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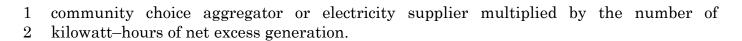
## A BILL ENTITLED

1 AN ACT concerning 2 **Electricity - Net Energy Metering - Generation Credits** 3 FOR the purpose of requiring that an eligible customer-generator receive generation credits for net excess generation that are applied to the total monthly electricity bill 4 5 from an electric company; and generally relating to net energy metering. 6 BY repealing and reenacting, with amendments, 7 Article - Public Utilities 8 Section 7-306(a) and (f) 9 Annotated Code of Maryland 10 (2020 Replacement Volume and 2021 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 11 12 That the Laws of Maryland read as follows: Article - Public Utilities 13 7 - 306. 14 15 (a) (1) In this section the following words have the meanings indicated. "Biomass" means "qualified biomass" as defined in § 7–701 of this title. 16 (2)17 "Closed conduit hydro" means a hydroelectric generating facility that: (3)18 (i) generates electricity within existing piping or limited adjacent 19 piping of a potable water supply system; 20 is owned or operated by a municipal corporation or public water (ii) 21 authority; and



- 1 is designed to produce less energy than is consumed to operate 2 the water supply system. "Eligible customer-generator" means a customer that owns and 3 (4) operates, leases and operates, or contracts with a third party that owns and operates a 4 biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit hydro 5 6 electric generating facility that: 7 (i) is located on the customer's premises or contiguous property; 8 (ii) is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and 9 10 is intended primarily to offset all or part of the customer's own 11 electricity requirements. "Fuel cell" means an electric generating facility that: 12 (5)13 includes integrated power plant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert 14 fuel to electric energy; and 15 16 (ii) may include: 17 1. an inverter and fuel processing system; and 18 2. other plant equipment to support the plant's operation or its energy conversion, including heat recovery equipment. 19 "GENERATION CREDIT" MEANS THE AMOUNT OF NET EXCESS 20 GENERATION CONVERTED INTO A DOLLAR AMOUNT IN ACCORDANCE WITH THIS 21 22 SECTION. 23 "Micro combined heat and power" means the simultaneous or [(6)] **(7)** sequential production of useful thermal energy and electrical or mechanical power not 24exceeding 30 kilowatts. 25 "Net energy metering" means measurement of the difference 26 [(7)] **(8)** between the electricity that is supplied by an electric company and the electricity that is 2728generated by an eligible customer-generator and fed back to the electric grid over the 29 eligible customer-generator's billing period. 30
- [(8)] (9) "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.

- The electric company shall calculate net energy metering in accordance 1 (f) (1) 2 with this subsection. 3 (2)Net energy produced or consumed on a regular basis shall be measured 4 in accordance with standard metering practices. 5 If electricity supplied by the grid exceeds electricity generated by the (3)6 eligible customer-generator during a month, the eligible customer-generator shall be billed 7 for the net energy supplied in accordance with subsection (e) of this section. 8 **(4)** If electricity generated by the eligible customer–generator exceeds the 9 electricity supplied by the grid, the eligible customer-generator shall: 10 **(I)** be billed only customer charges for that month in accordance 11 with subsection (e) of this section; AND 12 RECEIVE GENERATION CREDITS APPLIED TO THE TOTAL (II)MONTHLY BILL IN ACCORDANCE WITH PARAGRAPH (5) OF THIS SUBSECTION. 13 14 (5)(i) An eligible customer–generator under paragraph (4) of this 15 subsection may accrue net excess generation for a period: 16 1. not to exceed 12 months; and 17 that ends with the billing cycle that is complete 2. immediately prior to the end of April of each year. 18 19 (ii) The electric company shall carry forward net excess generation 20 until: 21the eligible customer-generator's consumption of 1. 22 electricity from the grid eliminates the net excess generation; or 23 2. the accrual period under subparagraph (i) of this 24paragraph expires. 25The dollar value of net excess generation shall be equal to (iii) 26 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 27ending with the billing cycle that is complete immediately prior to the end of April 28 29 multiplied by the number of kilowatt-hours of net excess generation.
- 2. For customers 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



- 3 (6) (i) On or before 30 days after the billing cycle that is complete 4 immediately prior to the end of April of each year, the electric company shall pay each 6 eligible customer—generator for the dollar value of any accrued net excess generation 6 remaining at the end of the previous 12—month period ending with the billing cycle that is 7 complete immediately prior to the end of April.
- 8 (ii) Within 15 days after the date the eligible customer–generator 9 closes the eligible customer–generator's account, the electric company shall pay the eligible 10 customer–generator for the dollar value of any accrued net excess generation remaining at 11 the time the eligible customer–generator closes the account.
- 12 (7) (i) Notwithstanding paragraphs (5) and (6) of this subsection, an 13 eligible customer–generator served by an electric cooperative that serves a population of 14 less than 250,000 in its distribution territory may choose to be paid for the dollar value of 15 net excess generation remaining at the end of each month instead of at the end of the 16 accrual period specified under paragraph (5)(i) of this subsection.
- 17 (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:
- 19 1. the customer–generator may accrue net excess generation 20 on a monthly basis;
- 21 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.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.