Title 20 PUBLIC SERVICE COMMISSION

Subtitle 50 SERVICE SUPPLIED BY ELECTRIC COMPANIES

Chapter 10 Net Energy Metering

Authority: Public Utilities Article, §§ 2-121, 7-306, 7-306.1, and 7-306.3, Annotated Code of Maryland

.07 Meter Aggregation.

A. (text unchanged)
B. Customers Qualifying for Aggregation. [The following] *An* electric utility eligible customer-generator[s are] qualified to request meter aggregation under §A of this regulation *includes*:

(1) (text unchanged)
(2) An eligible customer-generator who is a not-for-profit organization or a not-for-profit business; [or]
(3) (text unchanged)
(4) *An eligible customer-generator who is a unit of State government;*
(5) An eligible customer-generator who is a public senior higher education institution, as defined in the Education Article, §10-101, Annotated Code of Maryland; or
(6) An eligible customer-generator who is a unit of the government of the United States.

Title 20 PUBLIC SERVICE COMMISSION

Subtitle 62 COMMUNITY SOLAR ENERGY GENERATING SYSTEMS

Chapter 02 Subscriber and Subscription Requirements

Authority: Public Utilities Article, §§ 2-121, 7-306, and 7-306.2, Annotated Code of Maryland

.04 Application of Subscription Credits.

A. — B. (text unchanged)

C. Application of Subscription Credits.

(1) — (2) (text unchanged)

(3) Time-Varying Rate Subscription Credits. Upon Commission acceptance of a tariff filed under this subsection, an electric company shall compensate a subscriber on a time-varying rate by:

(a) Converting the kilowatt-hour credits attributable to a subscriber's subscription into a monetary credit;

(b) Determining the value of the monetary credit using a solar generation value profile that is:

(i) Based on the expected average kilowatt-hour output of a representative solar facility during each time-of-use period; and

(ii) Established in the electric company's tariff;

(c) Calculating the billing period monetary credit by multiplying total subscriber kilowatt-hours by a weighted-average rate derived from the:

(i) Solar generation value profile; and

(ii) Corresponding time-of-use energy prices; and

(d) Applying the monetary credit to the subscriber's total billed amount of energy.

.07 Excess Generation.

A. — B. (text unchanged)

C. Alternative for Subscribers on Time-Varying Rates. An electric company shall compensate subscribers under the alternative method in Regulation .04C(3) of this chapter in all of the following ways:

(1) The electric company shall carry forward an excess monetary credit to the next billing period if the credit exceeds the subscriber's total bill; and

(2) The electric company shall pay the subscriber for a remaining annual excess monetary credit, consistent with net excess generation provisions in this regulation.

Proposed Revisions to COMAR 20.62.05

.15 [Subscriber Organization Responsible] *Responsibility* for [the Actions of Its] Agents or Subscription Coordinators.

A. A subscriber organization may use an agent or subscription coordinator to conduct marketing, [or]sales*, or administrative* activities.

B. A subscriber organization is responsible for [any fraudulent, deceptive, or other unlawful marketing performed by its agent or subscription coordinator while marketing or selling subscriptions on behalf of the subscriber organization.] *any unlawful activity, security breach, or administrative failure of an agent or subscription coordinator acting on its behalf.*

C. A subscriber organization shall verify that an agent or subscription coordinator acting on its behalf follows good cybersecurity practice established in COMAR 20.06.01.02B(12).

.21 Financial Security — Subscriber Organizations.

A. Requirement. A subscriber organization shall post financial security with the Commission before participating in the Program.

B. Calculation of Amount. The amount of financial security for a subscriber organization is:

(1) $10,000 for the first megawatt of subscribed capacity; and

(2) $25,000 for each additional megawatt of subscribed capacity.

C. Form of Security. A subscriber organization shall provide financial security in one of the following forms:

(1) A surety bond; or

(2) An irrevocable letter of credit.

D. Duration of Security. The subscriber organization shall maintain financial security until the Commission receives written notice that its final community solar energy generating system is decommissioned.

.22 Financial Security— Subscription Coordinators.

A. Requirement.

(1) A subscription coordinator shall post and maintain financial security with the Commission before performing the functions of a subscription coordinator.

(2) If a subscription coordinator's financial security is cancelled or expires without an approved replacement, the subscription coordinator's authority to operate is immediately suspended.

B. Cybersecurity Insurance.

(1) Insurance Coverage.

(a) As a condition of its authority to operate, a subscription coordinator shall provide a standard certificate of insurance to the Commission. The certificate proves a valid commercial cybersecurity liability insurance policy with a limit of at least $2,000,000 for each incident.

(b) An insurer authorized to write this insurance in Maryland shall issue the insurance policy required under this regulation.

(2) Maintenance of Coverage.

(a) A subscription coordinator shall continuously maintain the cybersecurity liability insurance while authorized by the Commission to operate.

(b) The authority to operate is immediately suspended if a subscription coordinator's cybersecurity liability insurance is cancelled, lapses, or expires. This suspension applies if no approved replacement policy meets the requirements of this regulation.

(3) Notice of Cancellation. A subscription coordinator shall ensure that its cybersecurity liability insurance policy requires 60 days prior written notice to the Commission. This notice is required for a cancellation, lapse, or non-renewal.

(4) Adjustment of Limit.

(a) The Commission may periodically review and adjust the minimum insurance limit required under §B(1)(a) of this regulation.

(b) An adjustment may be based on changes in commercial insurance market conditions, average data breach mitigation expenses, customer account volume, or other factors.

(c) The Commission shall provide a subscription coordinator with at least 180 days prior written notice of an adjustment under this section.

C. Tiered Bonding Amounts. Except as provided in §§D and E of this regulation, a subscription coordinator shall provide financial security. The security amount is based on the total capacity served in Maryland according to the following tiers:

(1) Base Security Tier. If less than 75 percent of its total served capacity is billed under net crediting, a subscription coordinator shall provide security under §C(1)(a)-(e):

(a) Tier 1 for fewer than 3 megawatts alternating current is $50,000;

(b) Tier 2 for 3 to 15 megawatts alternating current is $120,000;

(c) Tier 3 for 15.1 to 60 megawatts alternating current is $250,000;

(d) Tier 4 for 60.1 to 150 megawatts alternating current is $400,000; or

(e) Tier 5 for more than 150 megawatts alternating current is $600,000.

(2) Net Crediting Security Tier. If 75 percent or more of its total served capacity is billed under net crediting, a subscription coordinator shall provide security under §C(2)(a)-(e):

(a) Tier 1 for fewer than 3 megawatts alternating current is $40,000;

(b) Tier 2 for 3 to 15 megawatts alternating current is $90,000;

(c) Tier 3 for 15.1 to 60 megawatts alternating current is $180,000;

(d) Tier 4 for 60.1 to 150 megawatts alternating current is $280,000; or

(e) Tier 5 for more than 150 megawatts alternating current is $420,000.

(3) Cybersecurity Qualification Requirements.

(a) The Commission's Office of Cybersecurity shall formally approve and issue the Cybersecurity Guidance Document. To qualify for the Tiered Bonding Amounts under §§C(1) and (2) of this regulation, a subscription coordinator shall actively comply with the document. The subscription coordinator shall also self-certify compliance after the document is issued.

(b) The Cybersecurity Guidance Document described in §C(3)(a) of this regulation incorporates applicable standards, best practices, and guidelines established under COMAR 20.06.01. These include "good

cybersecurity practice" as defined in COMAR 20.06.01.02B(12). The document also incorporates a subsequent revision or chapter adopted under COMAR 20.06.

(c) If a subscription coordinator fails to self-certify and maintain compliance after the document is issued, the subscription coordinator is not eligible for the Tiered Bonding Amounts. The subscription coordinator shall instead provide financial security based on a standard rate. This rate is $10,000 for the first megawatt of served capacity and $25,000 for each additional megawatt of served capacity.

(d) A subscription coordinator that makes a good faith effort to achieve compliance after receiving a notice of non-compliance remains eligible under §C(3)(a) of this regulation.

D. Individualized Review for Very Large Subscription Coordinators.

(1) A subscription coordinator shall notify the Commission in writing at least 30 days before:

(a) Serving more than 150 megawatts of alternating current CSEGS capacity in Maryland; or

(b) Acquiring a customer portfolio that will result in the subscription coordinator serving more than 150 megawatts of alternating current CSEGS capacity in Maryland.

