

HOUSE BILL 858

C5

71r1440

By: **Delegates Boteler, Beitzel, Kach, Shewell, Stocksdale, Stull, and Weir**
Introduced and read first time: February 9, 2007
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Energy Companies – Net Energy Metering**

3 FOR the purpose of removing a certain limitation on the number of eligible
4 customer–generators that may enter into a net energy metering contract or
5 tariff; requiring a certain net energy metering contract or tariff to require a
6 certain electric company to purchase all excess energy generated by a certain
7 customer–generator during each monthly cycle; repealing a limitation on the
8 period of time that a certain customer–generator may accrue certain generation
9 credit; repealing a limitation on the time that a certain electric company shall
10 carry forward a certain generation credit or negative kilowatt–hour reading;
11 requiring the amount of generation credit that a certain electric company
12 credits to a certain customer–generator to be at a certain rate; requiring certain
13 generation credit to appear on a customer–generator’s bill in a dollar amount;
14 requiring a certain electric company to reimburse a certain customer–generator
15 for the amount of a certain generation credit under certain circumstances; and
16 generally relating to net–energy metering.

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 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Public Utility Companies

7–306.

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

(2) “Biomass” means “qualified biomass” as defined in § 7–701 of this title.

(3) “Eligible customer–generator” means a customer that owns and operates or leases and operates a biomass, solar, or wind electric generating facility that:

(i) is located on the customer’s premises;

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

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

(4) “Net energy metering” means measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer–generator and fed back to the electric company 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.

(c) An electric company serving an eligible customer–generator shall ensure that the meter installed for net energy metering is capable of measuring the flow of 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].

1 (e) (1) Except as provided in subsection (g) of this section, a net energy
2 metering contract or tariff shall be identical, in energy rates, rate structure, and
3 monthly charges, to the contract or tariff that the customer would be assigned if the
4 customer were not an eligible customer-generator.

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

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

12 **(3) A NET ENERGY METERING CONTRACT OR TARIFF SHALL**
13 **PROVIDE THAT THE ELECTRIC COMPANY SHALL PURCHASE ALL EXCESS ENERGY**
14 **GENERATED BY THE ELIGIBLE CUSTOMER-GENERATOR DURING EACH**
15 **MONTHLY CYCLE.**

16 (f) (1) The electric company shall calculate net energy metering in
17 accordance with this subsection.

18 (2) Net energy produced or consumed on a monthly basis shall be
19 measured in accordance with standard metering practices.

20 (3) If electricity supplied by the grid exceeds electricity generated by
21 the eligible customer-generator during a month, the eligible customer-generator shall
22 be billed for the net energy supplied in accordance with subsection (e) of this section.

23 (4) If electricity generated by the eligible customer-generator exceeds
24 the electricity supplied by the grid, the eligible customer-generator shall be required
25 to pay only customer charges for that month in accordance with subsection (e) of this
26 section.

27 (5) (i) An eligible customer-generator under paragraph (4) of this
28 subsection may accrue generation credit [for a period not to exceed 12 months].

29 (ii) The electric company shall carry forward [a negative
30 kilowatt-hour reading] **THE GENERATION CREDIT** until[:

31 1.] the eligible customer-generator's consumption of
32 electricity from the grid eliminates the credit[; or

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

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

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

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

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

18 (i) install additional controls;

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

20 (iii) purchase additional liability insurance.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2007.