

# HOUSE BILL 683

C5, M5

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CF SB 520

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By: **Delegates Clippinger, Carey, Charkoudian, Dumais, Fennell, Lisanti, Qi, Valderrama, C. Watson, and Wilson**

Introduced and read first time: February 7, 2019

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 11, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Electricity – Community Solar Energy Generating Systems Pilot Program –**  
3 **Extension**

4 FOR the purpose of prohibiting the imposition of a maximum number of subscribers to a  
5 community solar energy generating system under the Community Solar Energy  
6 Generating Systems Pilot Program; providing for an increase in the generating  
7 capacity and capacity limits to be included in the pilot program; altering the  
8 termination date of the pilot program; altering the submission date of a certain  
9 report on the pilot program to certain committees of the General Assembly; and  
10 generally relating to the Community Solar Energy Generating Systems Pilot  
11 Program.

12 BY repealing and reenacting, with amendments,  
13 Article – Public Utilities  
14 Section 7–306.2(a) and (d)  
15 Annotated Code of Maryland  
16 (2010 Replacement Volume and 2018 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Chapter 346 of the Acts of the General Assembly of 2015  
19 Section 2(c)

20 BY repealing and reenacting, with amendments,  
21 Chapter 347 of the Acts of the General Assembly of 2015

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### 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.



1 Section 2(c)

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

4 **Article – Public Utilities**

5 7–306.2.

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

7 (2) “Baseline annual usage” means:

8 (i) a subscriber’s accumulated electricity use in kilowatt–hours for  
9 the 12 months before the subscriber’s most recent subscription; or

10 (ii) for a subscriber that does not have a record of 12 months of  
11 electricity use at the time of the subscriber’s most recent subscription, an estimate of the  
12 subscriber’s accumulated 12 months of electricity use in kilowatt–hours, determined in a  
13 manner the Commission approves.

14 (3) “Community solar energy generating system” means a solar energy  
15 system that:

16 (i) is connected to the electric distribution grid serving the State;

17 (ii) is located in the same electric service territory as its subscribers;

18 (iii) is attached to the electric meter of a subscriber or is a separate  
19 facility with its own electric meter;

20 (iv) credits its generated electricity, or the value of its generated  
21 electricity, to the bills of the subscribers to that system through virtual net energy  
22 metering;

23 (v) has at least two subscribers **BUT NO LIMIT TO THE MAXIMUM**  
24 **NUMBER OF SUBSCRIBERS;**

25 (vi) does not have subscriptions larger than 200 kilowatts  
26 constituting more than 60% of its subscriptions;

27 (vii) has a generating capacity that does not exceed 2 megawatts as  
28 measured by the alternating current rating of the system’s inverter; and

29 (viii) may be owned by any person.

1           (4)    “Program” means the Community Solar Energy Generating Systems  
2 Pilot Program.

3           (5)    “Subscriber” means a retail customer of an electric company that:

4                   (i)    holds a subscription to a community solar energy generating  
5 system; and

6                   (ii)   has identified one or more individual meters or accounts to which  
7 the subscription shall be attributed.

8           (6)    “Subscriber organization” means:

9                   (i)    a person that owns or operates a community solar energy  
10 generating system; or

11                   (ii)   the collective group of subscribers of a community solar energy  
12 generating system.

13           (7)    “Subscription” means the portion of the electricity generated by a  
14 community solar energy generating system that is credited to a subscriber.

15           (8)    “Unsubscribed energy” means any community solar energy generating  
16 system output in kilowatt–hours that is not allocated to any subscriber.

17           (9)    “Virtual net energy metering” means measurement of the difference  
18 between the kilowatt–hours or value of electricity that is supplied by an electric company  
19 and the kilowatt–hours or value of electricity attributable to a subscription to a community  
20 solar energy generating system and fed back to the electric grid over the subscriber’s billing  
21 period, as calculated under the tariffs established under subsection (e)(2) of this section.

