

SENATE BILL 143

C5, M5

3lr1111
CF HB 68

By: **Senator Feldman**

Introduced and read first time: January 16, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Net Energy Metering – Accrual of Net Excess Generation**
3 **(Net Metering Flexibility Act)**

4 FOR the purpose of authorizing an eligible customer–generator to accrue net excess
5 generation for an indefinite period; requiring an eligible customer–generator that
6 elects to accrue net excess generation for an indefinite period to forfeit any net excess
7 generation at the time an account is closed; altering the month used to establish an
8 annual billing cycle for the payment of net excess generation accrued; and generally
9 relating to net energy metering.

10 BY repealing and reenacting, without amendments,
11 Article – Public Utilities
12 Section 7–306(a)(1), (4), (7), and (8)
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2022 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Public Utilities
17 Section 7–306(f)
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2022 Supplement)

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

22 **Article – Public Utilities**

23 7–306.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

10 (7) “Net energy metering” means measurement of the difference between
11 the electricity that is supplied by an electric company and the electricity that is generated
12 by an eligible customer–generator and fed back to the electric grid over the eligible
13 customer–generator’s billing period.

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

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

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

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

25 (4) If electricity generated by the eligible customer–generator exceeds the
26 electricity supplied by the grid, the eligible customer–generator shall be billed only
27 customer charges for that month in accordance with subsection (e) of this section.

28 (5) (i) An eligible customer–generator under paragraph (4) of this
29 subsection may:

30 1. accrue net excess generation for a period:

31 [1.] A. not to exceed 12 months; and

32 [2.] B. that ends with the billing cycle that is complete
33 immediately prior to the end of [April] **AUGUST** of each year; **OR**

1 **2. SUBJECT TO SUBPARAGRAPH (IV) OF THIS**
2 **PARAGRAPH, ACCRUE NET EXCESS GENERATION FOR AN INDEFINITE PERIOD.**

3 (ii) The electric company shall carry forward net excess generation
4 until:

5 1. the eligible customer-generator's consumption of
6 electricity from the grid eliminates the net excess generation; [or]

7 2. the accrual period under subparagraph [(i)] **(I)1** of this
8 paragraph expires; **OR**

9 **3. THE ACCOUNT IS CLOSED.**

10 (iii) 1. [The] **IF AN ELIGIBLE CUSTOMER-GENERATOR**
11 **ELECTS TO ACCRUE NET EXCESS GENERATION FOR A PERIOD NOT TO EXCEED 12**
12 **MONTHS UNDER SUBPARAGRAPH (I)1 OF THIS PARAGRAPH, THE** dollar value of net
13 excess generation shall be equal to the generation or commodity portion of the rate that the
14 eligible customer-generator would have been charged by the electric company averaged
15 over the previous 12-month period ending with the billing cycle that is complete
16 immediately [prior to] **BEFORE** the end of [April] **AUGUST** multiplied by the number of
17 kilowatt-hours of net excess generation.

18 2. For [customers] **AN ELIGIBLE CUSTOMER-GENERATOR**
19 **THAT ELECTS TO ACCRUE NET EXCESS GENERATION UNDER SUBPARAGRAPH (I)1 OF**
20 **THIS PARAGRAPH AND IS** served by a community choice aggregator or an electricity
21 supplier, the dollar value of the net excess generation shall be equal to the generation or
22 commodity rate that the customer would have been charged by the community choice
23 aggregator or electricity supplier multiplied by the number of kilowatt-hours of net excess
24 generation.

25 **(IV) IF AN ELIGIBLE CUSTOMER-GENERATOR ELECTS TO**
26 **ACCRUE NET EXCESS GENERATION FOR AN INDEFINITE PERIOD UNDER**
27 **SUBPARAGRAPH (I)2 OF THIS PARAGRAPH, A CUSTOMER-GENERATOR SHALL**
28 **FORFEIT ANY NET EXCESS GENERATION REMAINING AT THE TIME THE ACCOUNT IS**
29 **CLOSED.**

30 (6) (i) [On] **IF AN ELIGIBLE CUSTOMER-GENERATOR ELECTS TO**
31 **ACCRUE NET EXCESS GENERATION UNDER PARAGRAPH (5)(I)1 OF THIS**
32 **SUBSECTION, ON** or before 30 days after the billing cycle that is complete immediately
33 prior to the end of [April] **AUGUST** of each year, the electric company shall pay [each] **THE**
34 eligible customer-generator for the dollar value of any accrued net excess generation
35 remaining at the end of the previous 12-month period ending with the billing cycle that is
36 complete immediately [prior to] **BEFORE** the end of [April] **AUGUST.**

1 (ii) Within 15 days after the date [the] AN eligible
2 customer-generator **THAT ELECTS TO ACCRUE NET EXCESS GENERATION UNDER**
3 **PARAGRAPH (5)(I)1 OF THIS SUBSECTION** closes the eligible customer-generator's
4 account, the electric company shall pay the eligible customer-generator for the dollar value
5 of any accrued net excess generation remaining at the time the eligible customer-generator
6 closes the account.

7 (7) (i) Notwithstanding paragraphs (5) and (6) of this subsection, an
8 eligible customer-generator served by an electric cooperative that serves a population of
9 less than 250,000 in its distribution territory may choose to be paid for the dollar value of
10 net excess generation remaining at the end of each month instead of at the end of the
11 accrual period specified under paragraph [(5)(i)] **(5)(I)1** of this subsection.

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

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

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

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

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2023.