
By: **The President (By Request - Administration) and Senators Brinkley, Colburn, Giannetti, Haines, Hooper, Jacobs, Jimeno, Kittleman, and Schrader**

Introduced and read first time: January 23, 2006

Rules suspended

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utility Companies - Net Energy Metering**

3 FOR the purpose of providing for a carry forward of a certain energy credit; altering
4 the maximum capacity of an electric generating system used by an eligible
5 customer-generator; repealing a certain petition for use of certain electric
6 generating systems of certain capacities; and generally relating to net energy
7 metering.

8 BY repealing and reenacting, with amendments,
9 Article - Public Utility Companies
10 Section 7-306
11 Annotated Code of Maryland
12 (1998 Volume and 2005 Supplement)

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

15 **Article - Public Utility Companies**

16 7-306.

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

18 (2) "Biomass" means "qualified biomass" as defined in § 7-701 of this
19 title.

20 (3) "Eligible customer-generator" means a customer that owns and
21 operates a biomass, solar, or wind electric generating facility that:

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

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

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

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

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

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

15 (d) The Commission shall require electric utilities to develop a standard
16 contract or tariff for net energy metering and make it available to eligible
17 customer-generators on a first-come, first-served basis until the rated generating
18 capacity owned and operated by eligible customer-generators in the State reaches
19 34,722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.

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

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

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

29 (f) The electric company shall calculate net energy metering, subject to the
30 following:

31 (1) net energy produced or consumed on a monthly basis shall be
32 measured in accordance with standard metering practices;

33 (2) if electricity supplied by the grid exceeds electricity generated by the
34 eligible customer-generator during a month, the eligible customer-generator shall be
35 billed for the net energy supplied in accordance with subsection (e) of this section; and

36 (3) if electricity generated by the eligible customer-generator exceeds
37 the electricity supplied by the grid, the eligible customer-generator:

1 (I) shall be required to pay only customer charges for that month in
2 accordance with subsection (e) of this section; AND

3 (II) MAY CARRY OVER ANY REMAINING AMOUNT OF THE EXCESS
4 ENERGY GENERATED THAT MONTH AS A CREDIT AGAINST BILLINGS FOR NET
5 ENERGY SUPPLIED OVER THE NEXT 12-MONTH PERIOD.

6 (g) (1) [(i) Except as provided in subparagraph (ii) of this paragraph, the]
7 THE generating capacity of an electric generating system used by an eligible
8 customer-generator for net metering may not exceed [200] 500 kilowatts.

9 [(ii) 1. An eligible customer-generator may petition the
10 Commission to use an electric generating system with a capacity not exceeding 500
11 kilowatts.

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

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

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

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

26 (i) install additional controls;

27 (ii) perform or pay for additional tests; or

28 (iii) purchase additional liability insurance.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect July 1, 2006.