

HOUSE BILL 1087

C5

(5lr2077)

ENROLLED BILL

— Economic Matters/Finance —

Introduced by **Delegates Clippinger, B. Barnes, Conaway, Fennell, Frick, Kelly, Kramer, Luedtke, Platt, S. Robinson, Rosenberg, Vaughn, Waldstreicher, A. Washington, M. Washington, and C. Wilson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Electricity – Community Solar Energy Generating System Program**

3 FOR the purpose of establishing a pilot program on community solar energy generating
4 systems under the authority of the Public Service Commission; providing for the
5 structure and operation of the program, including the generation of electricity and
6 allocation of costs to subscribers to a community solar energy generating system;
7 ~~authorizing an electric company to submit a petition to own and operate a community~~
8 ~~solar energy generating system to the Commission; authorizing the Commission to~~
9 ~~approve a petition if the Commission makes a certain determination; requiring the~~
10 ~~Commission to approve or deny a petition within a certain period of time; specifying~~
11 ~~when an electric company may recover the costs associated with developing and~~
12 ~~owning a community solar energy generating system through base rates; requiring~~
13 ~~an electric company to sell certain services and attributes associated with the~~

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.

Italics indicate opposite chamber/conference committee amendments.



1 ~~community solar energy generating system; requiring an electric company to use a~~
 2 ~~certain method to refund or credit certain proceeds to ratepayers; requiring the~~
 3 ~~Commission to determine an appropriate method for an electric company to~~
 4 ~~distribute its proceeds to ratepayers; providing for the beginning and termination of~~
 5 the pilot program; requiring the Commission to adopt certain regulations by a
 6 certain date; providing for the continuation of certain contracts under certain
 7 circumstances; providing for the inclusion of certain generation in a certain
 8 limitation; defining certain terms; stating certain findings of the General Assembly;
 9 requiring the Public Service Commission to study certain matters and report its
 10 findings to certain committees on or before a certain date; and generally relating to
 11 a program for community solar energy generating systems.

12 BY adding to
 13 Article – Public Utilities
 14 Section 7–306.1
 15 Annotated Code of Maryland
 16 (2010 Replacement Volume and 2014 Supplement)

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

19 **Article – Public Utilities**

20 **7–306.1.**

21 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
 22 **INDICATED.**

23 **(2) “BASELINE ANNUAL USAGE” MEANS:**

24 **(I) A SUBSCRIBER’S ACCUMULATED ELECTRICITY USE IN**
 25 **KILOWATT–HOURS FOR THE 12 MONTHS BEFORE THE SUBSCRIBER’S MOST RECENT**
 26 **SUBSCRIPTION; OR**

27 **(II) FOR A SUBSCRIBER THAT DOES NOT HAVE A RECORD OF 12**
 28 **MONTHS OF ELECTRICITY USE AT THE TIME OF THE SUBSCRIBER’S MOST RECENT**
 29 **SUBSCRIPTION, AN ESTIMATE OF THE SUBSCRIBER’S ACCUMULATED 12 MONTHS OF**
 30 **ELECTRICITY USE IN KILOWATT–HOURS, DETERMINED IN A MANNER THE**
 31 **COMMISSION APPROVES.**

32 **(3) “COMMUNITY SOLAR ENERGY GENERATING SYSTEM” MEANS A**
 33 **SOLAR ENERGY SYSTEM THAT:**

34 **(I) IS CONNECTED TO THE ELECTRIC DISTRIBUTION GRID**
 35 **SERVING THE STATE;**

1 (II) IS LOCATED IN THE SAME ELECTRIC SERVICE TERRITORY AS
2 ITS SUBSCRIBERS;

3 (III) IS ATTACHED TO THE ELECTRIC METER OF A SUBSCRIBER
4 OR IS A SEPARATE FACILITY WITH ITS OWN ELECTRIC METER;

