

HOUSE BILL 852

C5

0lr2653

By: **Delegates George, Barkley, Elmore, Haddaway, Hecht, Impallaria, King, Love, Mathias, McHale, Minnick, ~~and Shewell~~ Shewell, Jameson, Manno, Rudolph, Taylor, and Walkup**

Introduced and read first time: February 10, 2010

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2010

CHAPTER _____

1 AN ACT concerning

2 **Energy Companies – Net Energy Metering Credit Transfers – Municipalities**

3 FOR the purpose of authorizing certain municipalities to transfer certain generation
4 credits to certain properties; requiring the Public Service Commission to adopt
5 certain regulations; defining a certain term; and generally relating to net energy
6 metering.

7 BY repealing and reenacting, with amendments,
8 Article – Public Utility Companies
9 Section 7–306(a) and (i)
10 Annotated Code of Maryland
11 (2008 Replacement Volume and 2009 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – Public Utility Companies
14 Section 7–306(f)
15 Annotated Code of Maryland
16 (2008 Replacement Volume and 2009 Supplement)

17 BY adding to
18 Article – Public Utility Companies
19 Section 7–306(i)
20 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2008 Replacement Volume and 2009 Supplement)

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

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, leases and operates, or contracts with a third party that owns and operates a biomass, micro combined heat and power, solar, or wind electric generating facility that:

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

(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) “Micro combined heat and power” means the simultaneous or sequential production of useful thermal energy and electrical or mechanical power not exceeding 30 kilowatts.

(5) **“MUNICIPALITY” MEANS ANY MUNICIPAL CORPORATION:**

(I) SUBJECT TO THE PROVISIONS OF ARTICLE XI–E OF THE MARYLAND CONSTITUTION; AND

(II) THAT IS AN ELIGIBLE CUSTOMER–GENERATOR.

(6) “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.

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

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

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

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

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

12 (ii) The electric company shall carry forward a negative
13 kilowatt-hour reading until:

14 1. the eligible customer-generator's consumption of
15 electricity from the grid eliminates the credit; or

16 2. the 12-month accrual period under subparagraph (i)
17 of this paragraph expires.

18 (6) Any remaining accrued generation credit at the expiration of the
19 12-month accrual period under paragraph (5)(ii)2 of this subsection:

20 (i) shall revert to the electric company; and

21 (ii) may not be recovered by the eligible customer-generator.

22 **(I) (1) A MUNICIPALITY MAY TRANSFER ANY GENERATION CREDITS**
23 **ACCRUED UNDER SUBSECTION (F) OF THIS SECTION TO ANY PROPERTY OF ANY**
24 **RATE CLASS THAT IS:**

25 **(I) OWNED, LEASED, OR OPERATED BY THE MUNICIPALITY;**
26 **AND**

27 **(II) SERVED BY THE ELECTRIC COMPANY THAT ISSUED THE**
28 **GENERATION CREDIT.**

29 **(2) THE COMMISSION SHALL ADOPT REGULATIONS TO**
30 **IMPLEMENT THIS SECTION.**

1 **[(i)] (J)** On or before February 1 of each year, the Commission shall report
2 to the General Assembly, in accordance with § 2-1246 of the State Government
3 Article, on the status of the net metering program under this section, including:

4 (1) the amount of capacity of electric generating facilities owned and
5 operated by eligible customer-generators in the State by type of energy resource;

6 (2) based on the need to encourage a diversification of the State’s
7 energy resource mix to ensure reliability, whether the rated generating capacity limit
8 in subsection (d) of this section should be altered; and

9 (3) other pertinent information.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2010.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.