#### SB0783/443427/1

BY: Education, Energy, and the Environment Committee

## AMENDMENTS TO SENATE BILL 783

(First Reading File Bill)

#### AMENDMENT NO. 1

On page 1, in lines 2 and 3, strike "Solar Renewable Energy Credits" and substitute "Certified SRECs and Compliance Fees, Labor Requirements"; in line 5, after "of" insert "requiring that certain home improvement contracts for the installation of a solar energy generating system on the roof of a building include the installation of a certain wildlife barrier under certain circumstances;"; in line 8, after "system;" insert "altering the expiration date of renewable energy credits;"; in line 10, strike "a certain additional percentage of renewable energy credits" and substitute "certain certified SRECs that may be put"; in lines 12 and 13, strike "an additional percentage of renewable energy credits for the life cycle of the system" and substitute "certain certified SRECs for a certain period of time; requiring an owner of a certain solar energy generating system to pay a certain fee to the Commission"; in lines 13 and 14, strike "increasing the duration of a certain renewable energy credit under certain circumstances;"; in line 15, strike "certified" and substitute "solar energy generating"; in line 16, after "agreement;" insert "requiring a certain percentage of proceeds received by the Maryland Strategic Energy Investment Fund from certain compliance fees to be credited to a certain account for certain purposes;"; in line 25, after "and" insert "contracts and"; strike beginning with "requiring" in line 22 down through "circumstances;" in line 24; and after line 25, insert:

"BY repealing and reenacting, without amendments,

<u> Article - Business Regulation</u>

<u>Section 8–501(a)</u>

Annotated Code of Maryland

(2015 Replacement Volume and 2023 Supplement)

BY adding to

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<u>Article - Business Regulation</u>

<u>Section 8–501(f)</u>

Annotated Code of Maryland

(2015 Replacement Volume and 2023 Supplement)".

On page 2, in line 4, strike "and" and substitute a comma; in the same line, after "7–709.1" insert ", and 7–714"; after line 6, insert:

"BY repealing and reenacting, without amendments,

Article - State Government

Section 9–20B–05(a) through (c)

Annotated Code of Maryland

(2021 Replacement Volume and 2023 Supplement)

#### BY adding to

<u>Article - State Government</u>

Section 9-20B-05(g-1)

Annotated Code of Maryland

(2021 Replacement Volume and 2023 Supplement)";

and strike line 19 in its entirety and substitute:

"Section 7–249 and 7–250".

#### AMENDMENT NO. 2

On page 2, after line 23, insert:

#### "Article - Business Regulation

## <u>8–501.</u>

(a) A home improvement contract that does not comply with this section is not invalid merely because of noncompliance.

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- (F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A HOME IMPROVEMENT CONTRACT FOR THE INSTALLATION OF A SOLAR ENERGY GENERATING SYSTEM ON THE ROOF OF A BUILDING SHALL INCLUDE THE INSTALLATION OF A BARRIER THAT MEETS INDUSTRY STANDARDS TO PREVENT WILDLIFE INTRUSION AND DAMAGE TO THE SOLAR ENERGY GENERATING SYSTEM OR THE UNDERLYING ROOF.
- (2) A HOME IMPROVEMENT CONTRACT FOR THE INSTALLATION OF A SOLAR ENERGY GENERATING SYSTEM ON THE ROOF OF A BUILDING IS NOT REQUIRED TO INCLUDE THE INSTALLATION OF A BARRIER AS SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION IF THE CUSTOMER HAS WAIVED THE INSTALLATION OF THE BARRIER AFTER BEING INFORMED OF THE COST OF THE BARRIER AND THE RISKS OF NOT INSTALLING A WILDLIFE BARRIER.".

On pages 2 through 4, strike in their entirety the lines beginning with line 25 on page 2 through line 9 on page 4, inclusive.

On page 4, in line 11, strike "PROVIDED IN § 7–709.1 OF THIS SUBTITLE AND"; in lines 13 and 15, in each instance, strike "3" and substitute "<u>5</u>"; in line 27, after "(2)" insert "<u>BROWNFIELD" HAS THE MEANING STATED IN § 7–207 OF THIS TITLE.</u>

(3) "CERTIFIED SREC" MEANS A SOLAR RENEWABLE ENERGY CREDIT GENERATED BY A CERTIFIED SYSTEM.