5 (IV) CREDITS ITS GENERATED ELECTRICITY, OR THE VALUE OF
6 ITS GENERATED ELECTRICITY, TO THE BILLS OF THE SUBSCRIBERS TO THAT SYSTEM
7 THROUGH VIRTUAL NET ENERGY METERING;

8 (V) HAS AT LEAST TWO SUBSCRIBERS;

9 (VI) DOES NOT HAVE SUBSCRIPTIONS LARGER THAN 200
10 ~~KILOWATT-HOURS~~ KILOWATTS CONSTITUTING MORE THAN 60% OF ITS
11 SUBSCRIPTIONS;

12 (VII) HAS A GENERATING CAPACITY THAT DOES NOT EXCEED 2
13 MEGAWATTS AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE
14 SYSTEM'S INVERTER; AND

15 (VIII) MAY BE OWNED BY ANY PERSON, ~~INCLUDING A SUBSCRIBER~~
16 ~~ORGANIZATION, AN ELECTRIC COMPANY, OR AN ELECTRICITY SUPPLIER.~~

17 (4) "PROGRAM" MEANS THE COMMUNITY SOLAR ENERGY
18 GENERATING SYSTEMS PILOT PROGRAM.

19 (5) "SUBSCRIBER" MEANS A RETAIL CUSTOMER OF AN ELECTRIC
20 COMPANY THAT:

21 (I) HOLDS A SUBSCRIPTION TO A COMMUNITY SOLAR ENERGY
22 GENERATING SYSTEM; AND

23 (II) HAS IDENTIFIED ONE OR MORE INDIVIDUAL METERS OR
24 ACCOUNTS TO WHICH THE SUBSCRIPTION SHALL BE ATTRIBUTED.

25 (6) "SUBSCRIBER ORGANIZATION" MEANS:

26 (I) A PERSON THAT OWNS OR OPERATES A COMMUNITY SOLAR
27 ENERGY GENERATING SYSTEM; OR

28 (II) THE COLLECTIVE GROUP OF SUBSCRIBERS OF A
29 COMMUNITY SOLAR ENERGY GENERATING SYSTEM.

1 **(7) “SUBSCRIPTION” MEANS THE PORTION OF THE ELECTRICITY**
 2 **GENERATED BY A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT IS**
 3 **CREDITED TO A SUBSCRIBER.**

4 **(8) “UNSUBSCRIBED ENERGY” MEANS ANY COMMUNITY SOLAR**
 5 **ENERGY GENERATING SYSTEM OUTPUT IN KILOWATT-HOURS THAT IS NOT**
 6 **ALLOCATED TO ANY SUBSCRIBER.**

7 **(9) “VIRTUAL NET ENERGY METERING” MEANS MEASUREMENT OF**
 8 **THE DIFFERENCE BETWEEN THE KILOWATT-HOURS OR VALUE OF ELECTRICITY**
 9 **THAT IS SUPPLIED BY AN ELECTRIC COMPANY AND THE KILOWATT-HOURS OR**
 10 **VALUE OF ELECTRICITY ATTRIBUTABLE TO A SUBSCRIPTION TO A COMMUNITY**
 11 **SOLAR ENERGY GENERATING SYSTEM AND FED BACK TO THE ELECTRIC GRID OVER**
 12 **THE SUBSCRIBER’S BILLING PERIOD, AS CALCULATED UNDER THE TARIFFS**
 13 **ESTABLISHED UNDER SUBSECTION (E)(2) OF THIS SECTION.**

14 **(B) THE GENERAL ASSEMBLY FINDS THAT:**

15 **(1) COMMUNITY SOLAR ENERGY GENERATING SYSTEMS:**

16 **(I) PROVIDE RESIDENTS AND BUSINESSES, INCLUDING THOSE**
 17 **THAT LEASE PROPERTY, INCREASED ACCESS TO LOCAL SOLAR ELECTRICITY WHILE**
 18 **ENCOURAGING PRIVATE INVESTMENT IN SOLAR RESOURCES;**

