

SENATE BILL 936

C5, M5

2lr2903

By: **Senator Gallion**

Introduced and read first time: February 13, 2022

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Net Energy Metering – Eligibility Requirements**

3 FOR the purpose of prohibiting the Public Service Commission from setting eligibility
4 requirements for an electric generating system used by an eligible
5 customer-generator that are based on the eligible customer-generator's baseline
6 annual usage; and generally relating to net energy metering.

7 BY repealing and reenacting, without amendments,

8 Article – Public Utilities

9 Section 7–306(a)

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2021 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Public Utilities

14 Section 7–306(g)

15 Annotated Code of Maryland

16 (2020 Replacement Volume and 2021 Supplement)

17 BY adding to

18 Article – Public Utilities

19 Section 7–306(j)

20 Annotated Code of Maryland

21 (2020 Replacement Volume and 2021 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

23 That the Laws of Maryland read as follows:

24 **Article – Public Utilities**

25 7–306.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

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

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

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

23 (ii) may include:

24 1. an inverter and fuel processing system; and

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

27 (6) “Micro combined heat and power” means the simultaneous or
28 sequential production of useful thermal energy and electrical or mechanical power not
29 exceeding 30 kilowatts.

1 (7) “Net energy metering” means measurement of the difference between
2 the electricity that is supplied by an electric company and the electricity that is generated
3 by an eligible customer-generator and fed back to the electric grid over the eligible
4 customer-generator’s billing period.

5 (8) “Net excess generation” means the amount of the electricity generated
6 by an eligible customer-generator that is in excess of the electricity consumed by the
7 eligible customer-generator and that results in a negative kilowatt-hour reading at the
8 end of the eligible customer-generator’s billing cycle.

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

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

16 (3) **(I) THE COMMISSION MAY NOT SET ELIGIBILITY**
17 **REQUIREMENTS FOR AN ELECTRIC GENERATING SYSTEM USED BY AN ELIGIBLE**
18 **CUSTOMER-GENERATOR THAT ARE BASED ON THE ELIGIBLE**
19 **CUSTOMER-GENERATOR’S BASELINE ANNUAL USAGE.**

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

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

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

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

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

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

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

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

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

9 **(J) THE COMMISSION MAY ADOPT REGULATIONS TO CARRY OUT THIS**
10 **SECTION.**

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