

SENATE BILL 783

C5, M5, Q1

4lr2521
CF HB 1435

By: **Senators Elfreth, Augustine, Beidle, Brooks, Feldman, Guzzone, Hester, Hettleman, and Kagan**

Introduced and read first time: February 1, 2024

Assigned to: Education, Energy, and the Environment and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2024

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy – Net Energy Metering Aggregation, ~~Solar Renewable~~**
3 **~~Energy Credits~~ Certified SRECs and Compliance Fees, Labor Requirements,**
4 **and Taxes on Solar Energy Generating Systems**
5 **(Brighter Tomorrow Act)**

6 FOR the purpose of requiring that certain home improvement contracts for the installation
7 of a solar energy generating system on the roof of a building include the installation
8 of a certain wildlife barrier under certain circumstances; altering the maximum
9 generating capacity authorized for certain net metered generating facilities;
10 authorizing an eligible customer-generator participating in certain meter
11 aggregation to receive excess generation from more than one generating system;
12 altering the expiration date of renewable energy credits; requiring the Public Service
13 Commission to establish a Small Solar Energy Generating System Incentive
14 Program to provide certain certified systems with ~~a certain additional percentage of~~
15 ~~renewable energy credits~~ certain certified SRECs that may be put toward meeting
16 the renewable energy portfolio standard for solar energy; providing that a certified
17 system is eligible to receive ~~an additional percentage of renewable energy credits for~~
18 ~~the life cycle of the system~~ certain certified SRECs for a certain period of time;
19 requiring an owner of a certain solar energy generating system to pay a certain fee
20 to the Commission; ~~increasing the duration of a certain renewable energy credit~~
21 ~~under certain circumstances~~; requiring that certain prevailing wage provisions apply
22 to the construction of a certain ~~certified~~ solar energy generating system unless the
23 system is subject to a certain project labor agreement; requiring a certain percentage
24 of proceeds received by the Maryland Strategic Energy Investment Fund from

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 certain compliance fees to be credited to a certain account for certain purposes;
2 extending for a certain number of years a certain personal property tax exemption
3 for certain community solar energy generating system projects; exempting certain
4 nonresidential solar generating systems from the State or local real or personal
5 property tax; authorizing a county or municipal corporation to reduce or eliminate
6 an assessment on certain real property on which a certain solar energy generating
7 system is located; ~~requiring a county to enter into a certain payment in lieu of taxes~~
8 ~~agreement with an owner of a certain ground-mounted solar generating facility~~
9 ~~under certain circumstances;~~ and generally relating to renewable energy facilities
10 and ~~contracts and~~ tax provisions for renewable energy facilities.

11 BY repealing and reenacting, without amendments,

12 Article – Business Regulation

13 Section 8–501(a)

14 Annotated Code of Maryland

15 (2015 Replacement Volume and 2023 Supplement)

16 BY adding to

17 Article – Business Regulation

18 Section 8–501(f)

19 Annotated Code of Maryland

20 (2015 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article – Public Utilities

23 Section 7–306(g) and (i), 7–709(d), and 7–712

24 Annotated Code of Maryland

25 (2020 Replacement Volume and 2023 Supplement)

26 BY adding to

27 Article – Public Utilities

28 Section 7–306(i) ~~and~~, 7–709.1, and 7–714

29 Annotated Code of Maryland

30 (2020 Replacement Volume and 2023 Supplement)

31 BY repealing and reenacting, without amendments,

32 Article – State Government

33 Section 9–20B–05(a) through (c)

34 Annotated Code of Maryland

35 (2021 Replacement Volume and 2023 Supplement)

36 BY adding to

37 Article – State Government

38 Section 9–20B–05(g–1)

39 Annotated Code of Maryland

40 (2021 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 1–101(j)
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–237(c)
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

BY adding to
Article – Tax – Property
~~Section 7–249, 7–250, and 7–522~~ Section 7–249 and 7–250
Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

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

Article – Business Regulation

8–501.

(a) A home improvement contract that does not comply with this section is not
invalid merely because of noncompliance.