19 **~~(II) STIMULATE IN-STATE ECONOMIC GROWTH AND~~**
 20 **~~ENTREPRENEURIAL INNOVATION;~~**

21 **~~(III)~~ ENHANCE CONTINUED DIVERSIFICATION OF THE STATE’S**
 22 **ENERGY RESOURCE MIX TO ACHIEVE THE STATE’S RENEWABLE ENERGY PORTFOLIO**
 23 **STANDARD AND GREENHOUSE GAS EMISSIONS REDUCTION ACT GOALS; AND**

24 **~~(IV)~~ (III) PROVIDE ELECTRIC COMPANIES AND RATEPAYERS**
 25 **THE OPPORTUNITY TO REALIZE THE MANY BENEFITS ASSOCIATED WITH**
 26 **DISTRIBUTED ENERGY; AND**

27 **(2) IT IS IN THE PUBLIC INTEREST THAT THE STATE ENABLE THE**
 28 **DEVELOPMENT AND DEPLOYMENT OF ENERGY GENERATION FROM COMMUNITY**
 29 **SOLAR ENERGY GENERATING SYSTEMS IN ORDER TO:**

30 **(I) ALLOW RENTERS AND LOW-INCOME AND**
 31 **MODERATE-INCOME RETAIL ELECTRIC CUSTOMERS TO OWN AN INTEREST IN A**
 32 **COMMUNITY SOLAR ENERGY GENERATING SYSTEM;**

1 (II) FACILITATE MARKET ENTRY FOR ALL POTENTIAL
2 SUBSCRIBERS WHILE GIVING PRIORITY TO SUBSCRIBERS WHO ARE THE MOST
3 SENSITIVE TO MARKET BARRIERS; AND

4 (III) ENCOURAGE DEVELOPERS TO PROMOTE PARTICIPATION BY
5 RENTERS AND LOW-INCOME AND MODERATE-INCOME RETAIL ELECTRIC
6 CUSTOMERS.

7 (C) A COMMUNITY SOLAR ENERGY GENERATING SYSTEM, INCLUDING A
8 SUBSCRIBER OR SUBSCRIBER ORGANIZATION ASSOCIATED WITH THE COMMUNITY
9 SOLAR ENERGY GENERATING SYSTEM, IS NOT:

10 (1) AN ELECTRIC COMPANY;

11 (2) AN ELECTRICITY SUPPLIER; OR

12 (3) A GENERATING STATION.

13 (D) (1) (I) THE COMMISSION SHALL ESTABLISH A PILOT PROGRAM
14 FOR A COMMUNITY SOLAR ENERGY GENERATING SYSTEM PROGRAM.

15 (II) THE STRUCTURE OF ~~THE PROGRAM~~ THE PILOT PROGRAM IS
16 AS PROVIDED IN THIS SUBSECTION.

17 (2) ALL RATE CLASSES MAY PARTICIPATE IN ~~THE PROGRAM~~ THE
18 PILOT PROGRAM.

19 (3) SUBSCRIBERS SERVED BY ELECTRIC STANDARD OFFER SERVICE
20 AND ELECTRICITY SUPPLIERS MAY HOLD SUBSCRIPTIONS TO THE SAME COMMUNITY
21 SOLAR ENERGY GENERATING SYSTEM.