**(4)**";

strike beginning with "AS" in line 28 down through "PROGRAM" in line 29 and substitute "UNDER THE PROGRAM TO GENERATE CERTIFIED SRECS WITH THE

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<u>COMPLIANCE VALUE SPECIFIED IN SUBSECTION (C) OF THIS SECTION</u>"; and in line 30, strike "(3)" and substitute "(5)".

On page 5, strike in their entirety lines 3 through 6, inclusive, and substitute:

- "(C) (1) UNDER THE PROGRAM, A CERTIFIED SYSTEM SHALL GENERATE CERTIFIED SRECS.
- (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE PROVISIONS OF THIS SUBTITLE RELATING TO RENEWABLE ENERGY CREDITS SHALL APPLY TO CERTIFIED SRECS.
- (3) A CERTIFIED SREC SHALL HAVE A COMPLIANCE VALUE OF 150% FOR ELECTRICITY SUPPLIERS TO PUT TOWARD MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR ENERGY DERIVED FROM SOLAR ENERGY UNDER § 7–703 OF THIS SUBTITLE.";

in lines 12 and 24, in each instance, strike "2" and substitute "<u>5</u>"; in line 14, strike "AND"; in line 16, after "INCLUSIVE" insert "; AND

## (5) BE ONE OF THE FOLLOWING TYPES OF SYSTEMS:

- (I) A SYSTEM WITH A GENERATING CAPACITY OF 20 KILOWATTS OR LESS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER;
- (II) A SYSTEM WITH A GENERATING CAPACITY OF 2
  MEGAWATTS OR LESS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF
  THE SYSTEM'S INVERTER, IF THE SYSTEM IS USED FOR AGGREGATE NET
  METERING; OR

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(III) A SYSTEM WITH A GENERATING CAPACITY OF BETWEEN

20 KILOWATTS AND 5 MEGAWATTS, AS MEASURED BY THE ALTERNATING

CURRENT RATING OF THE SYSTEM'S INVERTER, IF THE SYSTEM IS LOCATED ON A

ROOFTOP, A PARKING CANOPY, OR A BROWNFIELD";

after line 16, insert:

- "(E) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THE COMMISSION, AT THE TIME OF CERTIFYING A SOLAR ENERGY GENERATING SYSTEM AS A TIER 1 RENEWABLE SOURCE, SHALL CERTIFY THE SYSTEM AS ELIGIBLE TO RECEIVE CERTIFIED SRECS IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION IF THE APPLICANT SUBMITS WITH ITS APPLICATION FOR CERTIFICATION AS A TIER 1 RENEWABLE SOURCE:
- (1) A FORM REQUESTING TO BE CERTIFIED TO RECEIVE CERTIFIED SRECS WITH THE VALUE SPECIFIED IN SUBSECTION (C) OF THIS SECTION;
- (2) A COPY OF THE INTERCONNECTION AGREEMENT BETWEEN THE APPLICANT AND THE APPLICANT'S ELECTRIC COMPANY INDICATING THAT THE SIZE OF THE SYSTEM IS ELIGIBLE;
- (3) IF SEEKING CERTIFICATION AS A SYSTEM LOCATED ON OR OVER A ROOF, PARKING LOT, OR PARKING STRUCTURE, A COPY OF THE FINAL APPROVAL OF THE LOCAL BUILDING PERMIT;
- (4) IF SEEKING CERTIFICATION AS A SYSTEM LOCATED ON A BROWNFIELD, DOCUMENTATION DEMONSTRATING THAT THE SYSTEM IS LOCATED ON A BROWNFIELD;

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- (5) IF SEEKING CERTIFICATION BASED ON AGGREGATED NET METERING, A COPY OF THE AGGREGATED NET ENERGY METERING RIDER SUBMITTED WITH THE INTERCONNECTION AGREEMENT; AND
  - (6) ANY OTHER INFORMATION REQUIRED BY THE COMMISSION.
- (F) (1) THE OWNER OF A SOLAR ENERGY GENERATING SYSTEM MAY APPLY TO THE COMMISSION TO BE CERTIFIED UNDER THE PROGRAM IF THE SYSTEM MEETS THE REQUIREMENTS UNDER SUBSECTION (D) OF THIS SECTION.
- (2) THE OWNER OF A SOLAR ENERGY GENERATING SYSTEM THAT IS PLACED IN SERVICE BETWEEN JULY 1, 2024, AND JANUARY 1, 2025, MAY APPLY TO THE COMMISSION:
- (I) <u>BEFORE JANUARY 1, 2025, FOR CERTIFICATION AS A</u> TIER 1 RENEWABLE SOURCE; AND
- (II) ON OR AFTER JANUARY 1, 2025, FOR CERTIFICATION UNDER THE PROGRAM.";

in line 17, strike "(E)" and substitute "(G)"; in lines 20 and 23, strike "330" and "300", respectively, and substitute "300" and "270", respectively; and strike in their entirety lines 26 through 29 and substitute:

"(H) (1) AT THE TIME A SOLAR ENERGY GENERATING SYSTEM IS CERTIFIED AS A TIER 1 RENEWABLE SOURCE, THE OWNER OF THE SYSTEM SHALL PAY TO THE COMMISSION A ONE-TIME FEE OF:

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- (I) UP TO \$50 FOR EACH SYSTEM WITH A GENERATING CAPACITY OF LESS THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER; AND
- (II) UP TO \$200 FOR EACH SYSTEM WITH A GENERATING CAPACITY OF MORE THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER.".

On page 6, in line 1, strike "(3)" and substitute "(2)"; and in line 2, strike "(2)" and substitute "(1)".

On pages 6 and 7, strike in their entirety the lines beginning with line 4 on page 6 through line 8 on page 7, inclusive, and substitute:

"(I) A CERTIFIED SYSTEM SHALL CONTINUE TO BE ELIGIBLE TO RECEIVE CERTIFIED SRECS FOR 15 YEARS AFTER THE DATE OF CERTIFICATION BY THE COMMISSION, OR JANUARY 1, 2025, WHICHEVER IS LATER, AFTER WHICH THE SYSTEM SHALL BE ELIGIBLE TO RECEIVE NONCERTIFIED SOLAR RENEWABLE ENERGY CREDITS AS LONG AS THE SYSTEM MEETS THE REQUIREMENTS AS A TIER 1 RENEWABLE SOURCE UNDER THIS SUBTITLE.

#### (2) THE COMMISSION SHALL:

- (I) ON OR BEFORE JANUARY 1, 2025, BEGIN DETERMINING ELIGIBILITY OF SOLAR ENERGY GENERATING SYSTEMS TO BE CERTIFIED UNDER THE PROGRAM; AND
- (II) ON OR BEFORE JULY 1, 2026, IMPLEMENT A REVISED SYSTEM TO REVIEW AND ENSURE COMPLIANCE WITH THE RENEWABLE ENERGY PORTFOLIO STANDARD.

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- (3) AN ELECTRICITY SUPPLIER MAY APPLY THE CERTIFIED SRECS GENERATED IN ACCORDANCE WITH THIS SECTION TOWARD THE RENEWABLE ENERGY PORTFOLIO STANDARD STARTING WITH THE 2025 COMPLIANCE YEAR.
- (4) NOTWITHSTANDING ANY OTHER LAW, THE COMMISSION SHALL ALLOW ELECTRICITY SUPPLIERS TO DEMONSTRATE COMPLIANCE WITH THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR THE 2025 COMPLIANCE YEAR BY SUBMITTING INFORMATION BETWEEN JULY 1, 2026, AND DECEMBER 31, 2026, USING THE REVISED SYSTEM DEVELOPED IN ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.".

On page 7, after line 19, insert:

## "<u>7-714.</u>

THE DEVELOPER OF A SOLAR ENERGY GENERATING SYSTEM THAT HAS A GENERATING CAPACITY OVER 1 MEGAWATT, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER, SHALL ENSURE THAT WORKERS ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, UNLESS THE SYSTEM IS SUBJECT TO A PROJECT LABOR AGREEMENT THAT:

- (1) BINDS ALL CONTRACTORS AND SUBCONTRACTORS ON THE SYSTEM THROUGH THE INCLUSION OF SPECIFICATIONS IN ALL RELEVANT SOLICITATION PROVISIONS AND CONTRACT DOCUMENTS;
- (2) ALLOWS ALL CONTRACTORS AND SUBCONTRACTORS TO COMPETE FOR CONTRACTS AND SUBCONTRACTS ON THE PROJECT WITHOUT

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REGARD TO WHETHER THEY ARE OTHERWISE PARTIES TO COLLECTIVE BARGAINING AGREEMENTS;