(2) On receiving the notice required under §D(1) of this regulation, the Commission may conduct an individualized financial and operational review. This review determines if a larger bond amount is necessary, up to a maximum bond of $1,000,000.

(3) A subscription coordinator subject to an individualized review shall submit:

(a) Financial statements for the 2 most recent fiscal years;

(b) Proof of cybersecurity insurance; and

(c) An operational report detailing the total dollar value of customer payments processed in Maryland for the preceding 12 months, if processing payments for subscriber organizations.

E. 5-Year Inflation Adjustment.

(1) The financial security amounts established in this chapter are based on year-end 2025 dollars.

(2) At 5-year intervals, beginning after December 31, 2030, the financial security amounts adjust. The adjustment is based on the Consumer Price Index for All Urban Consumers or an equivalent federal index.

(3) The maximum bond cap established under §D(2) of this regulation adjusts under this section.

(4) An adjusted financial security amount or maximum aggregate cap calculated under this section is rounded up to the nearest $10,000.

F. Form and Conditions of Security.

(1) A subscription coordinator shall provide financial security in the form of a surety bond or an irrevocable letter of credit.

(2) The financial security instrument is required to:

(a) Name the Public Service Commission of Maryland as the obligee;

(b) Be available to satisfy claims for:

(i) Direct customer harm;

(ii) Commission-ordered civil penalties; and

(iii) Final court judgments; and

(c) Require the surety or financial institution to provide the Commission with at least 60 days prior written notice of cancellation or non-renewal.

(3) Letters of Credit. A letter of credit is required to be:

(a) From a domestic, federally insured bank with an investment-grade credit rating;

(b) Irrevocable, payable at sight, and automatically renewed; and

(c) Replaced by the posting entity within 30 days of a non-renewal notice, failing which it is subject to immediate draw by the Commission.

G. Annual Reporting. By March 31 of each year, a subscription coordinator shall file a compliance report with the Commission. The report states the total number of *subscribers served in Maryland as of December 31 of the preceding year.*

COMAR 20.50.10.01

.01 General.

A. Net Energy Metering. An electric company shall provide net metering of electric service to eligible customer-generators using a meter capable of net energy metering [until the rated generating capacity of all eligible customer-generators in the State reaches 1,500 megawatts] *the earlier of:*

(1) The date on which the rated generating capacity owned and operated by eligible customer-generators in the State reaches 3,000 megawatts; or

(2) July 1, 2027.

B. Maximum Size of Electric Generating System — Net Metering. An electric company may not provide net energy metering to an eligible customer-generator operating an electric generating system that has a rated capacity of more than [2 megawatts] *allowed under Public Utilities Article § 7-306, Annotated Code of Maryland.*

C. Micro Combined Heat and Power Electric Generating System. An electric company may not provide net energy metering to an eligible customer-generator operating a micro combined heat and power electric generating system that has a rated capacity of more than 30 kilowatts.

D. Qualifying for Net Energy Metering.

(1) To initially qualify for net energy metering:

(a) An eligible customer-generator shall comply with the provisions of COMAR 20.50.09; [and]

(b) The eligible customer-generator's proposed electric generating system may not exceed 200 percent of the eligible customer-generator's baseline annual usage; and

[Version 1: Supported by Maryland Energy Administration, Maryland Department of Transportation, Howard County, Maryland Rooftop Solar Coalition, SEIA, CHESSA, and CCSA]

(c) An eligible customer-generator shall submit an interconnection application to the electric company on or before July 1, 2027.

[Version 2: Supported by Potomac Edison, PHI, and BGE]

(c) On or before July 1, 2027, an eligible customer-generator shall have received permission to operate from the electric company.

[Version 3: Suggested by Staff]

(c) On or before July 1, 2027, an eligible customer-generator shall have executed an interconnection agreement for net energy metering with the electric company.

(2) If an eligible customer-generator submitted an interconnection application on or before July 1, 2027, but did not execute an agreement by that date, the eligible customer-generator:

(a) May not qualify for net energy metering under §D(1)(c) of this regulation;

(b) Shall take service under the successor net energy metering program; and

(c) Shall receive prioritized review and approval of the interconnection application under the successor net energy metering program.

[also renumber (2) to (3) below]

(2) Upgraded Electric Generating Systems.

(a) When an eligible customer-generator receiving net energy metering proposes an upgrade to an existing electric generating system, an electric company shall re-evaluate the baseline annual usage to determine whether the electric generating system continues to meet the requirements of §D(1)(b) of this regulation.

(b) If the eligible customer-generator's upgraded electric generating system does not meet the requirements of §D(1)(b) of this regulation, an electric company may discontinue net energy metering.

E. Statewide 3,000 Megawatt Cap Reconciliation and Data Reporting.

(1) *Monthly Operational Capacity Reports.*

(a) This subsection applies beginning January 1, 2027, to each electric company operating in the State.

(b) Net Energy Metering Reporting Frequency

(i) An electric company shall submit a monthly net energy metering capacity report to the Commission.

(ii) The Commission may change the frequency of an electric company's reporting requirement by Order.

(c) An electric company shall submit the report not later than 30 days after the end of each calendar month.

(d) An electric company shall include in the monthly net energy metering capacity report all of the following data, with capacity measured in kilowatts alternating current:

(i) The cumulative installed capacity of operational eligible customer-generators under the standard net energy metering program;

(ii) The cumulative installed capacity of operational community solar energy generating systems under the standard net energy metering program;

(iii) The capacity associated with active capacity reservations for eligible customer-generators and community solar energy generating systems meeting the grandfathering requirements under Public Utilities Article, §7-306, Annotated Code of Maryland;

(iv) The community solar program queue positions with effective date of grant and initial interconnection deposit payment dates for projects seeking or eligible for standard net energy metering program status under the grandfathering provisions of Public Utilities Article, §7-306, Annotated Code of Maryland;

(v) Beginning July 1, 2027, the cumulative operational and reserved capacity under the successor net energy metering program to ensure compliance with the combined 6,000 megawatt limit; and

(vi) Other information that the Commission requires.

(2) *Action When Cap Approached.*

(a) The Commission may direct its technical staff to monitor and project statewide operational capacity and the total capacity which has achieved grandfathering under PUA 7-306(d)(2) using the monthly reports submitted under §E(1) of this regulation or other information available to the technical staff.

(b) If the Commission's technical staff determines that total statewide net energy metering operational capacity is likely to exceed 3,000 megawatts alternating current before July 1, 2027, or the technical staff projects that the capacity of qualifying grandfathers projects will combined with operating capacity, exceed 3,000 megawatts alternating current, the technical staff may petition the Commission to address compliance with Public Utilities Article §7-306.

(c) On receiving a petition, the Commission may take action the Commission considers appropriate, including but not limited to instituting a proceeding to consider further measures to limit net energy metering program capacity to 3000 megawatts alternating current.

F. Continued Eligibility for Net Energy Metering Under Public Utilities Article, § 7-306.

(1) An eligible customer-generator that, on July 1, 2027, is under a net energy metering contract or tariff under Public Utilities Article, § 7-306 shall remain eligible for net energy metering under Public Utilities Article, § 7-306 until the earliest of when:

(a) The system is decommissioned in accordance with Public Utilities Article, § 7-218(g);

(b) The system is modified to increase:

(i) The net power flow injection into the electric system due to the addition of more photovoltaic modules than were present as of the date the system was originally placed in service; or

(ii) The alternating current output capacity to be more than when the system was originally placed in service;

(c) The system enters into a new interconnection agreement; or

(d) The system is repowered, as defined in Public Utilities Article, § 7-306.

(2) On the occurrence of any event described in §E(1)(a) through (d) of this regulation, the eligible customer-generator shall no longer be eligible for net energy metering under Public Utilities Article, § 7-306 and shall be eligible to apply to the net energy metering successor program established by the Commission under Public Utilities Article, § 7-306.4.

COMAR 20.50.10.09

.09 Equipment Replacement

A. Recordkeeping of Equipment Replacements for Community Solar Energy Generating Systems and Eligible Customer-Generators.