22 (4) A SUBSCRIBER ORGANIZATION SHALL:

23 (I) DETERMINE HOW TO ALLOCATE SUBSCRIPTIONS TO
24 SUBSCRIBERS; AND

25 (II) ~~CALCULATE THE NUMBER OF CREDITS THAT AN ELECTRIC~~
26 ~~COMPANY WILL PROVIDE TO A SUBSCRIBER FOR EACH BILLING CYCLE; AND~~

27 (III) ~~NOTIFY AN ELECTRIC COMPANY AND, IF APPLICABLE, A~~
28 ~~RELEVANT ELECTRICITY SUPPLIER ABOUT THE REGULATIONS THE COMMISSION~~
29 ~~ADOPTS UNDER SUBSECTION (F) (E) OF THIS SECTION.~~

1 **(5)** AN ELECTRIC COMPANY SHALL USE THE TARIFF STRUCTURE
 2 UNDER SUBSECTION ~~(F)(2)~~ **(E)(2)** OF THIS SECTION TO PROVIDE EACH SUBSCRIBER
 3 WITH THE CREDITS ~~CALCULATED BY A SUBSCRIBER ORGANIZATION.~~

4 **(6)** A SUBSCRIBER MAY NOT RECEIVE CREDIT FOR VIRTUAL NET
 5 EXCESS GENERATION THAT EXCEEDS ~~120%~~ **200%** OF THE SUBSCRIBER'S BASELINE
 6 ANNUAL USAGE.

7 **(7)** ANY UNSUBSCRIBED ENERGY GENERATED BY A COMMUNITY
 8 SOLAR ENERGY GENERATING SYSTEM THAT IS NOT OWNED BY AN ELECTRIC
 9 COMPANY SHALL BE PURCHASED UNDER THE ELECTRIC COMPANY'S PROCESS FOR
 10 PURCHASING THE OUTPUT FROM QUALIFYING FACILITIES AT THE AMOUNT IT
 11 WOULD HAVE COST THE ELECTRIC COMPANY TO PROCURE THE ENERGY.

12 **(8)** AN ELECTRIC COMPANY SHALL USE ENERGY GENERATED FROM A
 13 COMMUNITY SOLAR ENERGY GENERATING SYSTEM TO OFFSET PURCHASES FROM
 14 WHOLESALE ELECTRICITY SUPPLIERS FOR STANDARD OFFER SERVICE.

15 ~~(8)~~ **(9)** ALL COSTS ASSOCIATED WITH SMALL GENERATOR
 16 INTERCONNECTION STANDARDS UNDER COMAR 20.50.09 ARE THE
 17 RESPONSIBILITY OF THE SUBSCRIBER ORGANIZATION.

18 ~~(9)~~ **(10)** A SUBSCRIBER ORGANIZATION MAY PETITION AN ELECTRIC
 19 COMPANY TO COORDINATE THE INTERCONNECTION AND COMMENCEMENT OF
 20 OPERATIONS OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM AFTER THE
 21 COMMISSION ADOPTS REGULATIONS REQUIRED UNDER SUBSECTION ~~(F)~~ **(E)** OF THIS
 22 SECTION.

23 ~~(10)~~ **(11)** A SUBSCRIBER ORGANIZATION MAY CONTRACT WITH A
 24 THIRD PARTY FOR THE THIRD PARTY TO FINANCE, BUILD, OWN, OR OPERATE A
 25 COMMUNITY SOLAR ENERGY GENERATING SYSTEM.

26 ~~(11)~~ **(12)** A MUNICIPAL UTILITY OR COOPERATIVE UTILITY MAY
 27 PARTICIPATE IN ~~THE PROGRAM~~ THE PILOT PROGRAM.

28 ~~(12)~~ **(13)** EQUIPMENT FOR A COMMUNITY SOLAR ENERGY
 29 GENERATING SYSTEM MAY NOT BE BUILT ON CONTIGUOUS PARCELS OF LAND
 30 UNLESS THE EQUIPMENT IS INSTALLED ONLY ON BUILDING ROOFTOPS.

31 ~~(13)~~ **(14)** THE PILOT PROGRAM SHALL:

32 **(I)** BEGIN ON THE EARLIER OF:

1 1. THE DATE OF SUBMISSION OF THE FIRST PETITION OF
 2 A SUBSCRIBER ORGANIZATION UNDER ~~SUBSECTION (D)(9) OF THIS SECTION~~
 3 PARAGRAPH (10) OF THIS SUBSECTION AFTER THE COMMISSION ADOPTS THE
 4 REGULATIONS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION; OR

5 2. 6 MONTHS AFTER THE COMMISSION ADOPTS THOSE
 6 REGULATIONS; AND

7 (II) END 3 YEARS AFTER THE BEGINNING DATE.

