

SENATE BILL 966

C5, M5

EMERGENCY BILL

6lr3673
CF HB 1476

By: **Senator Feldman**

Introduced and read first time: February 13, 2026

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Net Energy Metering – Successor Program**

3 FOR the purpose of altering the conditions under which a certain standard contract or tariff
4 for net energy metering will no longer be available; requiring the Public Service
5 Commission to develop and implement a successor program to the existing net
6 energy metering program; establishing the conditions under which the successor
7 program will no longer be available; requiring the Commission to conduct a certain
8 proceeding on the development and implementation of a certain successor program;
9 making certain sections of this Act contingent on the net energy metered capacity
10 exceeding a certain amount or on the Commission submitting a certain report on the
11 successor program; and generally relating to net energy metering.

12 BY repealing and reenacting, without amendments,
13 Article – Public Utilities
14 Section 7–306(a)(1), (4), and (7)
15 Annotated Code of Maryland
16 (2025 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Public Utilities
19 Section 7–306(d)
20 Annotated Code of Maryland
21 (2025 Replacement Volume and 2025 Supplement)

22 BY adding to
23 Article – Public Utilities
24 Section 7–306.4
25 Annotated Code of Maryland
26 (2025 Replacement Volume and 2025 Supplement)

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.

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

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

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

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

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

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

19 (d) The Commission shall require electric utilities to develop a standard contract
20 or tariff for net energy metering and make it available to eligible customer–generators on
21 a first–come, first–served basis until:

22 (1) the rated generating capacity owned and operated by eligible
23 customer–generators in the State reaches 3,000 megawatts; OR

24 (2) THE COMMISSION IMPLEMENTS A SUCCESSOR PROGRAM UNDER §
25 7–306.4 OF THIS SUBTITLE.

26 **7–306.4.**

27 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

29 (2) “ELIGIBLE CUSTOMER–GENERATOR” HAS THE MEANING STATED
30 IN § 7–306 OF THIS SUBTITLE.

1 **(3) “NET ENERGY METERING” HAS THE MEANING STATED IN § 7-306**
2 **OF THIS SUBTITLE.**

3 **(B) THE COMMISSION SHALL DEVELOP AND IMPLEMENT, AS A SUCCESSOR**
4 **PROGRAM TO THE NET ENERGY METERING PROGRAM UNDER § 7-306 OF THIS**
5 **SUBTITLE, A NET ENERGY METERING PROGRAM THAT:**

6 **(1) INCENTIVIZES THE DEVELOPMENT OF DISTRIBUTED**
7 **GENERATION;**

8 **(2) MINIMIZES RATEPAYER COSTS IN THE SHORT TERM AND IN THE**
9 **LONG TERM; AND**

10 **(3) BALANCES, ON A STATEWIDE BASIS AND ACROSS TECHNOLOGIES**
11 **AND INDUSTRY SECTORS PARTICIPATING IN NET ENERGY METERING:**

12 **(I) FAIR COMPENSATION FOR ENERGY EXPORTS; AND**

13 **(II) THE BENEFITS OF AN ELIGIBLE CUSTOMER GENERATOR’S**
14 **OR FACILITY’S REDUCED LOAD ON THE ELECTRIC GRID AGAINST:**

15 **1. THE NEEDS OF THE GRID;**

16 **2. RATEPAYER COSTS AND BENEFITS; AND**

17 **3. IMPLICATIONS OF THE REDUCED LOAD ON ENERGY**
18 **EQUITY, INCLUDING ANY DISPARITIES IN THE AMOUNT PAID FOR GRID**
19 **MAINTENANCE BY ELIGIBLE CUSTOMER-GENERATORS AND DISTRIBUTED**
20 **GENERATION OWNERS IN COMPARISON TO OTHER RETAIL CUSTOMERS.**

21 **(C) THE PROGRAM IMPLEMENTED BY THE COMMISSION UNDER**
22 **SUBSECTION (B) OF THIS SECTION SHALL BE AVAILABLE UNTIL THE COMBINED**
23 **TOTAL RATED GENERATING CAPACITY OWNED AND OPERATED UNDER THE NET**
24 **ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE AND THE NET**
25 **ENERGY METERING PROGRAM IMPLEMENTED UNDER THIS SECTION REACHES 6,000**
26 **MEGAWATTS.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That:

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

29 (2) “Eligible customer-generator” has the meaning stated in § 7-306 of the
30 Public Utilities Article.

1 (3) “Net energy metering” has the meaning stated in § 7–306 of the Public
2 Utilities Article.

3 (b) (1) The Public Service Commission shall conduct a proceeding exploring
4 the development and implementation of a successor program to the net energy metering
5 program under § 7–306 of the Public Utilities Article.

6 (2) In conducting the proceeding, the Public Service Commission shall
7 accept input from utility companies, renewable energy industry experts, consumer
8 advocates, and other stakeholders.

9 (c) On or before December 15, 2026, the Public Service Commission shall submit
10 a report on the proceeding held under subsection (b) of this section to the Governor and, in
11 accordance with § 2–1257 of the State Government Article, the General Assembly.

12 (d) The report shall include:

13 (1) recommendations for a successor program to the net energy metering
14 program under § 7–306 of the Public Utilities Article that:

15 (i) incentivizes the development of distributed generation;

16 (ii) minimizes ratepayer costs in the short term and in the long term;
17 and

18 (iii) balances, on a statewide basis and across technologies and
19 industry sectors participating in net energy metering:

20 1. fair compensation for energy exports; and

21 2. the benefits of an eligible customer–generator’s or
22 facility’s reduced load on the electric grid against:

23 A. the needs of the grid;

24 B. ratepayer costs and benefits; and

25 C. implications of the reduced load on energy equity,
26 including any disparities in the amount paid for grid maintenance by eligible
27 customer–generator and distributed generation owners in comparison to other retail
28 customers;

29 (2) recommendations for any legislative changes necessary to implement
30 the successor program; and

31 (3) descriptions of how existing eligible customer–generators would be
32 treated under the successor program, including:

1 (i) community solar projects and subscribers under § 7–306.2 of the
2 Public Utilities Article; and

3 (ii) aggregated net energy metering projects and customers under §
4 7–306.3 of the Public Utilities Article.

5 SECTION 3. AND BE IT FURTHER ENACTED, That:

6 (a) Section 1 of this Act shall take effect contingent on the earlier of the date that:

7 (1) the Public Service Commission submits to the Governor and the
8 General Assembly the report required under Section 2 of this Act that includes
9 recommendations for the implementation of a successor program to the net energy metering
10 program under § 7–306 of the Public Utilities Article; or

11 (2) total rated generating capacity owned and operated in the State under
12 the existing net energy metering program under § 7–306 of the Public Utilities Article
13 reaches 3,000 megawatts.

14 (b) Within 5 days after the contingency in subsection (a) of this section is met, the
15 Public Service Commission shall submit written notice to the Department of Legislative
16 Services.

17 (c) If written notice that the contingency has been met is received by the
18 Department of Legislative Services on or before October 1, 2031, Section 1 of this Act shall
19 take effect on the date the written notice is received by the Department of Legislative
20 Services.

21 (d) If written notice that the contingency has been met is not received by the
22 Department of Legislative Services on or before October 1, 2031, Section 1 of this Act, with
23 no further action required by the General Assembly, shall be null and void.

24 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided by Section
25 3 of this Act, this Act is an emergency measure, is necessary for the immediate preservation
26 of the public health or safety, has been passed by a yea and nay vote supported by
27 three-fifths of all the members elected to each of the two Houses of the General Assembly,
28 and shall take effect from the date it is enacted.