22           (d)    (1)    (i)    The Commission shall establish a pilot program for a Community  
23 Solar Energy Generating System Program.

24                   (ii)   The structure of the pilot program is as provided in this  
25 subsection.

26           (2)    All rate classes may participate in the pilot program.

27           (3)    Subscribers served by electric standard offer service and electricity  
28 suppliers may hold subscriptions to the same community solar energy generating system.

29           (4)    A subscriber organization shall:

30                   (i)    determine how to allocate subscriptions to subscribers; and

1 (ii) notify an electric company and, if applicable, a relevant  
2 electricity supplier about the regulations the Commission adopts under subsection (e) of  
3 this section.

4 (5) An electric company shall use the tariff structure under subsection  
5 (e)(2) of this section to provide each subscriber with the credits.

6 (6) A subscriber may not receive credit for virtual net excess generation  
7 that exceeds 200% of the subscriber's baseline annual usage.

8 (7) Any unsubscribed energy generated by a community solar energy  
9 generating system that is not owned by an electric company shall be purchased under the  
10 electric company's process for purchasing the output from qualifying facilities at the  
11 amount it would have cost the electric company to procure the energy.

12 (8) An electric company shall use energy generated from a community solar  
13 energy generating system to offset purchases from wholesale electricity suppliers for  
14 standard offer service.

15 (9) All costs associated with small generator interconnection standards  
16 under COMAR 20.50.09 are the responsibility of the subscriber organization.

17 (10) A subscriber organization may petition an electric company to  
18 coordinate the interconnection and commencement of operations of a community solar  
19 energy generating system after the Commission adopts regulations required under  
20 subsection (e) of this section.

21 (11) A subscriber organization may contract with a third party for the third  
22 party to finance, build, own, or operate a community solar energy generating system.

23 (12) A municipal utility or cooperative utility may participate in the pilot  
24 program.

25 (13) Equipment for a community solar energy generating system may not be  
26 built on contiguous parcels of land unless the equipment is installed only on building  
27 rooftops.

28 (14) The pilot program shall:

29 (i) begin on the earlier of:

30 1. the date of submission of the first petition of a subscriber  
31 organization under paragraph (10) of this subsection after the Commission adopts the  
32 regulations required under subsection (e) of this section; or

33 2. 6 months after the Commission adopts those regulations;  
34 and

1 (ii) end [3] 7 years after the beginning date, **BUT NOT SOONER**  
2 **THAN DECEMBER 31, 2024.**

3 (15) The Commission shall limit the pilot program in such a way that the  
4 Commission may conduct a meaningful study of the pilot program and its results, including:

5 (i) the appropriate number of community solar energy generating  
6 systems to be included in the pilot program;

7 (ii) the appropriate amount of generating capacity of the community  
8 solar energy generating systems to be included in the pilot program **AND THE ANNUAL**  
9 **CAPACITY LIMITS FOR EACH PROGRAM CATEGORY, EACH OF WHICH SHOULD**  
10 **INCREASE THROUGHOUT THE DURATION OF THE PILOT PROGRAM;** and

11 (iii) a variety of appropriate geographical areas in the State for  
12 locating community solar energy generating systems to be included in the pilot program.

### 13 Chapter 346 of the Acts of 2015

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

15 (c) On or before July 1, [2019] **2022**, the Public Service Commission shall report  
16 its findings and recommendations, based on the study conducted under this section, to the  
17 Senate Finance Committee and the House Economic Matters Committee in accordance  
18 with § 2-1246 of the State Government Article.

### 19 Chapter 347 of the Acts of 2015

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

21 (c) On or before July 1, [2019] **2022**, the Public Service Commission shall report  
22 its findings and recommendations, based on the study conducted under this section, to the  
23 Senate Finance Committee and the House Economic Matters Committee in accordance  
24 with § 2-1246 of the State Government Article.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
26 1, 2019.