

HOUSE BILL 1112

C5

2lr2889

By: **Delegate Brooks**

Introduced and read first time: February 11, 2022

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Net Energy Metering – Generation Credits**

3 FOR the purpose of requiring that an eligible customer–generator receive generation
4 credits for net excess generation that are applied to the total monthly electricity bill
5 from an electric company; and generally relating to net energy metering.

6 BY repealing and reenacting, with amendments,
7 Article – Public Utilities
8 Section 7–306(a) and (f)
9 Annotated Code of Maryland
10 (2020 Replacement Volume and 2021 Supplement)

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

13 **Article – Public Utilities**

14 7–306.

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

16 (2) “Biomass” means “qualified biomass” as defined in § 7–701 of this title.

17 (3) “Closed conduit hydro” means a hydroelectric generating facility that:

18 (i) generates electricity within existing piping or limited adjacent
19 piping of a potable water supply system;

20 (ii) is owned or operated by a municipal corporation or public water
21 authority; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) is designed to produce less energy than is consumed to operate
2 the water supply system.

3 (4) “Eligible customer–generator” means a customer that owns and
4 operates, leases and operates, or contracts with a third party that owns and operates a
5 biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit hydro
6 electric generating facility that:

7 (i) is located on the customer’s premises or contiguous property;

8 (ii) is interconnected and operated in parallel with an electric
9 company’s transmission and distribution facilities; and

10 (iii) is intended primarily to offset all or part of the customer’s own
11 electricity requirements.

12 (5) “Fuel cell” means an electric generating facility that:

13 (i) includes integrated power plant systems containing a stack,
14 tubular array, or other functionally similar configuration used to electrochemically convert
15 fuel to electric energy; and

16 (ii) may include:

17 1. an inverter and fuel processing system; and

18 2. other plant equipment to support the plant’s operation or
19 its energy conversion, including heat recovery equipment.

20 **(6) “GENERATION CREDIT” MEANS THE AMOUNT OF NET EXCESS**
21 **GENERATION CONVERTED INTO A DOLLAR AMOUNT IN ACCORDANCE WITH THIS**
22 **SECTION.**

23 **[(6)] (7)** “Micro combined heat and power” means the simultaneous or
24 sequential production of useful thermal energy and electrical or mechanical power not
25 exceeding 30 kilowatts.

26 **[(7)] (8)** “Net energy metering” means measurement of the difference
27 between the electricity that is supplied by an electric company and the electricity that is
28 generated by an eligible customer–generator and fed back to the electric grid over the
29 eligible customer–generator’s billing period.

30 **[(8)] (9)** “Net excess generation” means the amount of the electricity
31 generated by an eligible customer–generator that is in excess of the electricity consumed
32 by the eligible customer–generator and that results in a negative kilowatt–hour reading at
33 the end of the eligible customer–generator’s billing cycle.

1 (f) (1) The electric company shall calculate net energy metering in accordance
2 with this subsection.

3 (2) Net energy produced or consumed on a regular basis shall be measured
4 in accordance with standard metering practices.

5 (3) If electricity supplied by the grid exceeds electricity generated by the
6 eligible customer-generator during a month, the eligible customer-generator shall be billed
7 for the net energy supplied in accordance with subsection (e) of this section.

8 (4) If electricity generated by the eligible customer-generator exceeds the
9 electricity supplied by the grid, the eligible customer-generator shall:

10 (I) be billed only customer charges for that month in accordance
11 with subsection (e) of this section; AND

12 (II) RECEIVE GENERATION CREDITS APPLIED TO THE TOTAL
13 MONTHLY BILL IN ACCORDANCE WITH PARAGRAPH (5) OF THIS SUBSECTION.

14 (5) (i) An eligible customer-generator under paragraph (4) of this
15 subsection may accrue net excess generation for a period:

16 1. not to exceed 12 months; and

17 2. that ends with the billing cycle that is complete
18 immediately prior to the end of April of each year.

19 (ii) The electric company shall carry forward net excess generation
20 until:

21 1. the eligible customer-generator's consumption of
22 electricity from the grid eliminates the net excess generation; or

23 2. the accrual period under subparagraph (i) of this
24 paragraph expires.

25 (iii) 1. The dollar value of net excess generation shall be equal to
26 the generation or commodity portion of the rate that the eligible customer-generator would
27 have been charged by the electric company averaged over the previous 12-month period
28 ending with the billing cycle that is complete immediately prior to the end of April
29 multiplied by the number of kilowatt-hours of net excess generation.

30 2. For customers served by a community choice aggregator
31 or an electricity supplier, the dollar value of the net excess generation shall be equal to the
32 generation or commodity rate that the customer would have been charged by the

1 community choice aggregator or electricity supplier multiplied by the number of
2 kilowatt-hours of net excess generation.

3 (6) (i) On or before 30 days after the billing cycle that is complete
4 immediately prior to the end of April of each year, the electric company shall pay each
5 eligible customer-generator for the dollar value of any accrued net excess generation
6 remaining at the end of the previous 12-month period ending with the billing cycle that is
7 complete immediately prior to the end of April.

8 (ii) Within 15 days after the date the eligible customer-generator
9 closes the eligible customer-generator's account, the electric company shall pay the eligible
10 customer-generator for the dollar value of any accrued net excess generation remaining at
11 the time the eligible customer-generator closes the account.

12 (7) (i) Notwithstanding paragraphs (5) and (6) of this subsection, an
13 eligible customer-generator served by an electric cooperative that serves a population of
14 less than 250,000 in its distribution territory may choose to be paid for the dollar value of
15 net excess generation remaining at the end of each month instead of at the end of the
16 accrual period specified under paragraph (5)(i) of this subsection.

17 (ii) If an eligible customer-generator chooses to be paid for the dollar
18 value of net excess generation remaining at the end of each month:

19 1. the customer-generator may accrue net excess generation
20 on a monthly basis;

21 2. the dollar value of the net excess generation shall be equal
22 to the generation or commodity portion of the rate that the eligible customer-generator
23 would have been charged by the electric company for the previous month; and

24 3. on or before 30 days after the end of each month, the
25 electric cooperative shall pay the eligible customer-generator for the dollar value of net
26 excess generation remaining at the end of the previous month.

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