

# HOUSE BILL 1192

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CF SB 786

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By: **Delegates Huckler, Stein, Clippinger, Aumann, Barnes, Carr, Glass, Guzzone, Hixson, Jameson, A. Kelly, Kramer, Luedtke, Mizeur, Morhaim, S. Robinson, A. Washington, and Wilson**

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Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Community Renewable Energy Generating System – Pilot**  
3 **Program**

4 FOR the purpose of establishing a pilot program on community renewable energy  
5 generating systems under the authority of the Public Service Commission;  
6 stating when the pilot program will begin and terminate; providing for the  
7 structure and operation of the pilot program, including the generation of  
8 electricity and allocation of audits and costs to subscribers to a community  
9 renewable energy generating system; authorizing an electric company to submit  
10 a petition to own and operate a community renewable energy generating system  
11 to the Commission; requiring the Commission to approve a petition if the  
12 Commission makes a certain determination; requiring the Commission to  
13 approve or deny a petition within a certain period of time; specifying when an  
14 electric company may recover the costs associated with developing and owning a  
15 community renewable energy generating system through base rates;  
16 authorizing an electric company to sell certain services and attributes  
17 associated with the community renewable energy generating system; stating  
18 the effectiveness of contracts entered into during the pilot program; authorizing  
19 a subscriber organization to continue operation of and an electric company to  
20 continue to facilitate the operation of a community renewable energy generating  
21 system after termination of the pilot program; requiring the Maryland Energy  
22 Administration, in consultation with the Commission, to make a certain report  
23 to the General Assembly on or before a certain date; requiring the Commission  
24 to adopt certain regulations by a certain date; requiring the Commission to  
25 notify the General Assembly and the Department of Legislative Services when  
26 the pilot program begins; defining certain terms; stating certain findings of the  
27 General Assembly; and generally relating to a pilot program for community  
28 renewable energy generating systems.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Public Utilities  
3 Section 7–306.1  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume and 2013 Supplement)

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

8 **Article – Public Utilities**

9 **7–306.1.**

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
11 MEANINGS INDICATED.

12 (2) “BASELINE ANNUAL USAGE” MEANS:

13 (I) A SUBSCRIBER’S ACCUMULATED ELECTRICITY USE IN  
14 KILOWATT-HOURS FOR THE 12 MONTHS BEFORE THE SUBSCRIBER’S MOST  
15 RECENT SUBSCRIPTION; OR

16 (II) FOR A SUBSCRIBER WHO DOES NOT HAVE A RECORD OF  
17 12 MONTHS OF ELECTRICITY USE AT THE TIME OF THE SUBSCRIBER’S MOST  
18 RECENT SUBSCRIPTION, AN ESTIMATE OF THE SUBSCRIBER’S ACCUMULATED 12  
19 MONTHS OF ELECTRICITY USE IN KILOWATT-HOURS, DETERMINED IN A  
20 MANNER APPROVED BY THE COMMISSION.

21 (3) “COMMUNITY RENEWABLE ELECTRICITY OFFSET RATE”  
22 MEANS A RATE MEASURED IN DOLLARS PER KILOWATT-HOUR THAT  
23 CORRESPONDS TO THE RATE A SUBSCRIBER WOULD HAVE BEEN CHARGED BY  
24 AN ELECTRIC COMPANY OR ELECTRICITY SUPPLIER DURING THE CURRENT  
25 BILLING CYCLE FOR:

26 (I) ENERGY;

27 (II) CAPACITY;

28 (III) TRANSMISSION; AND

29 (IV) 75% OF THE RATE A SUBSCRIBER WOULD HAVE BEEN  
30 CHARGED BY AN ELECTRIC COMPANY FOR THE VARIABLE DISTRIBUTION  
31 CHARGE.

