

SENATE BILL 783

C5, M5, Q1

(4lr2521)

ENROLLED BILL

— *Education, Energy, and the Environment and Budget and Taxation/Economic Matters* —

Introduced by **Senators Elfreth, Augustine, Beidle, Brooks, Feldman, Guzzone, Hester, Hettleman, and Kagan**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

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 **Public Utilities – Solar Energy Systems and Programs, Maryland Strategic**
6 **Energy Investment Fund, and Prevailing Wage**
7 **(Brighter Tomorrow Act)**

8 FOR the purpose of requiring that certain home improvement contracts for the installation
9 of a solar energy generating system on the roof of a building include the installation
10 of a certain wildlife barrier under certain circumstances; *requiring a county or*
11 *municipality to implement certain software for features supporting the tracking and*
12 *approval of residential building permits for certain residential solar energy projects,*
13 *residential energy storage projects, and main electric panel alterations by a certain*

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.

Italics indicate opposite chamber/conference committee amendments.



~~date except under certain circumstances; requiring the Maryland Energy Administration to delay the implementation of or suspend a certain requirement under certain circumstances;~~ altering the maximum generating capacity authorized for certain net metered generating facilities; authorizing an eligible customer-generator participating in certain meter aggregation to receive excess generation from more than one generating system; ~~altering the expiration date of renewable energy credits;~~ requiring the Public Service Commission to establish a Small Solar Energy Generating System Incentive Program to provide certain certified systems with ~~a certain additional percentage of renewable energy credits~~ certain certified SRECs that may be put toward meeting the renewable energy portfolio standard for solar energy; providing that a certified system is eligible to receive ~~an additional percentage of renewable energy credits for the life cycle of the system~~ certain certified SRECs for a certain period of time; requiring an owner of a certain solar energy generating system to pay a certain fee to the Commission; ~~increasing the duration of a certain renewable energy credit under certain circumstances;~~ requiring that certain prevailing wage provisions apply to the construction of a certain ~~certified~~ solar energy generating system ~~unless the system is subject to a certain project labor agreement;~~ *establishing the Customer-Sited Solar Program within the Maryland Energy Administration for the purpose of providing grants to certain eligible customer-generators for certain solar energy generating systems; authorizing a third party to apply for a grant on behalf of an eligible customer-generator under certain circumstances; requiring the Administration to publish certain information regarding the Program; requiring the Administration to develop a certain consumer protection policy; providing for the funding of Program grants from certain fees in the Maryland Strategic Energy Investment Fund; requiring a certain percentage of proceeds received by the Maryland Strategic Energy Investment Fund from certain compliance fees to be credited to a certain account for certain purposes; extending for a certain number of years a certain personal property tax exemption for certain community solar energy generating system projects; exempting certain nonresidential solar generating systems from the State or local real or personal property tax; authorizing a county or municipal corporation to reduce or eliminate an assessment on certain real property on which a certain solar energy generating system is located; applying certain prevailing wage requirements for contractors and subcontractors working on certain projects involving, and traffic control activities related to, any underground gas or electric infrastructure of an investor-owned gas or electric infrastructure project of the company; requiring a county to enter into a certain payment in lieu of taxes agreement with an owner of a certain ground-mounted solar generating facility under certain circumstances;* and generally relating to renewable energy facilities ~~and contracts and tax provisions for renewable energy facilities~~ *and public utility activities.*

BY repealing and reenacting, without amendments,

Article – Business Regulation

Section 8–501(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2023 Supplement)

1 BY adding to
2 Article – Business Regulation
3 Section 8–501(f)
4 Annotated Code of Maryland
5 (2015 Replacement Volume and 2023 Supplement)

6 BY adding to
7 Article – Local Government
8 Section 1–1319
9 Annotated Code of Maryland
10 (2013 Volume and 2023 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Public Utilities
13 Section 7–306(g) and (i), 7–709(d), and 7–712
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2023 Supplement)

16 BY adding to
17 Article – Public Utilities
18 Section 7–306(i) ~~and~~, 7–709.1, and 7–714
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2023 Supplement)

21 BY adding to
22 Article – State Government
23 Section 9–2016 and 9–20B–05(f)(13) and (g–1)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2023 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article – State Government
28 Section 9–20B–05(a) through (c)
29 Annotated Code of Maryland
30 (2021 Replacement Volume and 2023 Supplement)

31 BY repealing and reenacting, with amendments,
32 Article – State Government
33 Section 9–20B–05(f)(12) and (13) and (i)
34 Annotated Code of Maryland
35 (2021 Replacement Volume and 2023 Supplement)

36 BY ~~adding to~~ repealing and reenacting, with amendments,
37 Article – State Government
38 Section 9–20B–05(g–1)
39 Annotated Code of Maryland

(2021 Replacement Volume and 2023 Supplement)

(As enacted by Section 1 of this Act)

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)

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 5–305

Annotated Code of Maryland

(2020 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 – Local Government

1-1319.