- (3) ESTABLISHES UNIFORM TERMS AND CONDITIONS OF EMPLOYMENT FOR ALL CONSTRUCTION LABOR EMPLOYED ON THE PROJECTS;
- (4) GUARANTEES AGAINST STRIKES, LOCKOUTS, AND SIMILAR JOB DISRUPTIONS;
- (5) ESTABLISHES MUTUALLY BINDING PROCEDURES FOR RESOLVING LABOR DISPUTES; AND
- (6) INCLUDES ANY OTHER PROVISIONS NEGOTIATED BY THE PARTIES TO PROMOTE SUCCESSFUL DELIVERY OF THE SYSTEM.

#### Article - State Government

#### 9-20B-05.

- (a) There is a Maryland Strategic Energy Investment Fund.
- (b) The purpose of the Fund is to implement the Strategic Energy Investment Program.
  - (c) The Administration shall administer the Fund.
- (G-1) UP TO 10% OF THE PROCEEDS RECEIVED BY THE FUND FROM COMPLIANCE FEES UNDER § 7-705(B)(2)(I)2 OF THE PUBLIC UTILITIES ARTICLE SHALL BE CREDITED TO AN ADMINISTRATIVE EXPENSE ACCOUNT FOR COSTS RELATED TO THE ADMINISTRATION OF THE FUND.".

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On page 8, in line 22, strike "2" and substitute "5".

On page 9, after line 4, insert:

"(A) THIS SECTION APPLIES ONLY TO NONRESIDENTIAL SOLAR ENERGY GENERATING SYSTEMS THAT ARE APPROVED BY THE PUBLIC SERVICE COMMISSION UNDER § 7–207 OR § 7–207.1 OF THE PUBLIC UTILITIES ARTICLE ON OR AFTER JULY 1, 2024.

<u>(B)</u>";

in line 9, after "(A)" insert "This section applies only to real property that Includes a parking facility on which a solar energy generating system has been constructed on its canopy if the solar energy generating system has been approved by the Public Service Commission under § 7–207 or § 7–207.1 of the Public Utilities Article on or after July 1, 2024.

<u>(B)</u>";

in lines 15, 17, 22, and 27, strike "(B)", "(A)", "(C)", and "(D)", respectively, and substitute "(C)", "(B)", "(D)", and "(E)", respectively; and in line 22, strike "(B)" and substitute "(C)".

On pages 9 and 10, strike in their entirety the lines beginning with line 29 on page 9 through line 9 on page 10, inclusive, and substitute:

"SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

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#### **Article - Public Utilities**

<del>7–306.</del>

- (g) (1) Except as provided in paragraphs [(6) and (7)] (6), (7), AND (8) 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.

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- (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.
- (8) THE GENERATING CAPACITY OF A NET METERED FACILITY
  THAT IS METER AGGREGATED UNDER § 7–306.3 OF THIS SUBTITLE MAY NOT
  EXCEED 5 MEGAWATTS.
- (I) NOTWITHSTANDING THE GENERATING CAPACITY LIMITS ESTABLISHED IN SUBSECTION (G) OF THIS SECTION, AN ELIGIBLE CUSTOMER—GENERATOR PARTICIPATING IN METER AGGREGATION UNDER § 7–306.2 OR § 7–306.3 OF THIS SUBTITLE MAY RECEIVE EXCESS GENERATION FROM MORE THAN ONE GENERATING SYSTEM, INCLUDING IF THE COMBINED GENERATING

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# CAPACITY OF ALL NET METERED FACILITIES THAT ARE METER AGGREGATED EXCEEDS 5 MEGAWATTS.

- [(i)] (J) On or before November 1 of each year, the Commission shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the status of the net metering program under this section, including:
- (1) the amount of capacity of electric generating facilities owned and operated by eligible customer—generators in the State by type of energy resource;
- (2) based on the need to encourage a diversification of the State's energy resource mix to ensure reliability, whether the rated generating capacity limit in subsection (d) of this section should be altered; and
  - (3) other pertinent information.";

in lines 10, 12, and 14, strike "3.", "4.", and "5.", respectively, and substitute "4.", "5.", and "7.", respectively; after line 13, insert:

"SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect January 1, 2025.";

and in line 14, after "That" insert ", except as provided in Section 6 of this Act,".