(1) The owner or operator of a community solar energy generating system or an electric generator of one megawatt of alternating current capacity or larger serving an eligible customer-generator that is receiving net energy metering under Public Utilities Article, § 7-306 shall maintain records documenting any replacement, after the generating facility is placed in

service, of:

(a) Photovoltaic modules;

(b) Inverters;

(c) Transformers; or

(d) Any other equipment the replacement of which alters the nameplate direct current capacity or nameplate alternating current output capacity of the generating facility.

(2) For each replacement described in §A(1) of this regulation, the records shall include:

(a) The date the replacement equipment was installed;

(b) The manufacturer, model, and nameplate rating of the equipment removed;

(c) The manufacturer, model, and nameplate rating of the equipment installed;

(d) The quantity of units removed and installed;

(e) A description of the reason for the replacement; and

(f) Any additional information required by the Commission.

(3) The owner or operator of a community solar energy generating system or an electric generator of one megawatt of alternating current capacity or larger serving an eligible customer-generator shall do both of the following:

(a) retain the records required under this section for as long as the community solar energy generating system or electric generator of one megawatt of alternating current capacity or larger serving an eligible customer-generator receives net energy metering under Public Utilities Article, § 7-306; and

(b) notify the electric company if the community solar energy generating system is repowered, as defined in Public Utilities Article, § 7-306(a)(11).

(4) On receipt of a repowering notice from a community solar energy generating systems the electric company shall switch the system to the current available net metering tariff or contract.

(5) The owner or operator of a community solar energy generating system or an electric generator of one megawatt of alternating current capacity or larger serving an eligible customer-generator shall provide the records required under this section to the Commission upon request.

B. Facilities Smaller than 1 Megawatt of Alternating Current.

(1) An eligible customer generator with an electric generator smaller than one megawatt of alternating current capacity shall notify the electric company if the customer's net energy metering system is repowered, as defined in Public Utilities Article, § 7-306(a)(11), Annotated Code of Maryland.

(2) On receipt of a repowering notice from an eligible customer-generator, the electric company shall switch the customer to the current available net metering tariff or contract.

(3) Except as provided in §B(4) of this regulation, an eligible customer-generator with an electric generator smaller than one megawatt of alternating current capacity shall maintain records of replacements of photovoltaic modules except for replacements that are exempt from the repowered definition in Public Utilities Article, § 7-306(a)(11), Annotated Code of Maryland.

(4) The recordkeeping and equipment replacement requirements in this §B(3) of this regulation shall not apply to an eligible customer-generator with an electric generator smaller than 100 kilowatts of alternating current capacity.

COMAR 20.62.01.02

.02 Definitions.

A. In this subtitle the following terms have the meanings indicated.

B. Terms Defined.

(X) "Placed in service" means a CSEGS has received a permission to operate notice from an electric company under COMAR 20.50.09.

(X) "Repowered" has the meaning stated in Public Utilities Article, §7-306, Annotated Code of Maryland.

COMAR 20.62.03.04

.04 Program Queue

D. Project Website Information. An electric company shall provide a list of information on its website about the current status of its program queue, including the following information:

(1) Name of the subscriber organization;

(2) Service address of the project;

(3) Proposed capacity of the project;

(4) Application date;

(5) Status of application (accepted, withdrawn, or removed) and date such action occurred;

(6) Interconnection application status;

(7) Expected date of first operation;

(8) Operation deadline under § C of this regulation;

(9) Project identification number;

(10) CSEGS identification number; [and]

(11) Project status (reserved, in-service, or withdrawn)*;*

(12) Whether the CSEGS received a community solar program queue position under Public Utilities Article, § 7-306.2, Annotated Code of Maryland on or before July 1, 2027;

(13) Whether the CSEGS paid a deposit to the electric company equal to at least 50% of the electric company's estimate of all necessary interconnection fees on or before July 1, 2027; and

(14) Whether the CSEGS was placed in service on or before July 1, 2030.

.01 CSEGS [Data] *Program Management.*

A. An electric company shall provide the Commission with data necessary to monitor the program status, impact on operations, and other information [up]on request.

B. Capacity Sub-Caps for Electric Companies with a 2025 Annual Peak Demand of 2,500 Megawatts or Less.

(1) The combined net energy metering alternating current capacity limit for CSEGS placed in service after April 1, 2026, in addition to community solar energy generating systems that satisfy the requirements of §C(1)(a) and (b) of this regulation but are not yet placed in service, shall be limited in the service territories of Potomac Edison and Delmarva Power and Light to amounts set by the Commission by order or electric company tariff accepted for filing by the Commission under to Public Utilities Article, § 7-306(d)(3)(i) for Potomac Edison and Delmarva Power and Light.

(2) A CSEGS holding a queue position in the Program in the electric company's service territory that is placed in service on or after April 1, 2026, shall continue to count toward the capacity limit established under §B(1) of this regulation.

(3) If the total AC capacity of all community solar energy generating systems placed in service since April 1, 2026, in addition to community solar energy generating systems that satisfy the requirements of §C(1)(a) and (b) of this regulation but are not yet placed in service, exceeds the capacity limit under §B(1) of this regulation for an electric company, the electric company shall:

(a) Close the net energy metering contract or tariff under Public Utilities Article, §7-306, Annotated Code of Maryland to any CSEGS that do not already hold queue positions;

(b) Notify the Commission that the capacity limit has been reached; and

(c) Continue accepting additional CSEGS into the Program queue or waitlist for participation in the net energy metering successor program established by the Commission under Public Utilities Article, §7-306, Annotated Code of Maryland when it becomes available.

C. CSEGS Grandfathering Criteria.

(1) A CSEGS that is placed in service after July 1, 2027, shall be eligible for net energy metering under Public Utilities Article, § 7-306, Annotated Code of Maryland provided that the 3,000 megawatt statewide cap under Public Utilities Article, § 7-306(d)(1)(i), Annotated Code of Maryland has not been met and the following conditions are satisfied:

(a) The CSEGS received a community solar program queue position under Public Utilities Article, § 7-306.2 on or before July 1, 2027;

(b) The CSEGS paid a deposit to the electric company equal to at least 50% of the electric company's estimate of all necessary interconnection fees on or before July 1, 2027;

(c) The CSEGS is placed in service on or before July 1, 2030; and

(d) If applicable, the electric company in whose service territory the community solar energy generating system is located had not met the net energy metering capacity limit under §B(1) of this regulation when the community solar energy generating system satisfied the requirements of §C(1)(a) and (b) of this regulation.

(2) An electric company shall maintain a database of the progress of each CSEGS in meeting the requirements of §C(1) of this regulation.

(3) If the Commission does not implement a successor program under Public Utilities Article, § 7-306.4 by July 1, 2027, a CSEGS that has not been placed in service by July 1, 2027, but meets the requirements of §C(1)(a) and (b) of this regulation, shall be eligible for net energy metering under Public Utilities Article, § 7-306 if it is placed in service on or before 3 years after the date that the successor program is implemented.

(4) The Commission may grant an extension to the deadlines under §C(1)(a), §C(1)(b,) and §C(1)(c) of this regulation if the CSEGS was unable to meet the applicable deadline due to any of the following reasons:

(a) A force majeure event, as determined by the Commission;

(b) Failure by a government or municipal authority to timely complete an action necessary to authorize or enable any portion of the project construction;

(c) Failure of an electric company to comply with a Commission order, regulation, statute, or tariff; or

(d) The system is ready to be placed in service and is waiting only on the electric company to grant the system permission to operate.

D. Continued Eligibility for Net Energy Metering Under Public Utilities Article, § 7-306.

(1) A CSEGS placed in service on or before July 1, 2027 or that was not placed in service by July 1, 2027 but that met the grandfathering requirements of §C(1) shall remain eligible for net energy metering under Public Utilities Article, § 7-306 until the earliest of when:

(a) The CSEGS is decommissioned in accordance with Public Utilities Article, § 7-218(g);

(b) The CSEGS is modified to increase:

(i) The net power flow injection into the electric system due to the addition of more photovoltaic modules than were present as of the date the system was originally placed in service; or

(ii) The alternating current output capacity to be more than when the CSEGS was originally placed in service;

(c) The CSEGS enters into a new interconnection agreement; or

(d) The CSEGS is repowered.