**(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
HOME IMPROVEMENT CONTRACT FOR THE INSTALLATION OF A SOLAR ENERGY
GENERATING SYSTEM ON THE ROOF OF A BUILDING SHALL INCLUDE THE
INSTALLATION OF A BARRIER THAT MEETS INDUSTRY STANDARDS TO PREVENT
WILDLIFE INTRUSION AND DAMAGE TO THE SOLAR ENERGY GENERATING SYSTEM
OR THE UNDERLYING ROOF.**

**(2) A HOME IMPROVEMENT CONTRACT FOR THE INSTALLATION OF A
SOLAR ENERGY GENERATING SYSTEM ON THE ROOF OF A BUILDING IS NOT
REQUIRED TO INCLUDE THE INSTALLATION OF A BARRIER AS SPECIFIED UNDER
PARAGRAPH (1) OF THIS SUBSECTION IF THE CUSTOMER HAS WAIVED THE
INSTALLATION OF THE BARRIER AFTER BEING INFORMED OF THE COST OF THE
BARRIER AND THE RISKS OF NOT INSTALLING A WILDLIFE BARRIER.**

Article – Public Utilities

~~7–306.~~

~~(g) (1) Except as provided in paragraphs [(6) and (7)] (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.~~

~~(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.~~

~~[(i)] (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.~~

7-709.

(d) (1) Except as ~~PROVIDED IN § 7-709.1 OF THIS SUBTITLE AND~~ authorized under paragraph (2) of this subsection, a renewable energy credit shall exist for ~~3~~ 5 years from the date created.

(2) A renewable energy credit may be diminished or extinguished before the expiration of ~~3~~ 5 years by:

(i) the electricity supplier that received the credit;

(ii) a nonaffiliated entity of the electricity supplier:

1. that purchased the credit from the electricity supplier receiving the credit; or

2. to whom the electricity supplier otherwise transferred the credit; or

(iii) demonstrated noncompliance by the generating facility with the requirements of § 7-704(f) of this subtitle.

1 **7-709.1.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) “BROWNFIELD” HAS THE MEANING STATED IN § 7-207 OF THIS
5 TITLE.

6 (3) “CERTIFIED SREC” MEANS A SOLAR RENEWABLE ENERGY
7 CREDIT GENERATED BY A CERTIFIED SYSTEM.

8 (4) “CERTIFIED SYSTEM” MEANS A SOLAR ENERGY GENERATING
9 SYSTEM CERTIFIED BY THE COMMISSION ~~AS ELIGIBLE TO RECEIVE ADDITIONAL~~
10 ~~CREDITS UNDER THE PROGRAM~~ UNDER THE PROGRAM TO GENERATE CERTIFIED
11 SRECS WITH THE COMPLIANCE VALUE SPECIFIED IN SUBSECTION (C) OF THIS
12 SECTION.

13 ~~(3)~~ (5) “PROGRAM” MEANS THE SMALL SOLAR ENERGY
14 GENERATING SYSTEM INCENTIVE PROGRAM.

15 (B) THE COMMISSION SHALL ESTABLISH A SMALL SOLAR ENERGY
16 GENERATING SYSTEM INCENTIVE PROGRAM.

17 ~~(C) UNDER THE PROGRAM, SOLAR ENERGY GENERATING SYSTEMS THAT~~
18 ~~ARE CERTIFIED BY THE COMMISSION IN ACCORDANCE WITH THIS SECTION SHALL~~
19 ~~BE ELIGIBLE TO RECEIVE ADDITIONAL SOLAR RENEWABLE ENERGY CREDITS AS~~
20 ~~PROVIDED IN THIS SECTION.~~

21 (C) (1) UNDER THE PROGRAM, A CERTIFIED SYSTEM SHALL GENERATE
22 CERTIFIED SRECS.

23 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
24 THE PROVISIONS OF THIS SUBTITLE RELATING TO RENEWABLE ENERGY CREDITS
25 SHALL APPLY TO CERTIFIED SRECS.

26 (3) A CERTIFIED SREC SHALL HAVE A COMPLIANCE VALUE OF 150%
27 FOR ELECTRICITY SUPPLIERS TO PUT TOWARD MEETING THE RENEWABLE ENERGY
28 PORTFOLIO STANDARD FOR ENERGY DERIVED FROM SOLAR ENERGY UNDER § 7-703
29 OF THIS SUBTITLE.

