

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 520  
Finance

(Senator Kramer, *et al.*)

Economic Matters

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Electricity - Community Solar Energy Generating Systems Pilot Program -  
Extension

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This bill extends the Community Solar Energy Generating Systems Pilot Program through December 31, 2024. A related reporting requirement for the Public Service Commission (PSC) is delayed three years until July 1, 2022. An existing requirement that PSC limit the pilot program in such a way that it may conduct a meaningful study is modified to include annual, increasing, capacity limits for each program category. The bill also specifies that a community solar energy generating system may have an unlimited number of subscribers. **The bill takes effect June 1, 2019.**

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Fiscal Summary

**State Effect:** PSC can handle the bill's requirements with existing budgeted resources. The bill does not otherwise materially affect State finances or operations.

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** Minimal.

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Analysis

**Current Law/Background:**

*Community Solar Energy Generating System Pilot Program*

Chapters 346 and 347 of 2015 required PSC to establish a three-year Community Solar Energy Generating System Pilot Program, subject to specified conditions. Such a system, in addition to other requirements, must have at least two subscribers, but a subscriber limit

is not specified in statute. Under PSC regulations, a system may have up to 350 accounts, unless the electric company has developed an automated billing function, in which case there is no limit. PSC regulations also increase authorized capacity additions each year.

According to PSC, the program, if fully subscribed, would add about 200 megawatts under the existing 1,500-megawatt net metering cap.

### *Program Duration*

Regulations to establish the program were adopted in July 2016, and program implementation began in mid-2017. However, according to the Acts, the pilot program was required to officially “begin” no later than six months after the regulations were adopted (January 2017) and end after three years (January 2020). Net metering payments may continue for up to 25 years after the termination of the pilot program.

### *Reporting Requirement*

The Acts required PSC to convene a stakeholder workgroup to study the value and costs of the pilot program and make recommendations on the advisability of establishing a permanent program. By July 1, 2019, PSC must report its findings and recommendations, based on the study, to the Senate Finance Committee and the House Economic Matters Committee.

### *Net Metering – Generally*

Generally, net energy metering is the 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. As of June 30, 2018, the amount of net metered capacity in the State was approximately 772 megawatts, or about one-half of the statewide 1,500-megawatt limit. This is more than seven times the capacity in June 2013. Most net metered capacity is solar.

PSC must submit an annual report on the status of net energy metering to the General Assembly. The most recent [report](#) can be found on PSC’s website.

### *Net Metering Aggregation*

Aggregation of net-metered loads is the practice of combining meter readings from more than one utility service point. Electric companies can provide this service by using physical interconnection of service points (physical aggregation) or by summing the total usage

from two or more meters (virtual aggregation). Only certain types of customers are allowed to use this service.

The practice of meter aggregation may provide increased incentives for system deployment by providing greater economies of scale for installations and allowing a customer to make the most efficient use of existing solar or wind sources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 683 (Delegate Clippinger, *et al.*) - Economic Matters.

**Information Source(s):** Public Service Commission; cities of Bowie and Takoma Park; Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2019  
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