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

(2) “ADMINISTRATION” MEANS THE MARYLAND ENERGY ADMINISTRATION.

(3) “RESIDENTIAL ENERGY STORAGE SYSTEM” MEANS A SYSTEM, ON A RESIDENTIAL CUSTOMER’S SIDE OF THE METER, USED TO STORE ELECTRICAL ENERGY, OR MECHANICAL, CHEMICAL, OR THERMAL ENERGY THAT WAS ONCE ELECTRICAL ENERGY, FOR USE AS ELECTRICAL ENERGY AT A LATER DATE OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.

(4) “RESIDENTIAL SOLAR ENERGY SYSTEM” MEANS ANY CONFIGURATION OF SOLAR ENERGY DEVICES THAT COLLECTS AND DISTRIBUTES SOLAR ENERGY FOR THE PURPOSE OF GENERATING ELECTRICITY AND THAT HAS A SINGLE RESIDENTIAL INTERCONNECTION WITH THE ELECTRICAL GRID.

(5) “SOLAR PERMITTING SOFTWARE” MEANS:

(I) THE MOST RECENT VERSION OF A WEB-BASED PLATFORM, DEVELOPED BY THE NATIONAL RENEWABLE ENERGY LABORATORY, THAT PROVIDES A STANDARD PORTAL FOR RECEIVING AND PROCESSING RESIDENTIAL SOLAR ENERGY SYSTEM AND RESIDENTIAL ENERGY STORAGE SYSTEM PERMIT INFORMATION; OR

(II) AUTOMATED SOFTWARE THAT FUNCTIONS TO SUPPORT THE TRACKING AND APPROVAL OF RESIDENTIAL BUILDING PERMITS FOR RESIDENTIAL SOLAR ENERGY SYSTEMS, RESIDENTIAL ENERGY STORAGE SYSTEMS, MAIN ELECTRICAL PANEL UPGRADES, AND MAIN ELECTRICAL PANEL DEVICES.

(B) THIS SECTION APPLIES TO ALL COUNTIES AND MUNICIPALITIES.

(C) SUBJECT TO SUBSECTION (D) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, ON OR BEFORE AUGUST 1, 2025, EACH COUNTY AND MUNICIPALITY SHALL IMPLEMENT SOLAR PERMITTING

SOFTWARE FOR FEATURES SUPPORTING THE TRACKING AND APPROVAL OF
RESIDENTIAL BUILDING PERMITS FOR:

(1) RESIDENTIAL SOLAR ENERGY SYSTEMS;

(2) RESIDENTIAL ENERGY STORAGE SYSTEMS;

(3) MAIN ELECTRIC PANEL UPGRADES; AND

(4) MAIN ELECTRIC PANEL DERATES.

(D) A COUNTY OR MUNICIPALITY MAY NOT BE REQUIRED TO COMPLY WITH
THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION IF:

(1) THE COUNTY OR MUNICIPALITY DOES NOT REQUIRE A PERMIT
FOR:

(I) RESIDENTIAL SOLAR ENERGY SYSTEMS; OR

(II) RESIDENTIAL SOLAR ENERGY SYSTEMS PAIRED WITH A
RESIDENTIAL SOLAR ENERGY STORAGE SYSTEM; OR

(2) AS DETERMINED BY THE ADMINISTRATION, THE AUTOMATED
SOFTWARE IS NO LONGER UPDATED OR MAINTAINED.

(E) THE ADMINISTRATION SHALL DELAY THE INITIAL IMPLEMENTATION OR
SUSPEND THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION IF THERE ARE
INSUFFICIENT STATE OR FEDERAL FUNDS AVAILABLE TO THE ADMINISTRATION TO
PROVIDE FINANCIAL SUPPORT TO A COUNTY OR MUNICIPALITY IMPLEMENTING
SOLAR PERMITTING SOFTWARE AS DEFINED IN SUBSECTION (A)(5)(I) OF THIS
SECTION.

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.