30 (D) TO BE ELIGIBLE FOR CERTIFICATION UNDER THE PROGRAM, A SOLAR
31 ENERGY GENERATING SYSTEM SHALL:

1 (1) BE LOCATED IN THE STATE;

2 (2) BE ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE
3 ENERGY PORTFOLIO STANDARD;

4 (3) HAVE A GENERATING CAPACITY OF ~~2~~ 5 MEGAWATTS OR LESS, AS
5 MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER;
6 ~~AND~~

7 (4) BE PLACED IN SERVICE BETWEEN JULY 1, 2024, AND JANUARY 1,
8 2028, INCLUSIVE; AND

9 (5) BE ONE OF THE FOLLOWING TYPES OF SYSTEMS:

10 (I) A SYSTEM WITH A GENERATING CAPACITY OF 20 KILOWATTS
11 OR LESS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S
12 INVERTER;

13 (II) A SYSTEM WITH A GENERATING CAPACITY OF 2 MEGAWATTS
14 OR LESS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S
15 INVERTER, IF THE SYSTEM IS USED FOR AGGREGATE NET METERING; OR

16 (III) A SYSTEM WITH A GENERATING CAPACITY OF BETWEEN 20
17 KILOWATTS AND 5 MEGAWATTS, AS MEASURED BY THE ALTERNATING CURRENT
18 RATING OF THE SYSTEM'S INVERTER, IF THE SYSTEM IS LOCATED ON A ROOFTOP, A
19 PARKING CANOPY, OR A BROWNFIELD.

20 (E) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THE
21 COMMISSION, AT THE TIME OF CERTIFYING A SOLAR ENERGY GENERATING SYSTEM
22 AS A TIER 1 RENEWABLE SOURCE, SHALL CERTIFY THE SYSTEM AS ELIGIBLE TO
23 RECEIVE CERTIFIED SRECS IN ACCORDANCE WITH SUBSECTION (C) OF THIS
24 SECTION IF THE APPLICANT SUBMITS WITH ITS APPLICATION FOR CERTIFICATION
25 AS A TIER 1 RENEWABLE SOURCE:

26 (1) A FORM REQUESTING TO BE CERTIFIED TO RECEIVE CERTIFIED
27 SRECS WITH THE VALUE SPECIFIED IN SUBSECTION (C) OF THIS SECTION;

28 (2) A COPY OF THE INTERCONNECTION AGREEMENT BETWEEN THE
29 APPLICANT AND THE APPLICANT'S ELECTRIC COMPANY INDICATING THAT THE SIZE
30 OF THE SYSTEM IS ELIGIBLE;

31 (3) IF SEEKING CERTIFICATION AS A SYSTEM LOCATED ON OR OVER A
32 ROOF, PARKING LOT, OR PARKING STRUCTURE, A COPY OF THE FINAL APPROVAL OF
33 THE LOCAL BUILDING PERMIT;

1 (4) IF SEEKING CERTIFICATION AS A SYSTEM LOCATED ON A
2 BROWNFIELD, DOCUMENTATION DEMONSTRATING THAT THE SYSTEM IS LOCATED
3 ON A BROWNFIELD;

4 (5) IF SEEKING CERTIFICATION BASED ON AGGREGATED NET
5 METERING, A COPY OF THE AGGREGATED NET ENERGY METERING RIDER
6 SUBMITTED WITH THE INTERCONNECTION AGREEMENT; AND

7 (6) ANY OTHER INFORMATION REQUIRED BY THE COMMISSION.

8 (F) (1) THE OWNER OF A SOLAR ENERGY GENERATING SYSTEM MAY
9 APPLY TO THE COMMISSION TO BE CERTIFIED UNDER THE PROGRAM IF THE
10 SYSTEM MEETS THE REQUIREMENTS UNDER SUBSECTION (D) OF THIS SECTION.

11 (2) THE OWNER OF A SOLAR ENERGY GENERATING SYSTEM THAT IS
12 PLACED IN SERVICE BETWEEN JULY 1, 2024, AND JANUARY 1, 2025, MAY APPLY TO
13 THE COMMISSION:

14 (I) BEFORE JANUARY 1, 2025, FOR CERTIFICATION AS A TIER 1
15 RENEWABLE SOURCE; AND

16 (II) ON OR AFTER JANUARY 1, 2025, FOR CERTIFICATION
17 UNDER THE PROGRAM.

