SENATE BILL 936
C5, M5

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

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

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

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

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

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

(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.

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

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

   (ii) may include:

      1. an inverter and fuel processing system; and

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

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

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

(g) (1) Except as provided in paragraph (6) 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) (I) THE COMMISSION MAY NOT SET ELIGIBILITY REQUIREMENTS FOR AN ELECTRIC GENERATING SYSTEM USED BY AN ELIGIBLE CUSTOMER–GENERATOR THAT ARE BASED ON THE ELIGIBLE CUSTOMER–GENERATOR’S BASELINE ANNUAL USAGE.

(II) 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.

(J) The Commission may adopt regulations to carry out this section.

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