

SENATE BILL 520

C5, M5

9lr2035
CF 9lr1129

By: **Senators Kramer, Augustine, Beidle, Benson, Feldman, Hayes, and Klausmeier**

Introduced and read first time: February 4, 2019

Assigned to: Finance

A BILL ENTITLED

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
22 Section 2(c)

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

25 **Article – Public Utilities**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-306.2.

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

3 (2) “Baseline annual usage” means:

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

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

10 (3) “Community solar energy generating system” means a solar energy
11 system that:

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

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

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

16 (iv) credits its generated electricity, or the value of its generated
17 electricity, to the bills of the subscribers to that system through virtual net energy
18 metering;

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

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

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

25 (viii) may be owned by any person.

26 (4) “Program” means the Community Solar Energy Generating Systems
27 Pilot Program.

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

29 (i) holds a subscription to a community solar energy generating
30 system; and

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

3 (6) “Subscriber organization” means:

4 (i) a person that owns or operates a community solar energy
5 generating system; or

6 (ii) the collective group of subscribers of a community solar energy
7 generating system.

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

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

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

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

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

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

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

24 (4) A subscriber organization shall:

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

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

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

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

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

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

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

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

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

18 (12) A municipal utility or cooperative utility may participate in the pilot
19 program.

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

23 (14) The pilot program shall:

24 (i) begin on the earlier of:

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

28 2. 6 months after the Commission adopts those regulations;
29 and

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

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

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

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

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

9 **Chapter 346 of the Acts of 2015**

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

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

15 **Chapter 347 of the Acts of 2015**

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17 (c) On or before July 1, **[2019] 2022**, the Public Service Commission shall report
18 its 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 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
22 1, 2019.