7-709.1.

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

(2) "BROWNFIELD" HAS THE MEANING STATED IN § 7-207 OF THIS TITLE.

1 **(3) “CERTIFIED SREC” MEANS A SOLAR RENEWABLE ENERGY**
2 **CREDIT GENERATED BY A CERTIFIED SYSTEM.**

3 **(4) “CERTIFIED SYSTEM” MEANS A SOLAR ENERGY GENERATING**
4 **SYSTEM CERTIFIED BY THE COMMISSION ~~AS ELIGIBLE TO RECEIVE ADDITIONAL~~**
5 **~~CREDITS UNDER THE PROGRAM~~ UNDER THE PROGRAM TO GENERATE CERTIFIED**
6 **SRECS WITH THE COMPLIANCE VALUE SPECIFIED IN SUBSECTION (C) OF THIS**
7 **SECTION.**

8 **~~(3)~~ (5) “PROGRAM” MEANS THE SMALL SOLAR ENERGY**
9 **GENERATING SYSTEM INCENTIVE PROGRAM.**

10 **(B) THE COMMISSION SHALL ESTABLISH A SMALL SOLAR ENERGY**
11 **GENERATING SYSTEM INCENTIVE PROGRAM.**

12 **~~(C) UNDER THE PROGRAM, SOLAR ENERGY GENERATING SYSTEMS THAT~~**
13 **~~ARE CERTIFIED BY THE COMMISSION IN ACCORDANCE WITH THIS SECTION SHALL~~**
14 **~~BE ELIGIBLE TO RECEIVE ADDITIONAL SOLAR RENEWABLE ENERGY CREDITS AS~~**
15 **~~PROVIDED IN THIS SECTION.~~**

16 **(C) (1) UNDER THE PROGRAM, A CERTIFIED SYSTEM SHALL GENERATE**
17 **CERTIFIED SRECS.**

18 **(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,**
19 **THE PROVISIONS OF THIS SUBTITLE RELATING TO RENEWABLE ENERGY CREDITS**
20 **SHALL APPLY TO CERTIFIED SRECS.**

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

25 **(D) TO BE ELIGIBLE FOR CERTIFICATION UNDER THE PROGRAM, A SOLAR**
26 **ENERGY GENERATING SYSTEM SHALL:**

27 **(1) BE LOCATED IN THE STATE;**

28 **(2) BE ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE**
29 **ENERGY PORTFOLIO STANDARD;**

30 **(3) HAVE A GENERATING CAPACITY OF ~~2~~ 5 MEGAWATTS OR LESS, AS**
31 **MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM’S INVERTER;**
32 **~~AND~~**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (1) ~~330~~ 300 MEGAWATTS FOR SYSTEMS WITH A GENERATING
16 CAPACITY OF LESS THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING
17 CURRENT RATING OF THE SYSTEM'S INVERTER; AND

18 (2) ~~300~~ 270 MEGAWATTS FOR SYSTEMS WITH A GENERATING
19 CAPACITY OF BETWEEN 20 KILOWATTS AND ~~2~~ 5 MEGAWATTS, AS MEASURED BY THE
20 ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER.

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

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

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

28 (I) UP TO \$50 FOR EACH SYSTEM WITH A GENERATING
29 CAPACITY OF LESS THAN 20 KILOWATTS, AS MEASURED BY THE ALTERNATING
30 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~~

~~(II) 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 GENERATE 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 GENERATE 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 – State Government

9–2016.

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

(2) “ELIGIBLE CUSTOMER–GENERATOR” HAS THE MEANING STATED IN § 7–306 OF THE PUBLIC UTILITIES ARTICLE.

(3) “LOW TO MODERATE INCOME” MEANS A HOUSEHOLD WITH AN ANNUAL HOUSEHOLD INCOME AT OR BELOW 150% OF THE AVERAGE MEDIAN INCOME FOR THE STATE.

(4) “PROGRAM” MEANS THE CUSTOMER–SITED SOLAR PROGRAM ESTABLISHED IN THIS SECTION.

(B) THERE IS A CUSTOMER–SITED SOLAR PROGRAM IN THE ADMINISTRATION.

(C) THE PURPOSE OF THE PROGRAM IS TO:

1 (1) INCREASE DEPLOYMENT OF CUSTOMER-SITED SOLAR ENERGY
2 GENERATING SYSTEMS; AND

3 (2) PROVIDE GRANTS TO ELIGIBLE CUSTOMER-GENERATORS THAT
4 HAVE INSTALLED SOLAR ENERGY GENERATING SYSTEMS WITH OR WITHOUT ENERGY
5 STORAGE.