1                   **(4) “COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM”**  
2 **MEANS A RENEWABLE ENERGY SYSTEM THAT:**

3                   **(I) GENERATES ELECTRICITY FROM:**

4                               **1. BIOMASS;**

5                               **2. GAS PRODUCED FROM THE ANAEROBIC**  
6 **DECOMPOSITION OF ANIMAL WASTE, INCLUDING POULTRY WASTE;**

7                               **3. GAS PRODUCED FROM THE GASIFICATION OF**  
8 **ORGANIC MATTER;**

9                               **4. SOLAR;**

10                              **5. WIND; OR**

11                              **6. MOVING WATER;**

12                   **(II) IS LOCATED IN THE SAME ELECTRIC SERVICE**  
13 **TERRITORY AS ITS SUBSCRIBERS;**

14                   **(III) IS ATTACHED TO THE ELECTRIC METER OF A**  
15 **SUBSCRIBER OR IS A SEPARATE FACILITY WITH ITS OWN ELECTRIC METER;**

16                   **(IV) CREDITS ITS GENERATED ELECTRICITY TO THE BILLS**  
17 **OF THE SUBSCRIBERS TO THAT SYSTEM;**

18                   **(V) HAS AT LEAST TWO SUBSCRIBERS;**

19                   **(VI) HAS A GENERATING CAPACITY THAT DOES NOT EXCEED**  
20 **2 MEGAWATTS AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE**  
21 **SYSTEM’S INVERTER; AND**

22                   **(VII) MAY BE OWNED BY ANY PERSON, INCLUDING A**  
23 **SUBSCRIBER ORGANIZATION, AN ELECTRIC COMPANY, OR AN ELECTRICITY**  
24 **SUPPLIER.**

25                   **(5) “SUBSCRIBER” MEANS A RETAIL CUSTOMER OF AN ELECTRIC**  
26 **COMPANY WHO:**

27                              **(I) HOLDS A SUBSCRIPTION TO A COMMUNITY RENEWABLE**  
28 **ENERGY GENERATING SYSTEM; AND**

1                   (II) HAS IDENTIFIED ONE OR MORE INDIVIDUAL METERS OR  
2 ACCOUNTS TO WHICH THE SUBSCRIPTION SHALL BE ATTRIBUTED.

3                   (6) “SUBSCRIBER ORGANIZATION” MEANS:

4                   (I) A PERSON THAT OWNS OR OPERATES A COMMUNITY  
5 RENEWABLE ENERGY GENERATING SYSTEM; OR

6                   (II) THE COLLECTIVE GROUP OF SUBSCRIBERS OF A  
7 COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM.

8                   (7) “SUBSCRIPTION” MEANS THE PORTION OF THE ELECTRICITY  
9 GENERATED BY A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM THAT  
10 IS CREDITED TO A SUBSCRIBER.

11                   (8) “UNSUBSCRIBED ENERGY” MEANS ANY COMMUNITY  
12 RENEWABLE ENERGY GENERATING SYSTEM OUTPUT IN KILOWATT-HOURS THAT  
13 IS NOT ALLOCATED TO ANY SUBSCRIBER.

14                   (B) THE GENERAL ASSEMBLY FINDS THAT:

15                   (1) COMMUNITY RENEWABLE ENERGY GENERATING SYSTEMS:

16                   (I) PROVIDE RESIDENTS AND BUSINESSES, INCLUDING  
17 THOSE THAT LEASE PROPERTY, INCREASED ACCESS TO LOCAL RENEWABLE  
18 ELECTRICITY WHILE ENCOURAGING PRIVATE INVESTMENT IN RENEWABLE  
19 RESOURCES;

20                   (II) STIMULATE IN-STATE ECONOMIC GROWTH AND  
21 ENTREPRENEURIAL INNOVATION;

22                   (III) ENHANCE CONTINUED DIVERSIFICATION OF THE  
23 STATE’S ENERGY RESOURCE MIX TO ACHIEVE THE STATE’S RENEWABLE  
24 ENERGY PORTFOLIO STANDARD AND GREENHOUSE GAS EMISSIONS  
25 REDUCTION ACT GOALS; AND