8 (15) THE COMMISSION SHALL LIMIT THE PILOT PROGRAM IN SUCH A
 9 WAY THAT THE COMMISSION MAY CONDUCT A MEANINGFUL STUDY OF THE PILOT
 10 PROGRAM AND ITS RESULTS, INCLUDING:

11 (I) THE APPROPRIATE NUMBER OF COMMUNITY SOLAR ENERGY
 12 GENERATING SYSTEMS TO BE INCLUDED IN THE PILOT PROGRAM;

13 (II) THE APPROPRIATE AMOUNT OF GENERATING CAPACITY OF
 14 THE COMMUNITY SOLAR ENERGY GENERATING SYSTEMS TO BE INCLUDED IN THE
 15 PILOT PROGRAM; AND

16 (III) A VARIETY OF APPROPRIATE GEOGRAPHICAL AREAS IN THE
 17 STATE FOR LOCATING COMMUNITY SOLAR ENERGY GENERATING SYSTEMS TO BE
 18 INCLUDED IN THE PILOT PROGRAM.

19 ~~(E) (1) (i) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE,~~
 20 ~~AN ELECTRIC COMPANY MAY SUBMIT A PETITION TO OWN AND OPERATE A~~
 21 ~~COMMUNITY SOLAR ENERGY GENERATING SYSTEM TO THE COMMISSION.~~

22 ~~(ii) THE COMMISSION MAY APPROVE A PETITION SUBMITTED~~
 23 ~~UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH IF THE COMMISSION DETERMINES~~
 24 ~~THAT THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM WILL:~~

25 1. ~~RESULT IN JUST AND REASONABLE RATES WHEN~~
 26 ~~INCLUDED IN THE ELECTRIC COMPANY'S BASE RATE; AND~~

27 2. ~~PROVIDE BENEFITS TO RATEPAYERS THROUGH:~~

28 A. ~~AVOIDED TRANSMISSION AND DISTRIBUTION LINE~~
 29 ~~LOSSES;~~

30 B. ~~TRANSMISSION AND DISTRIBUTION UPGRADE~~
 31 ~~DEFERRALS;~~

~~C. AVOIDED INTERCONNECTION COSTS;~~

~~D. ANCILLARY SERVICES AND VOLT-AMPERE REACTIVE
(VAR) SUPPORT;~~

~~E. REDUCED LAND COSTS;~~

~~F. DEMAND CHARGE MANAGEMENT;~~

~~G. ELECTRIC SERVICE RELIABILITY; OR~~

~~H. ANY OTHER ADDITIONAL FACTORS THE COMMISSION
CONSIDERS APPROPRIATE.~~

~~(III) THE COMMISSION SHALL APPROVE OR DENY A PETITION
WITHIN 120 DAYS AFTER THE ELECTRIC COMPANY FILES THE PETITION.~~

~~(2) AN ELECTRIC COMPANY MAY RECOVER THROUGH BASE RATES
THE COSTS ASSOCIATED WITH BUILDING AND MAINTAINING A COMMUNITY SOLAR
ENERGY GENERATING SYSTEM THAT IS ACTIVELY USED AND IN SERVICE.~~

~~(3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, AN
ELECTRIC COMPANY SHALL SELL:~~

~~(I) UNSUBSCRIBED ENERGY, CAPACITY, AND ANCILLARY
SERVICES PRODUCED BY THE ELECTRIC COMPANY'S COMMUNITY SOLAR ENERGY
GENERATING SYSTEM OWNED BY THE ELECTRIC COMPANY TO THE MARKETS
OPERATED BY PJM INTERCONNECTION, LLC; AND~~