(2) On the occurrence of any event described in §D(1)(a) through (d) of this regulation, the CSEGS shall no longer be eligible for net energy metering under Public Utilities Article, § 7-306 and shall be eligible to apply to the net energy metering successor program established by the Commission under Public Utilities Article, § 7-306.4.

E. The Commission may direct the electric companies to close the Program to additional CSEGS receiving net energy metering treatment under Public Utilities Article, § 7-306 if the rated generating capacity owned and operated by eligible customer–generators in the State reaches 3,000 megawatts under Public Utilities Article, § 7-306(d)(1).

LMI Compliance – OPC Proposal, revisions 6.2.26

20.62.01.02 – Definitions

…

(XX) "Credit allocation period" means the 12-month period that an electric company must bank bill credits associated with unsubscribed energy from a CSEGS under Public Utilities Article, §7-306.2(d)(7)(i), Annotated Code of Maryland.

(XX) "LMI shortfall" means the amount of CSEGS kilowatt-hour output in an electric company billing period that is necessary to meet the applicable minimum LMI subscriber requirement and is maintained as banked bill credits for allocation to LMI subscribers during the associated credit allocation period.

(XX) "Minimum LMI subscriber requirement" means the minimum LMI subscriber requirement provided in Public Utilities Article § 7-306.2(a)(4)(ix), the minimum LMI subscriber requirement applicable to a CSEGS approved under the Pilot Program, or any other minimum LMI subscriber requirement applicable under the Public Utilities Article, a Commission order, or COMAR.

…

20.62.03.03 – Project Application Process

…

D. Low and Moderate Income Verification

…

(4) A subscriber organization or subscription coordinator shall:

(a) Verify the eligibility of an LMI subscriber in accordance with §D(1) of this regulation;

(b) Retain records of*:*

(i) each determination of eligibility for an LMI subscriber*;*
(ii) for each electric company billing period, compliance or failure to comply with any applicable minimum LMI subscriber requirement; and
(iii) for each electric company billing period, banked bill credits associated with an LMI shortfall and whether, by the end of the associated credits' allocation periods, these banked credits are reallocated to LMI subscribers, reallocated to non-LMI subscribers,

or purchased by the electric company as required by Public Utilities Article § 7-306.2(d)(7)(ii); and

(c) Make records ~~*of determination of eligibility*~~ *required by §D(4)(b) of this regulation* available to the Commission*, Maryland Energy Administration, and the Office of People's Counsel* on request.

20.62.03.10 – Minimum LMI Subscriber Requirements [NEW REGULATION]

A. Scope.

The requirements of this regulation apply only to a CSEGS subject to a minimum LMI subscriber requirement.

B. LMI Shortfall.

(1) If, during an electric company billing period, the total allocation to LMI subscribers is below the applicable minimum LMI subscriber requirement, a subscriber organization shall track the portion of unsubscribed kilowatt-hour output associated with that LMI shortfall for treatment by the electric company as banked bill credits until the earlier of:

(a) the date the kilowatt-hour output is allocated to an LMI subscriber;
(b) the date the LMI shortfall kilowatt-hour output is allocated to one or more non-LMI subscribers, subject to the requirements of §C of this regulation; or
(c) the end of the associated credit allocation period, at which point the kilowatt-hour output shall be purchased by the electric company as required by Public Utilities Article § 7-306.2(d)(7)(ii).

(2) A subscriber organization or subscription coordinator shall make good faith efforts to enroll and maintain LMI subscribers to meet the minimum LMI subscriber requirement by the end of each associated credit allocation period.

C. Office of Home Energy Programs Payment for LMI Shortfall.
(1) For the first twelve billing periods of a CSEGS LMI shortfall, a subscriber organization shall maintain LMI shortfall bill credits for the credit allocation periods applicable to those shortfall bill credits until the electric company pays the subscriber organization for the banked credits under §B(1)(c) of this regulation.

(2) After the first 12 electric company billing periods that a CSEGS operates with an LMI shortfall, a subscriber organization may use any of the options available under §B(1) of this regulation.

(3) A subscriber organization shall make a payment to the Office of Home Energy Programs equal to twenty-five percent of the value of LMI shortfall bill credits allocated to non-LMI subscribers pursuant to §B(1)(b) of this Regulation and the payment shall be calculated by the subscriber organization based on the value of the monetary value of the bill credits that the non-LMI subscribers receive.

(4) On or before February 1 of each year, a subscriber organization shall submit any payment to the Office of Home Energy Programs for all LMI shortfall payment obligations that accrued during the prior calendar year under §C(3) of this regulation and maintain a record of such payment, which shall be provided to the Commission upon request.

Proposed Changes to COMAR 20.62.01

COMAR 20.62.01.01

No changes.

COMAR 20.62.01.02

.02 Definitions

A. In this subtitle the following terms have the meanings indicated.

B. Terms Defined.

(1) "Affiliate" means a person that directly or indirectly, or through one or more intermediaries, controls, is controlled by, or is under common control with, or has, directly or indirectly, any economic interest in another person.

([1]*2*) Agent.

(a) "Agent" means a person who conducts marketing or sales activities, or both, on behalf of a subscriber organization or subscription coordinator. Agent includes an employee, a representative, an independent contractor and a vendor.

(b) "Agent" includes subcontractors, employees, vendors and representatives not directly under contract with the subscriber organization or subscription coordinator that conducts marketing or sales activities on behalf or for the benefit of the subscriber organization or subscription coordinator.

(c) "Agent" does not include a member of a neighborhood association, church, nonprofit organization, or other community organization that is a subscriber organization when the member is conducting marketing or sales activities on behalf of the subscriber organization to fellow members and is not receiving any compensation for those marketing or sales activities.

([2]*3*) "Agrivoltaics" has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([3]*4*) "Baseline annual usage" has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([4]*5*) "Brownfield" means one of the following:

(a) A former industrial or commercial site identified by federal or State laws or regulations as contaminated or polluted;

(b) A closed municipal or rubble landfill regulated under a refuse disposal permit by the Maryland Department of the Environment; or

(c) "Mined lands" as defined in COMAR 26.21.01.01B.

([5]*6*) "CAD" means the Consumer Affairs Division within the Commission pursuant to COMAR 20.32.01.02B(2).

([6]*7*) "Clean fill site" means a closed filling operation exempt from regulation by the Maryland Department of the Environment under COMAR 26.04.07.04C(5) for which a subscriber organization has provided documentation from a local authority having jurisdiction that the filling operation meets the exemption criteria under COMAR 26.04.07.04C(5).

([7]*8*) "Commission" means the Public Service Commission of Maryland.

([8]*9*) "Community solar energy generating system" has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([9]*10*) "Consent" means an agreement with an action communicated by the following:

(a) A written document with customer signature; or

(b) An electronic document with electronic signature.

([10]*11*) "Consumer" or "customer" means a retail electric customer account holder of a regulated electric company.

([11]*12*) "Contract summary" means a summary of the material terms and conditions of a community solar program subscriber contract on a form provided by the Commission.

([12]*13*) "CSEGS" means a Community solar energy generating system.

([13]*14*) "Ecologically compromised" means a parcel certified in writing by the state, a county, or a municipal corporation as:

(a) Having suffered harm or damage that has resulted in a substantial disruption to the land's natural processes, biodiversity, or ecological integrity; and

(b) Not targeted for mitigation or restoration.

([14]*15*) "Ecologically compromised" does not include the portions of a parcel:

(a) That can support agricultural operations; or

(b) Not certified by the state, a county, or municipal corporation as qualifying under paragraph (a) of this subsection.

([15]*16*) “Electric company” has the meaning stated in Public Utilities Article, §1-101, Annotated Code of Maryland.

([16]*17*) “Electronic transaction” means a standardized data protocol or electronic transmission medium that has been accepted by the Commission for use in Maryland.

([17]*18*) “Forest cover” has the meaning stated in Natural Resources Article, §5-1601, Annotated Code of Maryland.

([18]*19*) “LMI subscriber” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([19]*20*) “Low income” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([20]*21*) “Moderate income” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([21]*22*) “Net tract area” has the meaning stated in Natural Resources Article, §5-1601, Annotated Code of Maryland.

([22]*23*) “Overburdened community” has the meaning stated in Environmental Article, §1-701, Annotated Code of Maryland.

([23]*24*) “Personally identifiable information” means information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information that is linked or capable of being linked to a specific individual.