26                   (IV) PROVIDE ELECTRIC COMPANIES AND RATEPAYERS THE  
27 OPPORTUNITY TO REALIZE THE MANY BENEFITS ASSOCIATED WITH  
28 DISTRIBUTED ENERGY; AND

1           **(2) IT IS IN THE PUBLIC INTEREST THAT THE STATE ENABLE THE**  
2 **DEVELOPMENT AND DEPLOYMENT OF ENERGY GENERATION FROM COMMUNITY**  
3 **RENEWABLE ENERGY GENERATING SYSTEMS IN ORDER TO:**

4                   **(I) ALLOW RENTERS AND LOW-INCOME AND**  
5 **MODERATE-INCOME RETAIL ELECTRIC CUSTOMERS TO OWN AN INTEREST IN A**  
6 **COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM;**

7                   **(II) FACILITATE MARKET ENTRY FOR ALL POTENTIAL**  
8 **SUBSCRIBERS WHILE GIVING PRIORITY TO SUBSCRIBERS WHO ARE THE MOST**  
9 **SENSITIVE TO MARKET BARRIERS; AND**

10                   **(III) ENCOURAGE DEVELOPERS TO PROMOTE**  
11 **PARTICIPATION BY RENTERS AND LOW-INCOME AND MODERATE-INCOME**  
12 **RETAIL ELECTRIC CUSTOMERS.**

13           **(C) A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM,**  
14 **INCLUDING A SUBSCRIBER OR SUBSCRIBER ORGANIZATION ASSOCIATED WITH**  
15 **THE COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM, IS NOT:**

16                   **(1) AN ELECTRIC COMPANY;**

17                   **(2) AN ELECTRIC SUPPLIER; OR**

18                   **(3) A GENERATING STATION.**

19           **(D) (1) THERE IS A PILOT PROGRAM ON COMMUNITY RENEWABLE**  
20 **ENERGY GENERATING SYSTEMS ADMINISTERED BY THE COMMISSION.**

21                   **(2) THE PILOT PROGRAM SHALL BEGIN ON THE EARLIER OF:**

22                   **(I) SUBMISSION OF THE FIRST PETITION OF A SUBSCRIBER**  
23 **ORGANIZATION UNDER SUBSECTION (E)(15) OF THIS SECTION; OR**

24                   **(II) 6 MONTHS AFTER THE COMMISSION ADOPTS**  
25 **REGULATIONS REQUIRED UNDER SUBSECTION (I) OF THIS SECTION.**

26                   **(3) THE PILOT PROGRAM SHALL TERMINATE 3 YEARS AFTER THE**  
27 **COMMENCEMENT DATE UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

28           **(E) (1) THE STRUCTURE OF THE PILOT PROGRAM SHALL BE AS**  
29 **PROVIDED IN THIS SUBSECTION.**

1           **(2) THE CUMULATIVE INSTALLED NAMEPLATE CAPACITY UNDER**  
2 **THE PILOT PROGRAM SHALL BE LIMITED TO:**

3                   **(I) 15 MEGAWATTS DURING THE FIRST YEAR;**

4                   **(II) 30 MEGAWATTS DURING THE SECOND YEAR; AND**

5                   **(III) 50 MEGAWATTS DURING THE THIRD YEAR.**

6           **(3) ALL RATE CLASSES MAY PARTICIPATE IN THE PILOT**  
7 **PROGRAM.**

8           **(4) SUBSCRIBERS SERVED BY ELECTRIC STANDARD OFFER**  
9 **SERVICE AND ELECTRICITY SUPPLIERS MAY HOLD SUBSCRIPTIONS TO THE**  
10 **SAME COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM.**

