricity generated by the eligible customer-generator  
14 exceeds the electricity supplied by the grid, the eligible customer-generator shall be  
15 required to pay only customer charges for that month in accordance with subsection  
16 (e) of this section.

17 (5) (I) ~~A AN ELIGIBLE CUSTOMER-GENERATOR UNDER PARAGRAPH (4)~~  
18 ~~OF THIS SUBSECTION MAY ACCRUE GENERATION CREDIT FOR A PERIOD NOT TO~~  
19 ~~EXCEED 12 MONTHS.~~

20 (II) THE ELECTRIC COMPANY SHALL CARRY FORWARD A NEGATIVE  
21 KILOWATT-HOUR READING UNTIL:

22 1. THE ELIGIBLE CUSTOMER-GENERATOR'S CONSUMPTION  
23 OF ELECTRICITY FROM THE GRID ELIMINATES THE CREDIT; OR

24 2. THE 12-MONTH ACCRUAL PERIOD UNDER  
25 SUBPARAGRAPH (I) OF THIS PARAGRAPH EXPIRES.

26 (g) FOR AN ELIGIBLE CUSTOMER-GENERATOR WHOSE FACILITY IS SIZED TO  
27 PRODUCE ENERGY IN EXCESS OF THE ELIGIBLE CUSTOMER-GENERATOR'S ANNUAL  
28 ENERGY CONSUMPTION, THE COMMISSION:

29 (1) MAY REQUIRE THE ELIGIBLE CUSTOMER-GENERATOR TO INSTALL A  
30 DUAL METER THAT IS CAPABLE OF MEASURING THE FLOW OF ELECTRICITY IN TWO  
31 DIRECTIONS; AND

32 (2) SHALL DEVELOP A CREDIT FORMULA THAT:

33 (I) EXCLUDES RECOVERY OF TRANSMISSION AND DISTRIBUTION  
34 COSTS; AND

35 (II) PROVIDES THAT THE CREDIT MAY BE CALCULATED USING A  
36 METHOD OTHER THAN A KILOWATT BASIS, INCLUDING A METHOD THAT ALLOWS A

1 DOLLAR FOR DOLLAR OFFSET OF ELECTRICITY SUPPLIED BY THE GRID COMPARED  
2 TO ELECTRICITY GENERATED BY THE ELIGIBLE CUSTOMER-GENERATOR.

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

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

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

13 (2) An electric generating system used by an eligible customer-generator  
14 for net metering shall meet all applicable safety and performance standards  
15 established by the National Electrical Code, the Institute of Electrical and Electronics  
16 Engineers, and Underwriters Laboratories.

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

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

- 23 (i) install additional controls;
- 24 (ii) perform or pay for additional tests; or
- 25 (iii) purchase additional liability insurance.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2006.