([24]*25*) “Pilot program” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([25]*26*) “Program” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([26]*27*) “Public event” means an event open to the public where subscriptions to a community solar energy generation system are marketed or sold.

([27]*28*) “Queue” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([28]*29*) “Reforestation” has the meaning stated in Natural Resources Article, §5-1601, Annotated Code of Maryland.

([29]*30*) “Security deposit” means any payment of money given to a subscriber organization by a subscriber in order to protect the subscriber organization against nonpayment of future subscription fees, but does not include escrowed prepaid subscription fees.

([30]*31*) “Subscriber” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([31]*32*) “Subscriber organization” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([32]*33*) “Subscription” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([33]*34*) “Subscription coordinator” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([34]*35*) “Tree” has the meaning stated in Natural Resources Article, §5-1601, Annotated Code of Maryland.

([35]*36*) “Underserved community” has the meaning stated in Environmental Article, §1-701, Annotated Code of Maryland.

([36]*37*) “Unsubscribed energy” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([37]*38*) “Utility” means an electric company as defined in Public Utilities Article, §1-101, Annotated Code of Maryland.

([38]*39*) “Virtual net energy metering” has the meaning stated in Public Utilities Article, §7-306.2, Annotated Code of Maryland.

([39]*40*) “Virtual net excess generation” means the amount of electricity generated by a CSEGS and attributed to a subscriber that would result in a negative kilowatt–hour reading at the end of the subscriber’s billing cycle if applied to the subscriber’s bill by the electric company as a reduction in metered kilowatt-hours.

Proposed New Regulation to COMAR 20.62.03

.10 Local Government Participation as a Subscriber Organization or Subscription Coordinator.

A. General.

(1) A local or municipal government may participate in the Program as a subscriber organization, a subscription coordinator, or both, if it complies with the requirements of this subtitle.

(2) Except as otherwise provided in this regulation, a local or municipal government participating in the Program is subject to all regulations, orders, and standards applicable to a non-governmental subscriber organization or subscription coordinator and may not raise immunity that may arise under State or local laws.

(3) Local government participation is separated into two processes and sets of requirements based on an initial cap on their participation. For development of up to 10 megawatts alternating current per individual jurisdiction, a local or municipal government may follow the process and requirements in §B of this regulation only. If the 10 megawatts alternating current cap is exceeded, the local or municipal government shall follow the process and requirements in §§C-E of this regulation.

B. Admission Process Under the Per-Jurisdiction Cap. A local or municipal government seeking to perform the functions of a subscriber organization or subscription coordinator for 10 megawatts alternating current of community solar capacity or less shall do all of the following:

(1) Apply with the Commission on forms authorized by the Commission;

(2) Execute a formal acknowledgment, in a form approved by the Commission, of the Commission's plenary jurisdiction over the local or municipal government's participation in the Program, including a waiver of governmental immunity solely for the purpose of Program enforcement and the assessment of civil penalties;

(3) Instead of the surety bond requirements set forth in COMAR 20.62.05.21 and .22, a local or municipal government may provide financial security in the form of an unconditional letter of guarantee. The letter of guarantee provided under this section shall do both of the following:

(a) Be backed by a dedicated reserve fund or a self-insurance program; and

(b) Be accompanied by a certificate of the local or municipal government’s current bond rating; and

(4) Meet the requirements in §§G-J of this regulation.

C. Admission Process Over the Per-Jurisdiction Cap. A local or municipal government seeking to perform the functions of a subscriber organization or subscription coordinator for over 10 megawatts alternating current of community solar capacity shall do all of the following:

(1) Apply with the Commission on forms authorized by the Commission;

(2) Provide a certified copy of the legislative act, ordinance, or resolution required under §D of this regulation; and

(3) Execute a formal acknowledgment, in a form approved by the Commission, of the Commission's plenary jurisdiction over the local or municipal government's participation in the Program, including a waiver of governmental immunity solely for the purpose of Program enforcement and the assessment of civil penalties.

D. Legislative Act Requirements.

(1) A local or municipal government shall provide a certified copy of the authorizing act, ordinance, or resolution, that includes:

(a) A statement of the local or municipal government's intent to participate in the Program as a subscriber organization or subscription coordinator;

(b) The designation of the specific department, agency, or office authorized to manage Program operations on behalf of the local or municipal government;

(c) Authorization for the local or municipal government to execute a letter of guarantee or other financial security instrument required by the Commission; and

(d) Authorization for the creation of a segregated fund or equivalent accounting mechanism as required under §F of this regulation.

(2) For the purposes of this regulation, "certified copy" means a copy of the original document that includes:

(a) The official seal of the local or municipal government; and

(b) A signed attestation by the clerk of the court, secretary to the council, city clerk, or other authorized official stating that the document is a true and correct copy of the act as enacted or adopted.

E. Financial Security for Local Governments.

(1) Instead of the surety bond requirements set forth in COMAR 20.62.05.21 and COMAR 20.62.05.22, a local or municipal government may provide financial security in the form of an unconditional letter of guarantee.

(2) A Letter of Guarantee provided under this section shall:

(a) Be backed by a dedicated reserve fund or a self-insurance program; and

*** Non-consensus language below in red ***

(b) Include a "first demand" clause allowing the Commission to draw funds immediately on a finding of a violation of this subtitle; and

****

(c) Be accompanied by a certificate of the local or municipal government's current bond rating.

F. Fiscal Guardrails and Market Parity.

(1) A local or municipal government shall use a segregated fund or an equivalent accounting mechanism to ensure that Program funds are separated from general tax revenues.

(2) A local or municipal government may not use general fund tax revenues beyond reasonable expenses such as staff time, office space for Program administration, or other in-kind or indirect costs to subsidize the operations of its community solar program.

(3) A local or municipal government shall file an annual financial disclosure with the Commission demonstrating compliance with the fiscal separation requirements of §F of this regulation.

G. Operational and Residency Requirements.

(1) A local or municipal government participating in the Program may not limit subscriptions to its own residents and shall allow an eligible customer within the applicable electric company service territory to subscribe to its community solar energy generating system.

(2) A local or municipal government shall:

(a) Designate a primary point of contact for interactions with the Commission and the electric company; and

(b) Except as required by law, comply with the data privacy and protection standards set forth in COMAR 20.62.05.10.

H. Enforcement and Compliance.

(1) The local or municipal government shall make records of its community solar operations funding available to the Commission on request.

(2) If the Commission finds that a local or municipal government has violated the fiscal guardrails or operational requirements of this regulation, the Commission may:

(a) Suspend or revoke the local or municipal government's authority to participate in the Program;

(b) Assess civil penalties under Public Utilities Article, § 13-201, Annotated Code of Maryland; or

(c) Make a demand on the Letter of Guarantee provided under this regulation.

(3) The local or municipal government enjoys all the procedural rights as provided for in Subtitle 07, Chapters 1-3 of this title.

I. Third-Party Agents. A local or municipal government is responsible for ensuring that a third-party agent or contractor it engages to perform marketing or sales activities complies with the training and identification standards set forth in COMAR 20.62.05.17-18.

J. Data Collection and Reporting for Local Governments.

(1) A local or municipal government shall maintain records of the following and shall make them available to the Commission on request:

(a) The total number of residential and commercial subscribers served, categorized by residency within or outside the jurisdiction's boundaries;

(b) The total annual dollar value of customer payments processed and bill credits managed; and

(c) A summary of customer complaints filed with the local or municipal government and their resolution.

(2) A local or municipal government shall provide additional financial or operational data requested by Commission staff within 30 days of the request.

Proposed New Chapter: COMAR 20.62.07

20.62.07 Community Solar for Master-Metered Residential Facilities.

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Credit allocation method" means a methodology used by a master meter subscriber to calculate and distribute the tangible economic benefits of community solar net metering credits to tenant subscribers.

(2) "Master meter subscriber" means the customer of record for a utility master meter that serves a residential apartment house or other multi-unit residential building in the State.

(3) "Tenant subscriber" means a residential tenant or occupant of a master-metered facility who is allocated a share of the benefit from a community solar subscription held by the master meter subscriber.

(4) “Benefits Plan” means a written plan submitted by a master meter subscriber to the Commission that details how the financial benefits of a community solar energy generating system subscription will be allocated to residents or tenants of the facility.