11           **(5) A SUBSCRIBER ORGANIZATION SHALL:**

12                   **(I) DETERMINE HOW TO ALLOCATE SUBSCRIPTIONS TO**  
13 **SUBSCRIBERS; AND**

14                   **(II) NOTIFY AN ELECTRIC COMPANY AND, IF APPLICABLE, A**  
15 **RELEVANT ELECTRICITY SUPPLIER ABOUT THE REGULATIONS ADOPTED BY THE**  
16 **COMMISSION UNDER SUBSECTION (I) OF THIS SECTION.**

17           **(6) A SUBSCRIBER'S SHARE OF THE ELECTRICITY GENERATED BY**  
18 **A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM SHALL BE**  
19 **DETERMINED BY MULTIPLYING THE COMMUNITY RENEWABLE ELECTRICITY**  
20 **OFFSET RATE BY THE KILOWATT-HOURS GENERATED FROM THE COMMUNITY**  
21 **RENEWABLE ENERGY GENERATING SYSTEM DURING THE CURRENT BILLING**  
22 **CYCLE AND ATTRIBUTED TO THE SUBSCRIBER'S SUBSCRIPTION.**

23           **(7) A SUBSCRIBER'S MONTHLY ELECTRIC BILL SHALL BE OFFSET**  
24 **UP TO, BUT NOT INCLUDING, THE CUSTOMER CHARGE BY SUBTRACTING THE**  
25 **DOLLAR VALUE OF THE SUBSCRIBER'S SHARE OF THE ELECTRICITY GENERATED**  
26 **BY A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM FROM THE**  
27 **SUBSCRIBER'S MONTHLY ELECTRIC BILL.**

28           **(8) NET EXCESS GENERATION CREDITS SHALL BE CARRIED**  
29 **FORWARD ON THE SUBSCRIBER'S BILL FOR A PERIOD NOT EXCEEDING 12**  
30 **MONTHS, AFTER WHICH THE ELECTRIC COMPANY SHALL PAY THE SUBSCRIBER**

1 FOR THE DOLLAR VALUE OF ANY ACCRUED NET EXCESS GENERATION  
2 REMAINING.

3 (9) THE DOLLAR VALUE OF ACCRUED NET EXCESS GENERATION  
4 SHALL BE EQUAL TO THE NUMBER OF KILOWATT-HOURS OF NET EXCESS  
5 GENERATION ATTRIBUTED TO THE SUBSCRIBER MULTIPLIED BY THE RATE THE  
6 SUBSCRIBER WOULD HAVE BEEN CHARGED BY THE ELECTRIC COMPANY OR  
7 ELECTRICITY SUPPLIER FOR ELECTRICITY SUPPLY, CAPACITY, AND  
8 TRANSMISSION EXPENSES AVERAGED OVER THE PREVIOUS 12-MONTH PERIOD.

9 (10) IF A SUBSCRIBER IS SERVED BY AN ELECTRICITY SUPPLIER  
10 AND THE RATE THE SUBSCRIBER WOULD HAVE BEEN CHARGED BY THE  
11 ELECTRICITY SUPPLIER FOR ELECTRICITY SUPPLY, CAPACITY, AND  
12 TRANSMISSION EXPENSES IS NOT KNOWN FOR ALL OR PART OF THE PREVIOUS  
13 12-MONTH PERIOD, THE DOLLAR VALUE OF ACCRUED NET EXCESS GENERATION  
14 SHALL BE CALCULATED BY USING THE RATE THAT THE SUBSCRIBER WOULD  
15 HAVE BEEN CHARGED BY AN ELECTRIC COMPANY FOR ELECTRICITY SUPPLY,  
16 CAPACITY, AND TRANSMISSION EXPENSES, AVERAGED OVER THE PREVIOUS  
17 12-MONTH PERIOD, FOR STANDARD OFFER SERVICE.

18 (11) A SUBSCRIBER MAY NOT RECEIVE CREDIT FOR NET EXCESS  
19 GENERATION THAT EXCEEDS 120% OF THE SUBSCRIBER'S BASELINE ANNUAL  
20 USAGE.