6 (D) (1) THE ADMINISTRATION SHALL:

7 (I) ON OR BEFORE JANUARY 1, 2025, ESTABLISH APPLICATION
8 AND INCOME VERIFICATION PROCEDURES FOR THE PROGRAM; AND

9 (II) AWARD GRANTS FROM THE PROGRAM.

10 (2) AN APPLICANT FOR A GRANT UNDER THIS SECTION SHALL:

11 (I) INCLUDE IN THE APPLICATION AN EXECUTED CONTRACT TO
12 PURCHASE OR LEASE A SOLAR ENERGY GENERATING SYSTEM OR AN EXECUTED
13 POWER PURCHASE AGREEMENT FOR THE SYSTEM;

14 (II) DEMONSTRATE THAT AN AGREEMENT ENTERED INTO
15 BETWEEN A THIRD PARTY AND AN ELIGIBLE CUSTOMER-GENERATOR MEETS THE
16 MINIMUM BENEFITS PUBLISHED UNDER SUBSECTION (J) OF THIS SECTION; AND

17 (III) INCLUDE A SIGNED DISCLOSURE FORM DEVELOPED UNDER
18 SUBSECTION (L) OF THIS SECTION.

19 (E) THE PROGRAM MAY PROVIDE GRANTS TO AN INCOME-VERIFIED
20 ELIGIBLE CUSTOMER-GENERATOR WITH A LOW TO MODERATE INCOME IN AN
21 AMOUNT EQUAL TO \$750 PER KILOWATT OF NAMEPLATE CAPACITY FOR A SOLAR
22 ENERGY GENERATING SYSTEM, UP TO A MAXIMUM OF \$7,500 PER SYSTEM.

23 (F) A GRANT AWARDED UNDER SUBSECTION (E) OF THIS SECTION SHALL BE
24 FUNDED FROM FEES COLLECTED UNDER § 7-705(B)(2)(I)2 OF THE PUBLIC
25 UTILITIES ARTICLE AND ALLOCATED IN ACCORDANCE WITH § 9-20B-05(G-1) OF
26 THIS TITLE.

27 (G) THE ADMINISTRATION SHALL USE THE INCOME VERIFICATION
28 PROCESSES UNDER § 7-306.2(F)(1)(IV)1 THROUGH 6 OF THE PUBLIC UTILITIES
29 ARTICLE TO VERIFY INCOME FOR AN ELIGIBLE CUSTOMER-GENERATOR WITH A LOW
30 TO MODERATE INCOME.

31 (H) A THIRD PARTY MAY:

1 (1) APPLY FOR A GRANT ON BEHALF OF AN ELIGIBLE
2 CUSTOMER-GENERATOR WITH PROOF OF CONSENT FROM THE ELIGIBLE
3 CUSTOMER-GENERATOR; AND

4 (2) BE ASSIGNED A GRANT BY THE ELIGIBLE CUSTOMER-GENERATOR
5 TO ACT ON BEHALF OF THE ELIGIBLE CUSTOMER-GENERATOR.

6 (I) (1) FUNDING USED FOR GRANTS UNDER THIS SECTION SHALL BE
7 MONITORED THROUGH AN APPLICATION PROCESS MAINTAINED BY THE
8 ADMINISTRATION AND VISIBLE ON THE ADMINISTRATION'S WEBSITE.

9 (2) DATA ON THE ADMINISTRATION'S WEBSITE SHALL:

10 (I) INCLUDE THE AMOUNT OF FUNDING AVAILABLE, RESERVED,
11 AND SPENT FOR THE FISCAL YEAR; AND

12 (II) BE UPDATED REGULARLY.

13 (J) THE ADMINISTRATION SHALL PUBLISH:

14 (1) THE DISCLOSURE FORM DEVELOPED UNDER SUBSECTION (L) OF
15 THIS SECTION; AND

16 (2) THE MINIMUM BENEFITS THAT AN ELIGIBLE
17 CUSTOMER-GENERATOR MUST RECEIVE UNDER AN AGREEMENT WITH A THIRD
18 PARTY.

19 (K) A SOLAR ENERGY GENERATING SYSTEM SHALL BE INSTALLED WITHIN
20 180 DAYS AFTER A GRANT UNDER THIS SECTION IS RESERVED BY THE
21 ADMINISTRATION FOR AN ELIGIBLE CUSTOMER-GENERATOR.

