

## Chapter 581

**(House Bill 440)**

AN ACT concerning

**Electricity – Community Solar Energy Generating Systems – Net Energy Metering and Generating Capacity**

FOR the purpose of altering the maximum generating capacity of a community solar energy generating system for purposes of net energy metering; altering the maximum generating capacity of a community solar energy generating system; specifying that a community solar energy generating system is not a generating station if the generating capacity of the community solar energy generating system does not exceed a certain wattage; and generally relating to community solar energy generating systems.

BY repealing and reenacting, without amendments,  
 Article – Public Utilities  
 Section 7–306(a)(1), (4), and (7) and 7–306.2(a)(1)  
 Annotated Code of Maryland  
 (2020 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Public Utilities  
 Section 7–306(g) and 7–306.2(a)(3) and (c)  
 Annotated Code of Maryland  
 (2020 Replacement Volume and 2021 Supplement)

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.

(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, 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.

(7) "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.

(g) (1) Except as provided in [paragraph] PARAGRAPHS (6) AND (7) of this subsection, the generating capacity of an electric generating system used by an eligible customer-generator for net metering may not exceed 2 megawatts.

(2) An electric generating system used by an eligible customer-generator for net metering shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

(3) The Commission may adopt by regulation additional control and testing requirements for eligible customer-generators that the Commission determines are necessary to protect public safety and system reliability.

(4) An electric company may not require an eligible customer-generator whose electric generating system meets the standards of paragraphs (2) and (3) of this subsection to:

- (i) install additional controls;
- (ii) perform or pay for additional tests; or
- (iii) purchase additional liability insurance.

(5) An eligible customer-generator or the eligible customer-generator's assignee shall own and have title to all renewable energy attributes or renewable energy credits associated with any electricity produced by its electric generating system.

(6) The Commission may not prohibit the construction or operation of multiple net metered solar energy generating facilities located on separate contiguous lots that are owned by a local government solely because the capacity of the combined net metering systems exceeds the limit established under paragraph (1) of this subsection, if:

(i) the net metered solar energy generating facilities are intended to be used solely for the benefit of the local government;

(ii) the total capacity of the net metered solar energy generating facilities on the contiguous lots does not exceed 5 megawatts;

(iii) the contiguous lots were not subdivided for the purpose of circumventing the limit established under paragraph (1) of this subsection; and

(iv) the utility serving the net metered solar energy generating facilities is not an electric cooperative or municipal electric utility.

**(7) THE GENERATING CAPACITY OF A COMMUNITY SOLAR ENERGY GENERATING SYSTEM ESTABLISHED UNDER § 7-306.2 OF THIS SUBTITLE THAT IS USED FOR NET METERING MAY NOT EXCEED 5 MEGAWATTS.**

7-306.2.

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

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

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

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

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

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

(v) has at least two subscribers but no limit to the maximum number of subscribers;

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

(vii) has a generating capacity that does not exceed [2] 5 megawatts as measured by the alternating current rating of the system’s inverter; and

(viii) may be owned by any person.

(c) A community solar energy generating system, including a subscriber or subscriber organization associated with the community solar energy generating system, is not:

(1) an electric company;

(2) an electricity supplier; or

(3) a generating station IF THE GENERATING CAPACITY OF THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM DOES NOT EXCEED 2 MEGAWATTS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 29, 2022.**