.02 General Requirements.

A. A master meter subscriber may subscribe to a community solar energy generating system and allocate the benefits to tenant subscribers in accordance with this chapter.

B. A master meter subscriber shall ensure that the financial benefits of a community solar energy generating system subscription are passed on to the residents or tenants of the facility in the form of specific, substantial, identifiable, and quantifiable long-term benefits.

C. (1) A master meter subscriber may not profit from the allocation of community solar credits to tenants.

(2) A Subscription Coordinator or Subscriber Organization may compensate a master meter subscriber for costs associated with subscription administration including the allocation of credits to tenants.

D. The provisions of this Section apply prospectively only and may not be applied retroactively. Any subscription agreements, contracts, or other binding arrangements for applicable buildings executed before the effective date of this Section may not be required to comply with or be modified to implement the requirements set forth herein.

E. For purposes of this Section, applicability is limited solely to residential master-metered facilities. No other customer classes or facility types shall be subject to the requirements of this Section.

.03 Approved Credit Allocation Methods.

A. A master meter subscriber shall select and apply a credit allocation method in accordance with this subsection.

B. Submetered Allocation. In a facility equipped with submeters pursuant to Public Utilities Article, §7–303, Annotated Code of Maryland, and COMAR 20.25, the master meter subscriber shall allocate credits to each tenant subscriber on a pro-rata basis according to the tenant's individual, metered electricity consumption as a percentage of the total consumption of all tenant subscribers.

C. Energy Allocation System. In a facility equipped with an Energy Allocation System pursuant to Public Utilities Article PUA § 7–304 and allocation procedure as approved by the Commission, the master meter subscriber shall allocate credits to each tenant subscriber on a pro-rata basis according to the existing energy allocation procedure approved by the Commission.

D. Non-metered or measured Allocation. In a facility not equipped with tenant submeters and without an approved Energy Allocation System, the master meter subscriber shall:

(1) Submit a proposed Benefits Plan describing how the projected savings from the subscription will be allocated to the residents or tenants to the Commission for review and approval; and

(2) Use a method that the Commission deems reasonable and fair, which may include, but is not limited to allocation by:

(a) Reduced or stabilized rents;

(b) New staff, services, or programming that directly benefit residents or tenants, including job training and workforce development programs, free or reduced cost high speed internet service, financial literacy programs and services, wellness programs and services, community events and/or support for resident associations, resilience center, non-monetary donations, as defined in Section VI of the relevant HUD guidance;

OPTION (1) - PROPOSED LANGUAGE in 2(c) and 2(d) RETAINED WITHOUT ADDITIONAL LANGUAGE ADDED IN (3)(c) BELOW:

(c) Facility or amenity upgrades beyond required maintenance; or

(d) Other tangible benefits reasonably attributable to the projected community solar energy generating system savings for the master meter subscriber.

(3) The Benefits Plan shall include a certification by the master meter subscriber that:

(a) Residents or tenants may not incur higher rents or fees as a result of participation in the community solar energy generating system;

(b) The building owner may not profit from the allocation of community solar credits to tenants excluding as authorized under Public Utilities Article, §7–303(d)(2)(iii), Annotated Code of Maryland

OPTION (2) - PROPOSED LANGUAGE in 2(c) and 2(d) DELETED WITH ADDITIONAL LANGUAGE ADDED TO (3(c) BELOW:

~~(c) Facility or amenity upgrades beyond required maintenance; or~~

~~(d) Other tangible benefits reasonably attributable to the projected community solar energy generating system savings for the master meter subscriber.~~

(3) The Benefits Plan shall include a certification by the master meter subscriber that:

(a) Residents or tenants may not incur higher rents or fees as a result of participation in the community solar energy generating system;

(b) The building owner may not profit from the allocation of community solar credits excluding as authorized under Public Utilities Article, §7–303(d)(2)(iii), Annotated Code of Maryland; and

(c) Community solar subscription savings may not be applied to facility upgrades, infrastructure improvements, or staffing that would be otherwise covered under normal business operations.

.04 Tenant Billing and Disclosure Requirements.

A. A master meter subscriber shall ensure that all residents or tenants are notified of the facility's participation in a community solar energy generating system and are provided with a description of the benefits to be delivered under the approved Benefits Plan. Notification shall be made in writing and provided:

  a. At the time the master meter subscriber receives their first bill credit; and
  b. Upon any material change to the Benefits Plan that affects the benefits received by the residents or tenants.

B. Notification documents must be submitted to the Public Service Commission as part of the Benefits Plan for review and approval.

C. Notifications shall clearly explain how benefits will be allocated and delivered in accordance with the approved Benefits Plan. Such documents shall include clear instructions for submitting questions or disputes, including escalation to building management, the subscriber coordinator or subscriber organization, and, if unresolved, to the Office of People's Counsel and the Public Service Commission.

Proposed New Regulation for addition to COMAR 20.62.05, Consumer Protection:

.XX Additional Protections for Tenant Subscribers in Master-Metered Facilities.

A. Deposits and Credit Requirements. A master meter subscriber or a community solar provider may not require a security deposit or a credit check from a tenant subscriber as a condition of participation.

B. Lease Provisions. A lease agreement entered into or renewed after a master meter subscriber subscribes to a community solar project shall contain a provision, approved by the Commission, that:

(1) Explains the credit allocation method used pursuant to COMAR 20.62.07; and

(2) Clarifies that the receipt of community solar credits may not be used as a basis for a rent increase.

C. Dispute Resolution. A dispute between a tenant subscriber and a master meter subscriber regarding the allocation of credits or other provisions of COMAR 20.62.07 shall be directed to the Commission's Consumer Affairs Division for investigation and resolution.

Proposed Revisions to COMAR 20.50.10 (NEM) and 20.62.02 (CS)

New Regulation in COMAR 20.50.10

.11 Accrual of Net Excess Generation.

A. Choice of Accrual Period. An eligible customer-generator may elect to accrue net excess generation for:

(1) A period not to exceed 12 months, ending with the billing cycle that is complete immediately before the end of April of each year; or

(2) An indefinite period.

B. April Accrual Cycle.

(1) For an eligible customer-generator electing a 12-month accrual period, the electric company shall carry forward the net excess generation until:

(a) The customer-generator's consumption of electricity from the grid eliminates the net excess generation;

(b) The billing cycle that is complete immediately before the end of April occurs; or

(c) The account is closed.

(2) Payout and Valuation.

(a) On or before 30 days after the billing cycle that is complete immediately before the end of April, the electric company shall pay the customer-generator for the dollar value of any remaining net excess generation.

(b) The dollar value of net excess generation is equal to the generation or commodity portion of the rate that the customer-generator would have been charged, averaged over the previous 12-month period ending with the billing cycle that is complete immediately before the end of April.

C. Indefinite Accrual.

(1) Except for an eligible customer-generator served by a municipal electric utility or an electric cooperative, an electric company shall allow a customer-generator to accrue net excess generation indefinitely.

(2) A customer-generator electing indefinite accrual may not switch back to a 12-month accrual period unless the electric company approves the switch in writing.

(3) The Commission shall establish a method for calculating the value of net excess generation

held under an indefinite accrual election.

D. Payout On Account Closure. Within 15 days after an eligible customer-generator closes an account, the electric company shall pay the customer-generator for the dollar value of any accrued net excess generation remaining at the time of closure, regardless of the selected accrual period.

New Regulation in to COMAR 20.62.02

.12 Virtual Net Excess Generation Accrual.

A. Accrual Election. A subscriber shall elect one of the following accrual periods:

(1) A period not to exceed 12 months ending with the billing cycle that is complete immediately before the end of April of each year; or

(2) An indefinite period.

B. 12-Month Payout Cycle.

(1) For a subscriber electing a 12-month period, the electric company shall issue payment for any remaining virtual net excess generation on or before 30 days after the billing cycle that is complete immediately before the end of April of each year.

(2) An electric company may issue the payment as a bill credit if the total amount is less than $25.

C. Indefinite Accrual.

(1) An electric company shall, for a subscriber electing indefinite accrual, carry forward virtual net excess generation until:

(a) The subscriber's consumption of electricity from the grid eliminates the net excess generation; or

(b) The account is closed.

(2) Within 15 days after a subscriber closes an account, the electric company shall pay the subscriber for the value of indefinitely accrued virtual net excess generation.