22 (L) (1) THE ADMINISTRATION SHALL DEVELOP A CONSUMER
23 PROTECTION POLICY IN CONSULTATION WITH REPRESENTATIVES OF THE
24 CUSTOMER-SITED SOLAR INDUSTRY.

25 (2) THE CONSUMER PROTECTION POLICY DEVELOPED UNDER
26 PARAGRAPH (1) OF THIS SUBSECTION SHALL:

27 (I) INCLUDE A DISCLOSURE FORM FOR SOLAR ENERGY POWER
28 PURCHASE AGREEMENTS, SOLAR ENERGY LEASE AGREEMENTS, AND SOLAR ENERGY
29 LOAN AGREEMENTS THAT MUST BE SIGNED BY AN ELIGIBLE
30 CUSTOMER-GENERATOR BEFORE ENTERING INTO THE AGREEMENT;

(II) FOR A SOLAR ENERGY POWER PURCHASE AGREEMENT OR A SOLAR ENERGY LEASE AGREEMENT, PROHIBIT AN ANNUAL RATE INCREASE OF MORE THAN 3%;

(III) ALLOW A CUSTOMER-GENERATOR TO CANCEL AN AGREEMENT ENTERED INTO WITH A THIRD PARTY UP TO 30 DAYS AFTER SIGNING THE AGREEMENT; AND

(IV) BE EASILY ACCESSIBLE ON THE ADMINISTRATION'S WEBSITE AND SOCIAL MEDIA PLATFORMS.

9-20B-05.

(f) The Administration shall use the Fund:

(12) to provide at least \$500,000 each year to the Resiliency Hub Grant Program Fund under § 9-2011 of this title; [and]

(13) TO PROVIDE GRANTS THROUGH THE CUSTOMER-SITED SOLAR PROGRAM UNDER § 9-2016 OF THIS TITLE; AND

[(13)] (14) to pay the expenses of the Program.

(g-1) [Up to 10% of the proceeds] PROCEEDS received by the Fund from compliance fees under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be ALLOCATED AS FOLLOWS:

(1) BEGINNING IN FISCAL YEAR 2025, AT LEAST 20% OF THE PROCEEDS SHALL BE USED TO PROVIDE GRANTS TO SUPPORT THE INSTALLATION OF NEW SOLAR ENERGY GENERATING SYSTEMS UNDER THE CUSTOMER-SITED SOLAR PROGRAM;

(2) UP TO 10% OF THE PROCEEDS SHALL BE credited to an administrative expense account for costs related to the administration of the Fund;

(3) PROCEEDS COLLECTED BUT UNUSED FROM A PREVIOUS YEAR SHALL BE USED BEFORE PROCEEDS ALLOCATED FOR THE CURRENT YEAR; AND

(4) THE ADMINISTRATION SHALL REALLOCATE TO OTHER AUTHORIZED USES ANY PROCEEDS THAT ARE NOT USED WITHIN 3 FISCAL YEARS AFTER COLLECTION.

(i) (1) Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans and

grants to support the creation of new Tier 1 renewable energy sources in the State that are owned by or directly benefit:

(i) low- to moderate-income communities located in a census tract with an average median income at or below 80% of the average median income for the State; or

(ii) overburdened or underserved communities, as defined in § 1-701 of the Environment Article.

(2) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit:

(i) low- to moderate-income communities located in a census tract with an average median income at or below 80% of the average median income for the State; [or]

(ii) overburdened or underserved communities, as defined in § 1-701 of the Environment Article; OR

(III) HOUSEHOLDS WITH LOW TO MODERATE INCOME, AS DEFINED IN § 9-2016 OF THIS TITLE.

SECTION ~~2~~ 3. 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. 4. 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;

1 (ii) perform or pay for additional tests; or

2 (iii) purchase additional liability insurance.

3 (5) An eligible customer-generator or the eligible customer-generator's
4 assignee shall own and have title to all renewable energy attributes or renewable energy
5 credits associated with any electricity produced by its electric generating system.

