

# HOUSE BILL 1233

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By: **Delegates A. Johnson and S. Johnson**

Introduced and read first time: February 7, 2025

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Community Solar Energy Generating Systems – Subscription Eligibility**

3 FOR the purpose of authorizing a certain LMI subscriber to hold a subscription to a  
4 community solar energy generating system located in a different electric service  
5 territory than the one in which the LMI subscriber resides; providing that a certain  
6 LMI subscriber shall receive the same bill credit value as an LMI subscriber that  
7 resides in a certain electric service territory; requiring the Public Service  
8 Commission to establish a process for the exchange of community solar bill credits  
9 between community solar energy generating systems that are located in different  
10 electric service territories; and generally relating to community solar energy  
11 generating systems.

12 BY repealing and reenacting, without amendments,

13 Article – Public Utilities

14 Section 7–306.2(a)(1), (8), (9), (12), and (14), (b), (c), (d)(1) and (2), and (j)(2)

15 Annotated Code of Maryland

16 (2020 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article – Public Utilities

19 Section 7–306.2(a)(4) and (7) and (d)(3)

20 Annotated Code of Maryland

21 (2020 Replacement Volume and 2024 Supplement)

22 BY adding to

23 Article – Public Utilities

24 Section 7–306.2(o)

25 Annotated Code of Maryland

26 (2020 Replacement Volume and 2024 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utilities**

4 7–306.2.

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

6 (4) “Community solar energy generating system” means a solar energy  
7 system that:

8 (i) is connected to the electric distribution grid serving the State;

9 (ii) [is located in the same electric service territory as its subscribers;

10 (iii)] is attached to the electric meter of a subscriber or is a separate  
11 facility with its own electric meter;

12 [(iv)] (III) credits its generated electricity, or the value of its  
13 generated electricity, to the bills of the subscribers to that system through virtual net  
14 energy metering;

15 [(v)] (IV) has at least two subscribers but no limit to the maximum  
16 number of subscribers;

17 [(vi)] (V) does not have subscriptions larger than 200 kilowatts  
18 constituting more than 60% of its kilowatt–hour output;

19 [(vii)] (VI) has a generating capacity that does not exceed 5  
20 megawatts as measured by the alternating current rating of the system’s inverter;

21 [(viii)] (VII) may be owned by any person; and

22 [(ix)] (VIII) with respect to community solar energy generating  
23 systems constructed under the Program, serves at least 40% of its kilowatt–hour output to  
24 LMI subscribers unless the solar energy system is wholly owned by the subscribers to the  
25 solar energy system.

26 (7) “LMI subscriber” means a subscriber that:

27 (i) is low–income;

28 (ii) is moderate–income; or

29 (iii) resides in a census tract that is an:

1 1. overburdened community; **[and] OR**

2 2. underserved community.

3 (8) “Low-income” means:

4 (i) having an annual household income that is at or below 200% of  
5 the federal poverty level; or

6 (ii) being certified as eligible for any federal, State, or local  
7 assistance program that limits participation to households whose income is at or below  
8 200% of the federal poverty level.

9 (9) “Moderate-income” means having an annual household income that is  
10 at or below 80% of the median income for Maryland.

11 (12) “Program” means the Community Solar Energy Generating Systems  
12 Program.

13 (14) “Subscriber” means a retail customer of an electric company that:

14 (i) holds a subscription to a community solar energy generating  
15 system; and

16 (ii) has identified one or more individual meters or accounts to which  
17 the subscription shall be attributed.

18 (b) The General Assembly finds that:

19 (1) community solar energy generating systems:

20 (i) provide residents and businesses, including those that lease  
21 property, increased access to local solar electricity while encouraging private investment in  
22 solar resources;

23 (ii) enhance continued diversification of the State’s energy resource  
24 mix to achieve the State’s renewable energy portfolio standard and Greenhouse Gas  
25 Emissions Reduction Act goals; and

26 (iii) provide electric companies and ratepayers the opportunity to  
27 realize the many benefits associated with distributed energy; and

28 (2) it is in the public interest that the State enable the development and  
29 deployment of energy generation from community solar energy generating systems in order  
30 to:

1 (i) allow renters and low-income and moderate-income retail  
2 electric customers to own an interest in a community solar energy generating system;

3 (ii) facilitate market entry for all potential subscribers while giving  
4 priority to subscribers who are the most sensitive to market barriers; and

5 (iii) encourage developers to promote participation by renters and  
6 low-income and moderate-income retail electric customers.

7 (c) A community solar energy generating system, subscriber, subscriber  
8 organization, or subscription coordinator is not:

9 (1) an electric company;

10 (2) an electricity supplier; or

11 (3) a generating station if the generating capacity of the community solar  
12 energy generating system does not exceed 2 megawatts.

13 (d) (1) (i) The Commission shall establish and maintain a Community  
14 Solar Energy Generating Systems Program.

15 (ii) The structure of the Program is as provided in this subsection.

16 (2) All rate classes may participate in the Program.

17 (3) (I) Subscribers served by electric standard offer service, community  
18 choice aggregators, and electricity suppliers may hold subscriptions to the same community  
19 solar energy generating system.

20 (II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF  
21 THIS SUBPARAGRAPH, A SUBSCRIBER MUST RESIDE IN THE SAME ELECTRIC  
22 SERVICE TERRITORY AS THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM TO  
23 WHICH THE SUBSCRIBER HOLDS A SUBSCRIPTION.

24 2. AN LMI SUBSCRIBER MAY HOLD A SUBSCRIPTION TO  
25 A COMMUNITY SOLAR ENERGY GENERATING SYSTEM LOCATED IN A DIFFERENT  
26 ELECTRIC SERVICE TERRITORY THAN THE ONE IN WHICH THE LMI SUBSCRIBER  
27 RESIDES.

28 (j) (2) (i) This paragraph applies to electric companies, electric  
29 cooperatives, and municipal utilities that participate in the Program.

30 (ii) A subscriber who has a change in the service address associated  
31 with the subscriber's subscription may maintain the subscription for the new address if the  
32 new address is within the same electric territory as the old address.

1 (iii) An electric company or a subscriber organization may not  
2 terminate a subscriber's subscription due to a change of address for the service address  
3 associated with the subscription if the requirements under subparagraph (ii) of this  
4 paragraph are met.

5 (iv) An electric company shall make any changes necessary to  
6 accommodate a subscriber's change of address on notification by a subscriber organization.

7 **(O) (1) AN LMI SUBSCRIBER THAT RESIDES IN A DIFFERENT ELECTRIC**  
8 **SERVICE TERRITORY THAN THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM**  
9 **SHALL RECEIVE THE SAME BILL CREDIT VALUE AS AN LMI SUBSCRIBER THAT**  
10 **RESIDES IN THE SAME ELECTRIC SERVICE TERRITORY AS THE COMMUNITY SOLAR**  
11 **ENERGY GENERATING SYSTEM.**

12 **(2) BY ORDER OR REGULATION, THE COMMISSION SHALL ESTABLISH**  
13 **A PROCESS FOR THE EXCHANGE OF COMMUNITY SOLAR BILL CREDITS BETWEEN**  
14 **COMMUNITY SOLAR ENERGY GENERATING SYSTEMS THAT ARE LOCATED IN**  
15 **DIFFERENT ELECTRIC SERVICE TERRITORIES.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2025.