18 ~~(F)~~ (G) THE TOTAL AMOUNT OF IN-STATE GENERATING CAPACITY FOR
19 CERTIFIED SYSTEMS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF
20 THE SYSTEMS' INVERTERS, UNDER THE PROGRAM MAY NOT EXCEED:

21 (1) ~~330~~ 300 MEGAWATTS FOR SYSTEMS WITH A GENERATING
22 CAPACITY OF LESS THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING
23 CURRENT RATING OF THE SYSTEM'S INVERTER; AND

24 (2) ~~300~~ 270 MEGAWATTS FOR SYSTEMS WITH A GENERATING
25 CAPACITY OF BETWEEN 20 KILOWATTS AND ~~2~~ 5 MEGAWATTS, AS MEASURED BY THE
26 ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER.

27 ~~(F) (1) THE OWNER OF A SOLAR ENERGY GENERATING SYSTEM MAY~~
28 ~~APPLY TO THE COMMISSION TO BE CERTIFIED UNDER THE PROGRAM.~~

29 ~~(2) THE OWNER OF A CERTIFIED SYSTEM SHALL PAY A ONE-TIME FEE~~
30 ~~OF \$100 TO THE COMMISSION AT THE TIME OF THE CERTIFICATION.~~

(H) (1) AT THE TIME A SOLAR ENERGY GENERATING SYSTEM IS CERTIFIED AS A TIER 1 RENEWABLE SOURCE, THE OWNER OF THE SYSTEM SHALL PAY TO THE COMMISSION A ONE-TIME FEE OF:

(I) UP TO \$50 FOR EACH SYSTEM WITH A GENERATING CAPACITY OF LESS THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER; AND

(II) UP TO \$200 FOR EACH SYSTEM WITH A GENERATING CAPACITY OF MORE THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER.

~~(3)~~ (2) THE COMMISSION SHALL USE THE FEES COLLECTED UNDER PARAGRAPH ~~(2)~~ (1) OF THIS SUBSECTION TO PAY FOR COSTS ASSOCIATED WITH ADMINISTERING THE PROGRAM.

~~(C) (1) A CERTIFIED SYSTEM UNDER THE PROGRAM SHALL RECEIVE:~~

~~(I) FOR SYSTEMS WITH A GENERATING CAPACITY OF UP TO 2 MEGAWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER, 150% CREDIT TOWARD MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR ENERGY DERIVED FROM SOLAR; AND~~

~~(H) FOR SYSTEMS WITH A GENERATING CAPACITY OF UP TO 2 MEGAWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER, THAT ARE LOCATED ON A ROOFTOP, A PARKING CANOPY, OR A BROWNFIELD, 200% CREDIT TOWARD MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR ENERGY DERIVED FROM SOLAR.~~

~~(2) A CERTIFIED SYSTEM IS ELIGIBLE TO RECEIVE THE PERCENTAGE CREDIT SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION FOR THE ENTIRE LIFE CYCLE OF THE SYSTEM.~~

~~(H) NOTWITHSTANDING § 7-709(D)(1) OF THIS SUBTITLE, A CREDIT CREATED BY A CERTIFIED SYSTEM UNDER THE PROGRAM SHALL EXIST FOR 5 YEARS FROM THE DATE CREATED.~~

~~(I) THE DEVELOPER OF A CERTIFIED SYSTEM UNDER THE PROGRAM THAT HAS A GENERATING CAPACITY OVER 1 MEGAWATT, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER, SHALL ENSURE THAT WORKERS ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, UNLESS THE SYSTEM IS SUBJECT TO A PROJECT LABOR AGREEMENT THAT:~~

~~(1) BINDS ALL CONTRACTORS AND SUBCONTRACTORS ON THE SYSTEM THROUGH THE INCLUSION OF SPECIFICATIONS IN ALL RELEVANT SOLICITATION PROVISIONS AND CONTRACT DOCUMENTS;~~

~~(2) ALLOWS ALL CONTRACTORS AND SUBCONTRACTORS TO COMPETE FOR CONTRACTS AND SUBCONTRACTS ON THE PROJECT WITHOUT REGARD TO WHETHER THEY ARE OTHERWISE PARTIES TO COLLECTIVE BARGAINING AGREEMENTS;~~