6 (6) The Commission may not prohibit the construction or operation of
7 multiple net metered solar energy generating facilities located on separate contiguous lots
8 that are owned by a local government solely because the capacity of the combined net
9 metering systems exceeds the limit established under paragraph (1) of this subsection, if:

10 (i) the net metered solar energy generating facilities are intended to
11 be used solely for the benefit of the local government;

12 (ii) the total capacity of the net metered solar energy generating
13 facilities on the contiguous lots does not exceed 5 megawatts;

14 (iii) the contiguous lots were not subdivided for the purpose of
15 circumventing the limit established under paragraph (1) of this subsection; and

16 (iv) the utility serving the net metered solar energy generating
17 facilities is not an electric cooperative or municipal electric utility.

18 (7) The generating capacity of a community solar energy generating system
19 established under § 7-306.2 of this subtitle that is used for net metering may not exceed 5
20 megawatts.

21 (8) **THE GENERATING CAPACITY OF A NET METERED FACILITY THAT**
22 **IS METER AGGREGATED UNDER § 7-306.3 OF THIS SUBTITLE MAY NOT EXCEED 5**
23 **MEGAWATTS.**

24 (I) **NOTWITHSTANDING THE GENERATING CAPACITY LIMITS ESTABLISHED**
25 **IN SUBSECTION (G) OF THIS SECTION, AN ELIGIBLE CUSTOMER-GENERATOR**
26 **PARTICIPATING IN METER AGGREGATION UNDER § 7-306.2 OR § 7-306.3 OF THIS**
27 **SUBTITLE MAY RECEIVE EXCESS GENERATION FROM MORE THAN ONE GENERATING**
28 **SYSTEM, INCLUDING IF THE COMBINED GENERATING CAPACITY OF ALL NET**
29 **METERED FACILITIES THAT ARE METER AGGREGATED EXCEEDS 5 MEGAWATTS.**

30 [(i)] (J) On or before November 1 of each year, the Commission shall report to
31 the General Assembly, in accordance with § 2-1257 of the State Government Article, on the
32 status of the net metering program under this section, including:

33 (1) the amount of capacity of electric generating facilities owned and
34 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 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Public Utilities

5-305.

(a) This section applies to a project by an investor-owned gas company, electric company, or combination gas and electric company involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company, and any related traffic control activities.

(b) An investor-owned gas company, electric company, or combination gas and electric company shall require a contractor or subcontractor on a project described in subsection (a) of this section to pay its employees not less than the prevailing wage rate determined solely by the Commissioner of Labor and Industry in a process substantially similar to the process established under Title 17, Subtitle 2 of the State Finance and Procurement Article.

(c) In accordance with Title 3, Subtitle 5 of the Labor and Employment Article, the Maryland Department of Labor shall enforce the requirement under subsection (b) of this section for contractors and subcontractors to pay employees not less than the prevailing wage rate determined solely by the Commissioner of Labor and Industry.

~~SECTION 6. AND BE IT FURTHER ENACTED, That nothing in Section 5 of this Act or in § 7-714 of the Public Utilities Article, as enacted by Section 1 of this Act, shall be construed to apply to or be interpreted to have any effect on or application to any contract awarded before June 1, 2024~~ Section 5 of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect contracts for projects by an investor-owned gas company, electric company, or combination gas and electric company involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company, and any related traffic control activities entered into on and after March 1, 2024.

~~SECTION 3. 4. 7.~~ SECTION 4. 7. AND BE IT FURTHER ENACTED, That, except as provided in Section 6 of this Act, a presently existing obligation or contract right may not be impaired in any way by this Act.

~~SECTION 4. 5. 8.~~ SECTION 5. 8. AND BE IT FURTHER ENACTED, That Section 2. 3 of this Act shall be applicable to all taxable years beginning after June 30, 2024.

1 SECTION 9. AND BE IT FURTHER ENACTED, That § 7-714 of the Public Utilities
2 Article, as enacted by Section 1 of this Act, shall be construed to apply only prospectively and
3 may not be applied or interpreted to have any effect on or application to the development of
4 a solar energy generating system begun before the effective date of this Act.

5 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
6 take effect July 1, 2024. It shall remain effective for a period of 3 years and, at the end of
7 June 30, 2027, Section 2 of this Act, with no further action required by the General Assembly,
8 shall be abrogated and of no further force and effect.

9 SECTION ~~6~~ ~~10~~ 11. AND BE IT FURTHER ENACTED, That Section ~~3~~ 4 of this Act
10 shall take effect January 1, 2025.

11 SECTION ~~5~~ ~~7~~ ~~11~~ 12. AND BE IT FURTHER ENACTED, That, except as provided
12 in ~~Section 6~~ Sections ~~9 and 10~~ 10 and 11 of this Act, this Act shall take effect June 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.