~~(II) ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH THE
ELECTRICITY GENERATED BY THE ELECTRIC COMPANY'S COMMUNITY SOLAR
ENERGY GENERATING SYSTEM TO ANY PERSON.~~

~~(4) (I) AN ELECTRIC COMPANY SHALL USE A METHOD
DETERMINED BY THE COMMISSION TO REFUND OR CREDIT TO RATEPAYERS THE
PROCEEDS FROM:~~

~~1. THE SALES REQUIRED UNDER PARAGRAPH (3) OF
THIS SUBSECTION; AND~~

~~2. THE SALE OF ANY SUBSCRIPTIONS TO THE ELECTRIC
COMPANY'S COMMUNITY SOLAR ENERGY GENERATING SYSTEM.~~

1 ~~(H) THE COMMISSION SHALL DETERMINE AN APPROPRIATE~~
2 ~~METHOD FOR AN ELECTRIC COMPANY TO DISTRIBUTE ITS PROCEEDS TO~~
3 ~~RATEPAYERS.~~

4 ~~(F)~~ (E) ON OR BEFORE ~~JANUARY APRIL 1,~~ MAY 15, 2016, THE
5 COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION,
6 INCLUDING REGULATIONS FOR:

7 (1) CONSUMER PROTECTION;

8 (2) A TARIFF STRUCTURE FOR AN ELECTRIC COMPANY TO PROVIDE A
9 SUBSCRIBER WITH THE ~~CREDITS CALCULATED BY A SUBSCRIBER ORGANIZATION~~
10 ~~THAT IS CONSISTENT WITH THE TARIFF STRUCTURE USED FOR NET ENERGY~~
11 ~~METERING UNDER § 7-306 OF THIS SUBTITLE~~ KILOWATT-HOURS OR VALUE OF THE
12 SUBSCRIBER'S SUBSCRIPTION, AS THE COMMISSION DETERMINES;

13 (3) A CALCULATION FOR VIRTUAL NET ENERGY METERING ~~THAT IS~~
14 ~~CONSISTENT WITH THE CALCULATION USED FOR NET ENERGY METERING UNDER §~~
15 ~~7-306 OF THIS SUBTITLE~~ AS THE COMMISSION DETERMINES;

16 (4) A PROTOCOL FOR ELECTRIC COMPANIES, ELECTRICITY
17 SUPPLIERS, AND SUBSCRIBER ORGANIZATIONS TO COMMUNICATE THE
18 INFORMATION NECESSARY TO CALCULATE AND PROVIDE THE MONTHLY ELECTRIC
19 BILL CREDITS AND YEARLY NET EXCESS GENERATION PAYMENTS REQUIRED BY THIS
20 SECTION; AND

21 (5) A PROTOCOL FOR A SUBSCRIBER ORGANIZATION TO COORDINATE
22 WITH AN ELECTRIC COMPANY FOR THE INTERCONNECTION AND COMMENCEMENT
23 OF OPERATIONS OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM.

24 (F) (1) SUBJECT TO REGULATIONS OR ORDERS OF THE COMMISSION, A
25 CONTRACT RELATING TO A COMMUNITY SOLAR ENERGY GENERATING SYSTEM OR
26 SUBSCRIBER ORGANIZATION THAT IS ENTERED INTO DURING THE PILOT PROGRAM
27 SHALL REMAIN IN EFFECT ACCORDING TO THE TERMS OF THE CONTRACT,
28 INCLUDING AFTER THE TERMINATION OF THE PILOT PROGRAM.