~~(3) ESTABLISHES UNIFORM TERMS AND CONDITIONS OF EMPLOYMENT FOR ALL CONSTRUCTION LABOR EMPLOYED ON THE PROJECTS;~~

~~(4) GUARANTEES AGAINST STRIKES, LOCKOUTS, AND SIMILAR JOB DISRUPTIONS;~~

~~(5) ESTABLISHES MUTUALLY BINDING PROCEDURES FOR RESOLVING LABOR DISPUTES; AND~~

~~(6) INCLUDES ANY OTHER PROVISIONS NEGOTIATED BY THE PARTIES TO PROMOTE SUCCESSFUL DELIVERY OF THE SYSTEM.~~

(1) (1) A CERTIFIED SYSTEM SHALL CONTINUE TO BE ELIGIBLE TO RECEIVE CERTIFIED SRECs FOR 15 YEARS AFTER THE DATE OF CERTIFICATION BY THE COMMISSION, OR JANUARY 1, 2025, WHICHEVER IS LATER, AFTER WHICH THE SYSTEM SHALL BE ELIGIBLE TO RECEIVE NONCERTIFIED SOLAR RENEWABLE ENERGY CREDITS AS LONG AS THE SYSTEM MEETS THE REQUIREMENTS AS A TIER 1 RENEWABLE SOURCE UNDER THIS SUBTITLE.

(2) THE COMMISSION SHALL:

(I) ON OR BEFORE JANUARY 1, 2025, BEGIN DETERMINING ELIGIBILITY OF SOLAR ENERGY GENERATING SYSTEMS TO BE CERTIFIED UNDER THE PROGRAM; AND

(II) ON OR BEFORE JULY 1, 2026, IMPLEMENT A REVISED SYSTEM TO REVIEW AND ENSURE COMPLIANCE WITH THE RENEWABLE ENERGY PORTFOLIO STANDARD.

(3) AN ELECTRICITY SUPPLIER MAY APPLY THE CERTIFIED SRECs GENERATED IN ACCORDANCE WITH THIS SECTION TOWARD THE RENEWABLE ENERGY PORTFOLIO STANDARD STARTING WITH THE 2025 COMPLIANCE YEAR.

(4) NOTWITHSTANDING ANY OTHER LAW, THE COMMISSION SHALL ALLOW ELECTRICITY SUPPLIERS TO DEMONSTRATE COMPLIANCE WITH THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR THE 2025 COMPLIANCE YEAR BY SUBMITTING INFORMATION BETWEEN JULY 1, 2026, AND DECEMBER 31, 2026, USING THE REVISED SYSTEM DEVELOPED IN ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.

7-712.

Subject to § 2-1257 of the State Government Article, on or before December 1 of each year the Commission shall report to the General Assembly on the status of implementation of this subtitle, including:

(1) the availability of Tier 1 renewable sources[.];

(2) projects supported by the Fund[.];

(3) **INFORMATION REGARDING THE STATUS OF THE SMALL SOLAR ENERGY GENERATING SYSTEM INCENTIVE PROGRAM ESTABLISHED UNDER § 7-709.1 OF THIS SUBTITLE, INCLUDING THE TOTAL AMOUNT OF GENERATING CAPACITY OF THE SYSTEMS CERTIFIED UNDER THE PROGRAM; and**

(4) other pertinent information.

7-714.

THE DEVELOPER OF A SOLAR ENERGY GENERATING SYSTEM THAT HAS A GENERATING CAPACITY OVER 1 MEGAWATT, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER, SHALL ENSURE THAT WORKERS ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, UNLESS THE SYSTEM IS SUBJECT TO A PROJECT LABOR AGREEMENT THAT:

(1) BINDS ALL CONTRACTORS AND SUBCONTRACTORS ON THE SYSTEM THROUGH THE INCLUSION OF SPECIFICATIONS IN ALL RELEVANT SOLICITATION PROVISIONS AND CONTRACT DOCUMENTS;

(2) ALLOWS ALL CONTRACTORS AND SUBCONTRACTORS TO COMPETE FOR CONTRACTS AND SUBCONTRACTS ON THE PROJECT WITHOUT REGARD TO WHETHER THEY ARE OTHERWISE PARTIES TO COLLECTIVE BARGAINING AGREEMENTS;