21 (12) A SUBSCRIBER WITH A COMMUNITY RENEWABLE ENERGY  
22 GENERATING SYSTEM ATTACHED TO THE SUBSCRIBER'S ELECTRIC METER  
23 SHALL RECEIVE NET ENERGY METERING FOR THE SUBSCRIBER'S SUBSCRIPTION  
24 AT THE RATE ESTABLISHED UNDER § 7-306 OF THIS SUBTITLE UP TO 120% OF  
25 THE SUBSCRIBER'S BASELINE ANNUAL USAGE.

26 (13) ANY UNSUBSCRIBED ENERGY GENERATED BY A COMMUNITY  
27 ENERGY GENERATING SYSTEM THAT IS NOT OWNED BY AN ELECTRIC COMPANY  
28 SHALL BE PURCHASED UNDER THE ELECTRIC COMPANY'S PROCESS FOR  
29 PURCHASING THE OUTPUT FROM QUALIFYING FACILITIES AT THE COMMODITY  
30 ENERGY SUPPLY RATE.

31 (14) ALL COSTS ASSOCIATED WITH INTERCONNECTION ARE THE  
32 RESPONSIBILITY OF THE SUBSCRIBER ORGANIZATION.

33 (15) A SUBSCRIBER ORGANIZATION MAY PETITION AN ELECTRIC  
34 COMPANY TO COORDINATE THE INTERCONNECTION AND COMMENCEMENT OF  
35 OPERATIONS OF A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM

1 AFTER THE COMMISSION ADOPTS REGULATIONS REQUIRED UNDER  
2 SUBSECTION (I) OF THIS SECTION.

3 (16) A SUBSCRIBER ORGANIZATION MAY CONTRACT WITH A THIRD  
4 PARTY FOR THE THIRD PARTY TO FINANCE, BUILD, OWN, OR OPERATE A  
5 COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM.

6 (17) SUBJECT TO APPROVAL BY THE COMMISSION, AN ELECTRIC  
7 COMPANY MAY ASSESS A FAIR AND REASONABLE FEE TO BE PAID BY A  
8 SUBSCRIBER ORGANIZATION FOR THE ADMINISTRATION OF THE PILOT  
9 PROGRAM.

10 (18) A MUNICIPAL UTILITY OR COOPERATIVE UTILITY MAY  
11 PARTICIPATE IN THE PILOT PROGRAM.

12 (F) (1) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
13 TITLE, AN ELECTRIC COMPANY MAY SUBMIT A PETITION TO OWN AND OPERATE  
14 A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM TO THE  
15 COMMISSION.

16 (II) THE COMMISSION SHALL APPROVE A PETITION  
17 SUBMITTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IF THE  
18 COMMISSION DETERMINES THAT THE COMMUNITY RENEWABLE ENERGY  
19 GENERATING SYSTEM WILL PROVIDE BENEFITS TO RATEPAYERS THROUGH:

20 1. AVOIDED TRANSMISSION AND DISTRIBUTION LINE  
21 LOSSES;

22 2. TRANSMISSION AND DISTRIBUTION UPGRADE  
23 DEFERRALS;

24 3. AVOIDED INTERCONNECTION COSTS;

25 4. ANCILLARY SERVICES AND VOLT-AMPERE  
26 REACTIVE (VAR) SUPPORT;

27 5. REDUCED LAND COSTS;

28 6. DEMAND CHARGE MANAGEMENT;

29 7. ELECTRIC SERVICE RELIABILITY; OR



1                   8. ANY OTHER ADDITIONAL FACTORS THE  
2 COMMISSION CONSIDERS APPROPRIATE.

3                   (III) THE COMMISSION SHALL APPROVE OR DENY A  
4 PETITION WITHIN 120 DAYS AFTER THE ELECTRIC COMPANY FILES THE  
5 PETITION.