29 (2) AFTER TERMINATION OF THE PILOT PROGRAM, IN ACCORDANCE
30 WITH THE OPERATIONAL AND BILLING REQUIREMENTS IN SUBSECTION (D) OF THIS
31 SECTION:

32 (I) A SUBSCRIBER ORGANIZATION MAY CONTINUE THE
33 OPERATION OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT BEGAN
34 OPERATION DURING THE PILOT PROGRAM, INCLUDING THE CREATION AND
35 TRADING OF SUBSCRIPTIONS; AND

1 (II) IN ACCORDANCE WITH THE TARIFFS ESTABLISHED UNDER
2 SUBSECTION (E)(2) OF THIS SECTION, AN ELECTRIC COMPANY SHALL CONTINUE TO
3 FACILITATE THE OPERATION OF A COMMUNITY SOLAR ENERGY GENERATING
4 SYSTEM THAT BEGAN OPERATION DURING THE PILOT PROGRAM.

5 (G) THE CUMULATIVE INSTALLED NAMEPLATE CAPACITY UNDER THE PILOT
6 PROGRAM SHALL COUNT TOWARD THE OVERALL LIMITATION OF 1,500 MEGAWATTS
7 FOR ALL NET METERING PROJECTS IN § 7-306(D) OF THIS SUBTITLE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That:

9 (a) The Public Service Commission, in consultation with the Maryland Energy
10 Administration, shall convene a stakeholder workgroup to study the value and costs of the
11 pilot program established under § 7-306.1 of the Public Utilities Article, as enacted by
12 Section 1 of this Act and make recommendations to the Commission on the advisability of
13 establishing a permanent program.

14 (b) In conducting the study, the workgroup shall identify and examine:

15 (1) a framework for valuation of the costs and benefits related to
16 community solar and virtual net energy metering;

17 (2) the costs and benefits of community solar energy generating systems to
18 participating subscribers and to nonsubscriber ratepayers;

19 (3) an appropriate credit mechanism and operational structure that allows
20 a community renewable solar energy generating system to minimize administrative costs
21 to an electric company, electric supplier, or subscriber organization;

22 (4) the benefits to and the technical and cost impacts of community solar
23 programs and virtual net energy metering on an electric company's distribution grid;

24 (5) issues, benefits, and concerns related to the participation of electric
25 companies, including investor-owned utilities, in community solar programs and projects,
26 including owners and operators of the projects;

27 (6) whether and how community solar projects or virtual net energy
28 metering have a substantially different technical impact on the distribution system than
29 traditional net energy metering;

30 (7) identification of any impacts on the standard offer service procurement
31 process;

32 (8) a review of community solar programs and cost-benefit studies in other
33 states;

1 (9) whether and how community solar programs can help reduce the cost
2 of compliance with the renewable energy portfolio standard;

3 (10) how community solar energy generating systems can impact locational
4 marginal prices in Maryland;

5 (11) the impacts of the pilot program on energy costs, reliability, and
6 equitable cost allocation for ratepayers;

7 (12) how community solar project developers can increase participation by
8 low- and moderate-income retail electric customers in community solar projects;

9 (13) the progress of the community solar energy generating pilot program
10 under § 7-306.1 of the Public Utilities Article, as enacted by Section 1 of this Act, in
11 attracting low- and moderate-income retail electric customers;

12 (14) whether community solar energy generating systems are an overall net
13 benefit in helping Maryland achieve its distributed generation and renewable goals;

14 (15) any other matters the workgroup considers relevant; and

15 (16) any additional factors the Public Service Commission considers
16 appropriate.

17 (c) On or before July 1, 2019, the Public Service Commission shall report its
18 findings and recommendations, based on the study conducted under this section, to the
19 Senate Finance Committee and the House Economic Matters Committee in accordance
20 with § 2-1246 of the State Government Article.

21 SECTION 3. AND BE IT FURTHER ENACTED, That the Public Service
22 Commission shall notify the General Assembly and Department of Legislative Services
23 when the pilot program begins in accordance with ~~§ 7-306.1(f)~~ § 7-306.1(d)(14) of the Public
24 Utilities Article, as enacted by this Act.

25 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 ~~October~~ July 1, 2015.