(3) ESTABLISHES UNIFORM TERMS AND CONDITIONS OF EMPLOYMENT FOR ALL CONSTRUCTION LABOR EMPLOYED ON THE PROJECTS;

(4) GUARANTEES AGAINST STRIKES, LOCKOUTS, AND SIMILAR JOB DISRUPTIONS;

(5) ESTABLISHES MUTUALLY BINDING PROCEDURES FOR RESOLVING LABOR DISPUTES; AND

(6) INCLUDES ANY OTHER PROVISIONS NEGOTIATED BY THE PARTIES TO PROMOTE SUCCESSFUL DELIVERY OF THE SYSTEM.

Article – State Government

9–20B–05.

(a) There is a Maryland Strategic Energy Investment Fund.

(b) The purpose of the Fund is to implement the Strategic Energy Investment Program.

(c) The Administration shall administer the Fund.

(G–1) UP TO 10% OF THE PROCEEDS RECEIVED BY THE FUND FROM COMPLIANCE FEES UNDER § 7–705(B)(2)(I)2 OF THE PUBLIC UTILITIES ARTICLE SHALL BE CREDITED TO AN ADMINISTRATIVE EXPENSE ACCOUNT FOR COSTS RELATED TO THE ADMINISTRATION OF THE FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – Property

1–101.

(j) (1) “Department” means the State Department of Assessments and Taxation.

(2) “Department” includes, unless the context requires otherwise, a supervisor.

7–237.

(c) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Agrivoltaics” means the simultaneous use of areas of land for both solar power generation and agriculture.

(iii) “Brownfield” means:

1. a former industrial or commercial site identified by federal or State laws or regulations as contaminated or polluted; or

2. a closed municipal or rubble landfill regulated under a refuse disposal permit by the Department of the Environment.

(iv) “Community solar energy generating system” has the meaning stated in § 7–306.2 of the Public Utilities Article.

(v) “Electric company” has the meaning stated in § 1–101 of the Public Utilities Article.

(2) This subsection applies through the life cycle of a community solar energy generating system that:

(i) is placed in service after June 30, 2022; and

(ii) has been approved on or before December 31, [2025] **2030**, by the Public Service Commission under § 7–306.2 of the Public Utilities Article.

(3) Personal property is exempt from county or municipal corporation property tax if the property is machinery or equipment that is part of a community solar energy generating system that:

(i) has a generating capacity that does not exceed ~~2~~ **5** megawatts as measured by the alternating current rating of the system’s inverter;

(ii) provides at least 50% of the energy it produces to low- or moderate-income customers at a cost that is at least 20% less than the amount charged by the electric company that serves the area where the community solar energy generating system is located; and

(iii) 1. is used for agrivoltaics; or

2. is installed on a rooftop, brownfield, parking facility canopy, landfill, or clean fill.

(4) On or before October 1 each year, the Department shall report to the Senate Budget and Taxation Committee and the House Ways and Means Committee, in accordance with § 2–1257 of the State Government Article, on the number and location of projects that, in the immediately preceding taxable year, have received the exemption under this subsection.

7–249.

1 **(A) THIS SECTION APPLIES ONLY TO NONRESIDENTIAL SOLAR ENERGY**
2 **GENERATING SYSTEMS THAT ARE APPROVED BY THE PUBLIC SERVICE COMMISSION**
3 **UNDER § 7-207 OR § 7-207.1 OF THE PUBLIC UTILITIES ARTICLE ON OR AFTER**
4 **JULY 1, 2024.**

5 **(B) NONRESIDENTIAL SOLAR ENERGY GENERATING SYSTEMS THAT ARE**
6 **CONSTRUCTED ON THE ROOFTOPS OF BUILDINGS OR ON PARKING FACILITY**
7 **CANOPIES ARE NOT SUBJECT TO VALUATION OR TO PROPERTY TAX.**

8 **7-250.**

9 **(A) THIS SECTION APPLIES ONLY TO REAL PROPERTY THAT INCLUDES A**
10 **PARKING FACILITY ON WHICH A SOLAR ENERGY GENERATING SYSTEM HAS BEEN**
11 **CONSTRUCTED ON ITS CANOPY IF THE SOLAR ENERGY GENERATING SYSTEM HAS**
12 **BEEN APPROVED BY THE PUBLIC SERVICE COMMISSION UNDER § 7-207 OR §**
13 **7-207.1 OF THE PUBLIC UTILITIES ARTICLE ON OR AFTER JULY 1, 2024.**