D. Calculation and Methodology. A subscriber accrues virtual net excess generation in the same manner as an eligible customer-generator under COMAR 20.50.10.11 and Public Utilities Article, §7-306(f), Annotated Code of Maryland.

LMI Compliance – OPC

20.62.01.02 – Definitions

(XX) "Credit allocation period" means the 12-month period that an electric company must bank bill credits associated with unsubscribed energy from a CSEGS under Public Utilities Article, §7-306.2(d)(7)(i), Annotated Code of Maryland.

(XX) "LMI shortfall" means the amount of CSEGS kilowatt-hour output in an electric company billing period that is necessary to meet the applicable minimum LMI subscriber requirement and is maintained as banked bill credits for allocation to LMI subscribers during the associated credit allocation period.

(XX) "Minimum LMI subscriber requirement" means the minimum LMI subscriber requirement provided in Public Utilities Article § 7-306.2(a)(4)(ix), the minimum LMI subscriber requirement applicable to a CSEGS approved under the Pilot Program, or any other minimum LMI subscriber requirement applicable under the Public Utilities Article, a Commission order, or COMAR.

20.62.03.03 – Project Application Process

D. Low and Moderate Income Verification

(4) A subscriber organization or subscription coordinator shall:

(a) Verify the eligibility of an LMI subscriber in accordance with §D(1) of this regulation;

(b) Retain records of*:*

- *(i)* each determination of eligibility for an LMI subscriber*;*
- *(ii) for each electric company billing period, compliance or failure to comply with any applicable minimum LMI subscriber requirement; and*
- *(iii) for each electric company billing period, banked bill credits associated with an LMI shortfall and whether, by the end of the associated credits' allocation periods, these banked credits are reallocated to LMI subscribers, reallocated to non-LMI subscribers, or else purchased by the electric company as required by Public Utilities Article § 7-306.2(d)(7)(ii)*; and

(c) Make records ~~of determination of eligibility~~ *required by §D(4)(b) of this regulation* available to the Commission*, Maryland Energy Administration, and the Office of People's Counsel* on request.

LMI Compliance – OPC

20.62.03.10 – Minimum LMI Subscriber Requirements [NEW REGULATION]

A. Scope.

The requirements of this regulation apply only to a CSEGS subject to a minimum LMI subscriber requirement.

B. Banking credits associated with LMI shortfalls.

(1) If, during an electric company billing period, the total allocation to LMI subscribers is below the applicable minimum LMI subscriber requirement, a subscriber organization shall track the portion of unsubscribed kilowatt-hour output associated with the LMI shortfall for treatment by the electric company as banked bill credits.

(2) The subscriber organization may not allocate the portion of CSEGS kilowatt-hour output associated with the LMI shortfall to non-LMI subscribers.

(3) Bill credits associated with an LMI shortfall shall remain banked until the earlier of:

(a) the date the kilowatt-hour output is allocated to an LMI subscriber, or
(b) the end of the associated credit allocation period, at which point the kilowatt-hour output shall be purchased by the electric company as required by Public Utilities Article § 7-306.2(d)(7)(ii).

C. Compliance demonstration and enforcement process.

(1) On or before April 1 of each year, each subscriber organization or a subscription coordinator on behalf of a subscriber organization, shall certify to the Public Service Commission that, for the electric company billing periods included in the prior calendar year, the projects maintained by the subscriber organization or subscription coordinator have been in compliance with the applicable minimum LMI subscriber requirements, except to the extent that the subscriber organization or subscription coordinator must file a corrective action plan for any project pursuant to §C(2) of this regulation.

(2) On or before April 1 of each year, a subscriber organization or subscription coordinator shall file a corrective action plan with the Commission if, during any electric company billing period in the prior calendar year:

(a) The electric company purchased banked bill credits associated with an LMI shortfall as required by Public Utilities Article § 7-306.2(d)(7)(ii); or

(b) Any banked bill credits associated with an LMI shortfall were reallocated to a non-LMI subscriber.

(3) The corrective action plan submitted under §C(2) of this regulation shall:

(a) Include the information contained in the records required by regulation 20.62.03.03D(4)(b)(ii)-(iii), with these records themselves included as an appendix to the corrective action plan;

(b) Provide reasons why the CSEGS did not subscribe a sufficient number of LMI customers, including within the credit allocation period for any banked credits associated with an LMI shortfall; and

(c) Describe planned actions to comply with the applicable minimum LMI subscriber requirement. Such actions may include but are not limited to:

(i) Offering a higher bill credit discount to new LMI subscribers;

(ii) Enhanced marketing efforts;

(iii) Coordination with State and local government agencies that provide assistance to or otherwise engage with LMI households;

(iv) Contracting with or prioritizing enrollment through community-based organizations, affordable housing providers, public housing authorities, local departments of social services, and other entities that serve LMI households;

(v) Implementing improved enrollment practices to reduce barriers for LMI subscribers; and

(vi) Increasing outreach to multifamily dwelling units that may qualify as LMI subscribers under regulation 20.62.03.03D(2)-(3).

(4) If a subscriber organization or subscription coordinator is required to file corrective action plans under §C(2) of this regulation for two or more consecutive years, or otherwise demonstrates a pattern of persistent LMI shortfalls or of failing to comply with the requirements of this regulation, then the Commission may, on notice to the subscriber organization or subscription coordinator and to Maryland Energy Administration and the Office of People's Counsel, require the subscriber organization or subscription coordinator to appear at an administrative meeting or other hearing to address compliance and to consider additional remedial measures that the Commission deems appropriate.

LMI Compliance – PE Proposal in OPC Format – Updated 6.3.26

20.62.03.10 – Minimum LMI Subscriptions

A. Definitions.

(1) In this regulation the following terms have the meanings indicated.

(2) Terms defined.

(a) "Minimum LMI subscriber requirement" means the minimum LMI subscriber requirement provided in Public Utilities Article § 7-306.2(a)(4)(ix), or an applicable minimum LMI subscriber requirement from the Pilot Program.

Commented [MZ1]: PE understands OPC is adjusting language to include other LMI subscription requirements.

(b) "Credit allocation period" means the 12-month period that an electric company must bank bill credits associated with unsubscribed energy from a CSEGS under Public Utilities Article, §7-306.2(d)(7)(i).

B. Scope.

The requirements of this regulation apply only to a CSEGS subject to a minimum LMI subscriber requirement.

C. Unsubscribed energy.

(1) If, during a credit allocation period, the total energy subscribed to LMI subscribers is below the applicable Minimum LMI subscriber requirement, a subscriber organization shall notify the electric company of the LMI shortfall amount within 30 calendar days of the closing of the credit allocation period
(2) For any credit allocation period in the report under (1) of this section, the electric company shall not pay the subscriber organization for banked credits totaling the LMI shortfall amount identified in the report, but instead the subscriber organization shall forfeit those credits to the electric company.
(3) An electric company receiving banked credits pursuant to (2) of this section shall allocate 100% of the value of these credits to its limited income customer mechanism program under PUA § 4-309.

D. Compliance demonstration and enforcement process.

(1) By February 1 of each year, a subscriber organization or subscription coordinator shall file with the Commission, with service to the electric company, Maryland Energy Administration, and Office of People's Counsel, a report that provides, for each billing period during the previous calendar year,

the percentage of kilowatt-hour output served to LMI subscribers for each credit allocation period closing within the previous calendar year.

(2) For any credit allocation period in the report submitted under (1) of this section where a Minimum LMI subscriber requirement is not met, the subscriber organization or subscription coordinator shall include a written explanation for the shortfall and propose a Corrective Action Plan for Commission approval including specific actions intended to bring the project into compliance. Failure to adhere to the Corrective Action Plan or continued non-compliance may result in further Commission action including civil penalties or revocation of authority to operate as a Subscriber Organization.

Proposed Changes to COMAR 20.62.05

COMAR 20.62.01.03 – 20.62.05.06:

No changes.

COMAR 20.62.05.07

.07 Required Disclosures.

A. Contract Summary.

(1) Either [prior to] *before* or at the same time as a contract for a subscription to a CSEGS or authority to act per [COMAR] Regulation .01B of this chapter is executed, a subscriber organization or a subscription coordinator shall present the customer with a completed Contract Summary Disclosure using a form that is approved by the Commission.

