

## Chapter 47

(Senate Bill 271)

AN ACT concerning

### **Public Utilities – Net Energy Metering – Hydroelectric**

FOR the purpose of including in the definition of eligible customer–generators that are eligible for net energy metering a customer that uses a certain type of hydroelectric generating facility; defining a certain term; and generally relating to net energy metering.

BY repealing and reenacting, with amendments,

Article – Public Utilities  
Section 7–306(a)  
Annotated Code of Maryland  
(2010 Replacement Volume)

BY repealing and reenacting, without amendments,

Article – Public Utilities  
Section 7–306(b)  
Annotated Code of Maryland  
(2010 Replacement Volume)

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

#### **Article – Public Utilities**

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) **“CLOSED CONDUIT HYDRO” MEANS A HYDROELECTRIC GENERATING FACILITY THAT:**
    - (I) GENERATES ELECTRICITY WITHIN EXISTING PIPING OR LIMITED ADJACENT PIPING OF A POTABLE WATER SUPPLY SYSTEM;**
    - (II) IS OWNED OR OPERATED BY A MUNICIPALITY MUNICIPAL CORPORATION OR PUBLIC WATER AUTHORITY; AND**

**(III) IS DESIGNED TO PRODUCE LESS ENERGY THAN IS CONSUMED TO OPERATE THE WATER SUPPLY SYSTEM.**

**(4)** “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, fuel cell, [or] wind, **OR CLOSED CONDUIT HYDRO** 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)] (5)** “Fuel cell” means an electric generating facility that:

(i) includes integrated power plant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electric energy; and

(ii) may include:

1. an inverter and fuel processing system; and

2. other plant equipment to support the plant’s operation or its energy conversion, including heat recovery equipment.

**[(5)] (6)** “Generation credit” means a credit associated with the generation of electricity produced in excess of the electricity consumed by an eligible customer–generator in one billing period.

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

**[(7)] (8)** “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 grid 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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.

**Approved by the Governor, April 12, 2011.**