

# HOUSE BILL 39

C5, M5

6lr1206

(PRE-FILED)

---

By: **Delegate Taveras**

Requested: October 15, 2025

Introduced and read first time: January 14, 2026

Assigned to: Environment and Transportation

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Net Energy Metering – Portable Solar Electric Generating Facilities**

3 FOR the purpose of authorizing the use of portable solar electric generating facilities by an  
4 eligible customer-generator for the purpose of net energy metering; and generally  
5 relating to portable solar electric generating facilities and net energy metering.

6 BY repealing and reenacting, with amendments,

7 Article – Public Utilities

8 Section 7–306

9 Annotated Code of Maryland

10 (2025 Replacement Volume and 2025 Supplement)

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

13 **Article – Public Utilities**

14 7–306.

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

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

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

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

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

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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, **PORTABLE SOLAR**, fuel cell, wind, or closed conduit hydroelectric 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.

(9) **“PORTABLE SOLAR” MEANS A MOVEABLE SOLAR ELECTRIC PHOTOVOLTAIC GENERATING FACILITY THAT:**

1                   **(I) HAS A GENERATING CAPACITY THAT DOES NOT EXCEED 120**  
2 **KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE**  
3 **DEVICE'S INVERTER;**

4                   **(II) IS DESIGNED TO BE CONNECTED TO AN ELIGIBLE**  
5 **CUSTOMER-GENERATOR'S ELECTRIC SYSTEM THROUGH A STANDARD 120 VOLT**  
6 **ALTERNATING CURRENT OUTLET;**

7                   **(III) IS INTENDED PRIMARILY TO OFFSET ALL OR PART OF THE**  
8 **CUSTOMER'S OWN ELECTRICITY REQUIREMENTS;**

9                   **(IV) MEETS THE STANDARDS OF THE MOST RECENT VERSION OF**  
10 **THE NATIONAL ELECTRICAL CODE; AND**

11                   **(V) IS CERTIFIED TO MEET ALL APPLICABLE STANDARDS, AS**  
12 **DETERMINED BY A NATIONALLY RECOGNIZED TESTING LABORATORY.**

13           (b) The General Assembly finds and declares that a program to provide net energy  
14 metering for eligible customer-generators is a means to encourage private investment in  
15 renewable energy resources, stimulate in-State economic growth, enhance continued  
16 diversification of the State's energy resource mix, and reduce costs of interconnection and  
17 administration.

18           (c) An electric company serving an eligible customer-generator shall ensure that  
19 the meter installed for net energy metering is capable of measuring the flow of electricity  
20 in two directions.

21           (d) The Commission shall require electric utilities to develop a standard contract  
22 or tariff for net energy metering and make it available to eligible customer-generators on  
23 a first-come, first-served basis until the rated generating capacity owned and operated by  
24 eligible customer-generators in the State reaches 3,000 megawatts.

25           (e) (1) A net energy metering contract or tariff shall be identical, in energy  
26 rates, rate structure, and monthly charges, to the contract or tariff that the customer would  
27 be assigned if the customer were not an eligible customer-generator.

28                   (2) (i) A net energy metering contract or tariff may not include charges  
29 that would raise the eligible customer-generator's minimum monthly charge above that of  
30 customers of the rate class to which the eligible customer-generator would otherwise be  
31 assigned.

32                   (ii) Charges prohibited by this paragraph include new or additional  
33 demand charges, standby charges, customer charges, and minimum monthly charges.

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

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

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

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

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

1. accrue net excess generation for a period:

A. not to exceed 12 months; and

B. that ends with the billing cycle that is complete immediately prior to the end of April of each year; or

2. except for an eligible customer-generator served by a municipal electric utility or an electric cooperative and subject to subparagraph (iv) of this paragraph, accrue net excess generation for an indefinite period regardless of whether the eligible customer-generator previously accrued net excess generation for a period authorized under item 1 of this subparagraph.

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

1. the eligible customer-generator's consumption of electricity from the grid eliminates the net excess generation;

2. the accrual period under subparagraph (i)1 of this paragraph expires; or

3. the account is closed.

(iii) 1. If an eligible customer-generator elects to accrue net excess generation for a period not to exceed 12 months under subparagraph (i)1 of this paragraph, the dollar value of net excess generation shall be equal to the generation or commodity portion of the rate that the eligible customer-generator would have been charged by the electric company averaged over the previous 12-month period ending with the billing cycle that is complete immediately before the end of April multiplied by the number of kilowatt-hours of net excess generation.

2. For an eligible customer-generator that elects to accrue net excess generation under subparagraph (i)1 of this paragraph and is served by a community choice aggregator or an electricity supplier, the dollar value of the net excess generation shall be equal to the generation or commodity rate that the customer would have been charged by the community choice aggregator or electricity supplier multiplied by the number of kilowatt-hours of net excess generation.

(iv) If an eligible customer-generator elects to accrue net excess generation for an indefinite period under subparagraph (i)2 of this paragraph:

1. the eligible customer-generator may not elect to switch to accruing net excess generation under subparagraph (i)1 of this paragraph unless the electric company approves the switch; and

2. the electric company shall, within 15 days after an eligible customer-generator's account is closed, pay the eligible customer-generator, in accordance with subparagraph (v) of this paragraph, for any accrued net excess generation remaining at the time the account is closed.

(v) The Commission shall establish a method for calculating the value of any accrued net excess generation that a customer-generator elects to accrue for an indefinite period under subparagraph (i)2 of this paragraph.

(6) (i) If an eligible customer-generator elects to accrue net excess generation under paragraph (5)(i)1 of this subsection, on or before 30 days after the billing cycle that is complete immediately prior to the end of April of each year, the electric company shall pay the eligible customer-generator for the dollar value of any accrued net excess generation remaining at the end of the previous 12-month period ending with the billing cycle that is complete immediately before the end of April.

(ii) Within 15 days after the date an eligible customer-generator that elects to accrue net excess generation under paragraph (5)(i)1 of this subsection closes the eligible customer-generator's account, the electric company shall pay the eligible customer-generator for the dollar value of any accrued net excess generation remaining at the time the eligible customer-generator closes the account.

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

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

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

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

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

(g) (1) Except as provided in paragraphs (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.

(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.

(h) An eligible customer–generator participating in net energy metering may participate in the aggregation activities of a community choice aggregator under § 7–510.3 of this title.

(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 capacity of all net metered facilities that are meter aggregated exceeds 5 megawatts.

(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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.