6                   (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
7 PARAGRAPH, AN ELECTRIC COMPANY MAY NOT RECOVER THROUGH BASE RATES  
8 THE COSTS ASSOCIATED WITH DEVELOPING AND OWNING A COMMUNITY  
9 RENEWABLE ENERGY GENERATING SYSTEM.

10                   (II) AN ELECTRIC COMPANY MAY RECOVER THROUGH BASE  
11 RATES THE COSTS THAT THE ELECTRIC COMPANY WOULD HAVE INCURRED IF  
12 THE COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM WERE DEVELOPED  
13 AND OWNED BY A PERSON OTHER THAN THE ELECTRIC COMPANY.

14                   (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE,  
15 AN ELECTRIC COMPANY MAY SELL:

16                   (I) UNSUBSCRIBED ENERGY, CAPACITY, AND ANCILLARY  
17 SERVICES PRODUCED BY THE ELECTRIC COMPANY'S COMMUNITY RENEWABLE  
18 ENERGY SYSTEM TO THE MARKETS OPERATED BY PJM INTERCONNECTION;  
19 AND

20                   (II) ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH THE  
21 ELECTRICITY GENERATED BY THE ELECTRIC COMPANY'S COMMUNITY  
22 RENEWABLE ENERGY GENERATING SYSTEM TO ANY PERSON.

23                   (G) (1) A CONTRACT RELATING TO THE COMMUNITY RENEWABLE  
24 ENERGY GENERATING SYSTEM OR SUBSCRIBER ORGANIZATION THAT IS  
25 ENTERED INTO DURING THE PILOT PROGRAM SHALL REMAIN IN EFFECT  
26 ACCORDING TO THE TERMS OF THE CONTRACT, INCLUDING AFTER THE  
27 TERMINATION OF THE PILOT PROGRAM.

28                   (2) AFTER TERMINATION OF THE PILOT PROGRAM, IN  
29 ACCORDANCE WITH THE OPERATIONAL AND BILLING REQUIREMENTS IN  
30 SUBSECTIONS (E) AND (F) OF THIS SECTION:

31                   (I) A SUBSCRIBER ORGANIZATION MAY CONTINUE THE  
32 OPERATION OF A COMMUNITY RENEWABLE ENERGY GENERATING SYSTEM THAT  
33 BEGAN OPERATION DURING THE PILOT PROGRAM, INCLUDING THE CREATION  
34 AND TRADE OF SUBSCRIPTIONS; AND

1                   **(II) AN ELECTRIC COMPANY SHALL CONTINUE TO**  
2 **FACILITATE THE OPERATION OF A COMMUNITY RENEWABLE ENERGY**  
3 **GENERATING SYSTEM THAT BEGAN OPERATION DURING THE PILOT PROGRAM.**

4                   **(H) ON OR BEFORE DECEMBER 13, 2016, THE MARYLAND ENERGY**  
5 **ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, SHALL REPORT**  
6 **TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE**  
7 **GOVERNMENT ARTICLE, ON:**

8                   **(1) A TARIFF STRUCTURE FOR CUSTOMER-SITED, AGGREGATE,**  
9 **AND COMMUNITY RENEWABLE ENERGY METERING THAT ALLOWS AN ELECTRIC**  
10 **COMPANY TO RECOVER REASONABLE DISTRIBUTION COSTS AND**  
11 **ADMINISTRATIVE EXPENSES WHILE ENCOURAGING IN-STATE DISTRIBUTED**  
12 **GENERATION BY TAKING INTO ACCOUNT ELECTRIC COMPANY, RATEPAYER, AND**  
13 **PUBLIC HEALTH BENEFITS, WHICH MAY INCLUDE:**