(2) The customer shall initial a copy of the Contract Summary Disclosure to acknowledge receipt of the Contract Summary, and:

(a) If a subscription contract is completed through the Internet, the completed Contract Summary shall be *both of the following*:

(i) Available online and made available for download by the customer at the time of contracting; and

(ii) Transmitted to the customer by the subscriber organization by mail or by email if the customer consents to receipt of email disclosures; and

(b) Whether a subscription contract is completed in person or electronically, a subscriber organization shall allow the subscriber to retain a signed version of the executed contract and an initialed version of the Contract Summary Disclosure form.

B. Notice of Subscription *and Notice of Enrollment*.

(1) A subscriber organization shall provide notice of subscription of a customer to a utility in a format consistent with Commission [O]*o*rders.

(2) A customer entering into an agreement with a subscriber organization shall receive written notice of enrollment from the subscriber organization and the electric company. *The notice of enrollment provided to the customer by the subscriber organization shall include all of the following:*

(a) Evidence of insurance;

(b) A long-term maintenance plan; and

(c) Current production projections and a description of the methodology used to develop production projections.

(3) Notice of [enrollment] *subscription* under §B(1) of this regulation shall include *all of* the following:

(a) Customer name;

(b) Customer service address;

(c) Billing name;

(d) Billing address;

(e) Utility name;

(f) Utility account number;

(g) Subscriber organization name;

(h) Subscriber organization account number; and

(i) Effective date of the enrollment.

COMAR 20.62.05.08

.08 *Community Solar Subscription* Contracts [for Customer Subscription in a Community Solar Energy Generation System.]

A. Minimum Contract Requirements.

(1) A subscribing organization's subscription contract [shall] contain*s* all material terms and conditions, including *all of the following*:

(a) A plain language disclosure of the subscription, including *all of the following*:

(i) The terms under which the pricing will be calculated over the life of the contract and a good faith estimate of the subscription price expressed as a flat monthly rate or on a per-kilowatt-hour basis; and

(ii) Whether any charges may increase during the course of service, and, if so, how much advance notice is provided to the subscriber;

(b) Contract provisions regulating the disposition or transfer of a subscription to the CSEGS, as well as the costs or potential costs associated with [such a] *the* disposition or transfer;

(c) All nonrecurring (one-time) charges;

(d) All recurring (monthly, yearly) charges;

(e) A statement of contract duration, including the initial time period and any rollover provision;

(f) Terms and conditions for early termination, including:

(i) Any penalties that the subscriber organization may charge to the subscriber; and

(ii) The process for unsubscribing and any associated costs;

(g) If a security deposit is required:

(i) The amount of the security deposit;

(ii) A description of when and under what circumstances the security deposit will be returned;

(iii) A description of how the security deposit may be used; and

(iv) A description of how the security deposit will be protected;

(h) A description of [any] *a* fee or charge and the circumstances under which a customer may incur a fee or charge;

(i) A statement that the subscriber organization may terminate the contract early, including:

(i) Circumstances under which early cancellation by the subscriber organization may occur;

(ii) Manner in which the subscriber organization shall notify the customer of the early cancellation of the contract;

(iii) Duration of the notice period before early cancellation; and

(iv) Remedies available to the customer if early cancellation occurs;

(j) A statement that the customer may terminate the contract early, including:

(i) Circumstances under which early cancellation by the customer may occur;

(ii) Manner in which the customer shall notify the subscriber organization of the early cancellation of the contract;

(iii) Duration of the notice period before early cancellation;

(iv) Remedies available to the subscriber organization if early cancellation occurs; and

(v) Amount of an[y] early cancellation fee;

(k) A statement describing contract renewal procedures, if any;

(l) A dispute procedure;

(m) The Commission's toll-free number and Internet address;

(n) A notice that the contract does not include utility charges;

(o) A billing procedure description;

(p) The data privacy policies of the subscriber organization;

(q) A description of [any] compensation to be paid for underperformance;

[(r) Evidence of insurance;

(s) A long-term maintenance plan;

(t) Current production projections and a description of the methodology used to develop production projections;]

([u]*r*) Contact information for the subscriber organization for questions and complaints;

([v]*s*) A statement that the subscriber organization and electric company do not make representations or warranties concerning the tax implications of any bill credits provided to the subscriber;

([w]*t*) The method of providing notice to the subscribers when the CSEGS is out of service for more than 3 business days, including notice of:

(i) The estimated duration of the outage; and

(ii) The estimated production that will be lost due to the outage;

([x]*u*) An explanation of how unsubscribed production of the CSEGS will be allocated; and

([y]*v*) Any other terms and conditions of service.

(2) A residential customer may downsize the allocation of solar kilowatt hours under an existing CSEGS [S]*s*ubscription.

(3) A subscriber organization may charge or collect no more than a reasonable fee for the downsizing of a subscriber's allocation.

(4) A subscription coordinator may not charge or collect a termination fee for the downsizing or cancellation of a subscriber's allocation.

(5) A subscription coordinator may only enroll subscribers in CSEGS contracts that guarantee financial savings for the subscriber.

B. Methods of Contracting.

(1) A subscriber organization may not subscribe a residential customer using a process that does not require the customer's consent.

(2) A subscriber organization that contracts with a customer by [means of] the Internet shall *do all of the following*:

(a) Confirm the identity of the person making the contract;

(b) Comply with applicable Maryland and federal law; and

(c) Take appropriate steps to safeguard customer privacy.

(3) A subscriber organization that sends a contract over the Internet to a valid email address of the contracting customer is considered to have complied with §B(2)(a) of this regulation.

C. Evergreen Contracts.

(1) A subscriber organization shall provide a customer with a notice of the pending renewal of an evergreen contract 30 days before the automatic renewal is scheduled to occur.

(2) The subscriber organization notice required under §C(1) of this regulation shall:

(a) Provide a clearly stated and highlighted notice to a customer of any changes in the material terms and conditions of the agreement; and

(b) Inform the customer how to terminate the contract without penalty.

COMAR 20.62.05.13

.13 Assignment of Subscription Contract.

A. *Notice of Non-Affiliate Assignment.*

(1) Except for assignment or transfer of a subscription contract from a subscriber organization to an affiliate subscriber organization[, A]*a*t least 30 days [prior to] *before* the effective date of an[y] assignment or transfer of a subscription contract from one subscriber organization to another, the subscriber organizations shall jointly provide written notice of the assignment or transfer to the customers of the subscriber organization, the Commission, the electric company, and the Office of People's Counsel.

([1)]*2)* Notice to Customer. The subscriber organizations shall jointly send notice to the customer informing [them]*the customer* of the assignment or transfer. The letter shall include *all of the following*:

(a) A description of the transaction in clear and concise language including the effective date of the assignment or transfer;

(b) Customer service contact information for the assignee; and

(c) A statement that the terms and conditions of the customer's contract at the time of assignment shall remain the same for the remainder of the contract term.

[(2]*3*) The subscriber organizations shall file a notice with the Commission, with a copy to the Office of People's Counsel and the electric company, of the assignment or transfer of the customer contracts and include a copy of the letter sent to customers.

B. *On or before the effective date of an assignment or transfer of a subscription contract from a subscriber organization to an affiliate subscriber organization, the subscriber organization to which the customer is assigned shall provide written notice to the* *customer, which shall include a statement that the material terms and conditions of the customer's contract at the time of assignment shall remain the same for the remainder of the contract term. A customer enrolled with a utility's community solar program shall receive no less than 12 days notice before the assignment or transfer takes effect and the customer begins receiving bill credits generated by a CSEGS owned or operated by the assignee or transferee subscriber organization.*

C. The affiliate assignment notice required under §B of this regulation may be provided as part of the notice of enrollment provided to the customer by the subscriber organization under Regulation 07B(2) of this chapter.

D. A subscriber organization may not assign an LMI subscriber if, as a result of the assignment, the community solar energy generating system that LMI subscriber was previously enrolled with will no longer satisfy an applicable low-income or moderate income subscription requirement.

E. [Upon] *On* request by the Commission, the assignee shall be responsible for providing documents and records related to the assigned contracts. Records shall be maintained for a period of 3 years or until the contracts are expired, whichever is longer.

COMAR 20.62.05.14 – 20.62.05.20

No changes.