14 **(B) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY**
15 **REDUCE OR ELIMINATE, BY LAW, THE PERCENTAGE OF THE ASSESSMENT OF ANY**
16 **REAL PROPERTY THAT IS SUBJECT TO THE COUNTY OR MUNICIPAL CORPORATION**
17 **PROPERTY TAX UNDER THIS ARTICLE IF THE REAL PROPERTY INCLUDES A PARKING**
18 **FACILITY ON WHICH A SOLAR ENERGY GENERATING SYSTEM HAS BEEN**
19 **CONSTRUCTED ON ITS CANOPY.**

20 ~~**(B)**~~ **(C)** **(1) A COUNTY OR MUNICIPAL CORPORATION THAT REDUCES**
21 **OR ELIMINATES THE PERCENTAGE OF ASSESSMENT OF TAXABLE REAL PROPERTY**
22 **UNDER SUBSECTION ~~(A)~~ (B) OF THIS SECTION SHALL SUBMIT A COPY OF THE LAW TO**
23 **THE DEPARTMENT.**

24 **(2) IF THE DEPARTMENT RECEIVES A COPY OF THE LAW ON OR**
25 **BEFORE MAY 1, THE CHANGE WILL BE EFFECTIVE FOR THE TAXABLE YEAR**
26 **FOLLOWING THE DATE THE LAW IS ENACTED.**

27 ~~**(C)**~~ **(D)** **IF ANY REAL PROPERTY IS EXEMPT UNDER SUBSECTION ~~(B)~~ (C) OF**
28 **THIS SECTION FROM COUNTY PROPERTY TAX BUT IS SUBJECT TO MUNICIPAL**
29 **CORPORATION PROPERTY TAX, THE DEPARTMENT OR THE SUPERVISOR SHALL**
30 **PROVIDE THE MUNICIPAL CORPORATION WITH THE ASSESSMENT OF THE REAL**
31 **PROPERTY.**

32 ~~**(D)**~~ **(E)** **THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT**
33 **THIS SECTION.**

34 ~~**7-522.**~~

~~THE GOVERNING BODY OF A COUNTY SHALL EXEMPT OR PARTIALLY EXEMPT A GROUND MOUNTED SOLAR ENERGY GENERATING SYSTEM FROM THE COUNTY REAL OR PERSONAL PROPERTY TAX IF THE OWNER OF THE SYSTEM AND THE COUNTY ENTER INTO A PAYMENT IN LIEU OF TAXES AGREEMENT, APPROVED BY ORDINANCE OF THE LEGISLATIVE BODY OF THE COUNTY, THAT SPECIFIES:~~

~~(1) THAT THE OWNER OF THE SYSTEM SHALL PAY TO THE COUNTY EACH YEAR IN LIEU OF THE PAYMENT OF COUNTY REAL OR PERSONAL PROPERTY TAXES DURING THE TERM OF THE AGREEMENT THE SUM OF \$2,500 PER MEGAWATT OF GENERATING CAPACITY OF THE SYSTEM, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER;~~

~~(2) THE TERM OF THE AGREEMENT; AND~~

~~(3) THAT EACH YEAR AFTER THE EXPIRATION OR TERMINATION OF THE AGREEMENT, FULL REAL AND PERSONAL PROPERTY TAXES SHALL BE PAYABLE ON THE PROPERTY.~~

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Public Utilities

7-306.

(g) (1) Except as provided in paragraphs [(6) and (7)] (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.

(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.

[(i)] (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;

1 (2) based on the need to encourage a diversification of the State's energy
2 resource mix to ensure reliability, whether the rated generating capacity limit in subsection
3 (d) of this section should be altered; and

4 (3) other pertinent information.

5 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That a presently existing
6 obligation or contract right may not be impaired in any way by this Act.

7 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
8 be applicable to all taxable years beginning after June 30, 2024.

9 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take
10 effect January 1, 2025.

11 SECTION ~~5~~ 7. AND BE IT FURTHER ENACTED, That, except as provided in
12 Section 6 of this Act, this Act shall take effect June 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.