14                   **(I) AVOIDED TRANSMISSION AND DISTRIBUTION LINE**  
15 **LOSSES;**

16                   **(II) TRANSMISSION AND DISTRIBUTION UPGRADE**  
17 **DEFERRALS;**

18                   **(III) AVOIDED INTERCONNECTION COSTS;**

19                   **(IV) ANCILLARY SERVICES AND VOLT-AMPERE REACTIVE**  
20 **(VAR) SUPPORT;**

21                   **(V) REDUCED LAND COSTS;**

22                   **(VI) DEMAND CHARGE MANAGEMENT;**

23                   **(VII) ELECTRIC SERVICE RELIABILITY;**

24                   **(VIII) REDUCED AIR EMISSIONS FROM GENERATION,**  
25 **INCLUDING CARBON DIOXIDE AND CRITERIA POLLUTANTS; AND**

26                   **(IX) ANY ADDITIONAL FACTORS THE MARYLAND ENERGY**  
27 **ADMINISTRATION CONSIDERS APPROPRIATE;**

28                   **(2) AN APPROPRIATE CREDIT MECHANISM AND OPERATIONAL**  
29 **STRUCTURE THAT ALLOWS A COMMUNITY RENEWABLE ENERGY GENERATING**

1 SYSTEM TO MINIMIZE ADMINISTRATIVE COSTS TO AN ELECTRIC COMPANY,  
2 ELECTRICITY SUPPLIER, OR SUBSCRIBER ORGANIZATION;

3 (3) A PROCESS TO ALLOW AN ELECTRIC COMPANY TO ADJUST THE  
4 STANDARD OFFER SERVICE PROCUREMENT IN RESPONSE TO COMMUNITY  
5 RENEWABLE ENERGY GENERATING SYSTEM OUTPUT;

6 (4) WHETHER A COMMUNITY RENEWABLE ENERGY GENERATING  
7 SYSTEM AND ITS SUBSCRIBERS SHOULD BE COMPENSATED FOR AVOIDED  
8 TRANSMISSION AND DISTRIBUTION COSTS;

9 (5) THE IMPACT OF THE PILOT PROGRAM ON RESIDENTIAL  
10 RATEPAYERS;

11 (6) THE COSTS AND BENEFITS OF DIFFERENT COMMUNITY  
12 RENEWABLE ENERGY GENERATING SYSTEM BUSINESS MODELS;

13 (7) THE PILOT PROGRAM'S SUCCESS IN ATTRACTING  
14 LOW-INCOME AND MODERATE-INCOME RETAIL ELECTRIC CUSTOMERS;

15 (8) THE IMPLICATIONS OF MAKING THE PILOT PROGRAM  
16 PERMANENT; AND

17 (9) ANY ADDITIONAL POLICY CONSIDERATIONS THE MARYLAND  
18 ENERGY ADMINISTRATION CONSIDERS APPROPRIATE.

19 (I) ON OR BEFORE APRIL 1, 2015, THE COMMISSION SHALL ADOPT  
20 REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING REGULATIONS FOR:

21 (1) CONSUMER PROTECTION;

22 (2) A PROTOCOL FOR ELECTRIC COMPANIES, ELECTRICITY  
23 SUPPLIERS, AND SUBSCRIBER ORGANIZATIONS TO COMMUNICATE THE  
24 INFORMATION NECESSARY TO CALCULATE AND PROVIDE THE MONTHLY  
25 ELECTRIC BILL CREDITS AND YEARLY NET EXCESS GENERATION PAYMENTS  
26 REQUIRED BY THIS SECTION; AND

27 (3) A PROTOCOL FOR A SUBSCRIBER ORGANIZATION TO  
28 COORDINATE WITH AN ELECTRIC COMPANY FOR THE INTERCONNECTION AND  
29 COMMENCEMENT OF OPERATIONS OF A COMMUNITY RENEWABLE ENERGY  
30 GENERATING SYSTEM.

1           SECTION 2. AND BE IT FURTHER ENACTED, That the Public Service  
2 Commission shall notify the General Assembly and the Department of Legislative  
3 Services when the pilot program begins in accordance with Section 1 of this Act.

4           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2014.