

DRAFT – FOR INTERNAL DISCUSSION PURPOSES ONLY

Preamble

WHEREAS, The State has set aggressive minimum renewable energy requirements, recognizing that a shift towards sustainable energy sources is crucial for the health of our planet and the well-being of future generations;

WHEREAS, The State has committed to reducing greenhouse gas emissions by 60% from 2006 levels, reflecting a proactive stance in the global effort to combat climate change;

WHEREAS, Distributed solar generation is an essential component of meeting these aggressive policies, offering both economic opportunities and environmental benefits;

WHEREAS, The State acknowledges the invaluable contribution of its farmers and the agricultural sector and is dedicated to ensuring that the growth of renewable energy complements, rather than competes with, Maryland’s agricultural heritage;

WHEREAS, The General Assembly recognizes the value of preserving agricultural land for food production and forested land for clean air, water, and ecosystem services that benefit all Marylanders;

WHEREAS, The General Assembly finds that an efficient permitting process for distributed solar facilities with consistency across jurisdictions is necessary to meet the State’s renewable energy and greenhouse gas reduction requirements and can be structured to preserve farmland and forests; now, therefore:

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

Article – Public Utilities

§ 7-207.

(b) (1) (i) Unless a certificate of public convenience and necessity for the construction is first obtained from the Commission, a person may not begin construction in the State of:

1. a generating station; or
2. a qualified generator lead line.

(ii) If a person obtains Commission approval for construction under § 7-207.1 or **§ 7-207.3** of this subtitle, the Commission shall exempt a person from the requirement to obtain a certificate of public convenience and necessity under this section.

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§ 7-207.3.

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

(2) “AGRIVOLTAICS” HAS THE MEANING STATED IN § 7-306.2(A)(2) OF THIS TITLE.

(3) “AGRICULTURAL LAND” MEANS LAND DETERMINED BY THE DEPARTMENT OF ASSESSMENTS AND TAXATION TO BE ACTIVELY USED FOR FARM OR AGRICULTURAL USE FOR PURPOSES OF REAL PROPERTY TAX ASSESSMENTS UNDER § 8-209 OF THE TAX – PROPERTY ARTICLE.

(4) “DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY” MEANS A LICENSE ISSUED BY THE COMMISSION UNDER THIS SECTION THAT AUTHORIZES CONSTRUCTION AND OPERATION OF A DISTRIBUTED SOLAR GENERATING STATION SUBJECT TO THE STANDARD LICENSING CONDITIONS.

(5) “DISTRIBUTED SOLAR GENERATING STATION” MEANS A GENERATING STATION THAT:

(I) GENERATES ELECTRICITY USING A SOLAR PHOTOVOLTAIC SYSTEM;

(II) HAS THE CAPACITY TO PRODUCE MORE THAN 2 MEGAWATTS OF ALTERNATING CURRENT;

(III) DOES NOT HAVE THE CAPACITY TO PRODUCE MORE THAN 5 MEGAWATTS OF ALTERNATING CURRENT; AND

(IV) IS NOT LOCATED WITHIN A MUNICIPAL CORPORATION.

(6) “GENERATING STATION” HAS THE MEANING STATED IN COMAR 20.79.01.02 AND § 7-207.1 OF THIS SUBTITLE.

(7) “MODEL PERMIT DESIGN” MEANS THE PERMIT DESIGN ADOPTED UNDER THIS SECTION THAT SETS THE DESIGN AND SITING REQUIREMENTS FOR A DISTRIBUTED SOLAR GENERATING STATION APPLYING FOR A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.

(8) “POWER PLANT RESEARCH PROGRAM” MEANS THE PROGRAM WITHIN THE DEPARTMENT OF NATURAL RESOURCES ESTABLISHED UNDER SUBTITLE 3 OF TITLE 3 OF THE NATURAL RESOURCES ARTICLE.

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(9) “STANDARD LICENSING CONDITIONS” MEAN THE PREDETERMINED LICENSING CONDITIONS ADOPTED UNDER THIS SECTION FOR THE CONSTRUCTION AND OPERATION OF EACH DISTRIBUTED SOLAR GENERATING STATION GRANTED A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION.

(B) (1) A PERSON MAY APPLY TO THE COMMISSION FOR A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR AUTHORIZATION TO CONSTRUCT AND OPERATE A DISTRIBUTED SOLAR GENERATING STATION BY SUBMITTING AN APPLICATION IN A FORM AND MANNER DETERMINED BY THE COMMISSION.

(2) A PERSON APPLYING TO THE COMMISSION UNDER THIS SUBSECTION SHALL SIMULTANEOUSLY TRANSMIT A COPY OF THE APPLICATION TO THE POWER PLANT RESEARCH PROGRAM AND THE GOVERNING BODY OF THE COUNTY WHERE THE DISTRIBUTED SOLAR GENERATING SYSTEM IS PROPOSED TO BE LOCATED.

(C) (1) NO LATER THAN 90 DAYS AFTER THE DATE AN APPLICATION FOR A DISTRIBUTED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IS FILED WITH THE COMMISSION, THE POWER PLANT RESEARCH PROGRAM SHALL HOLD A COMMUNITY MEETING FOR PUBLIC COMMENT IN THE COUNTY WHERE THE DISTRIBUTED SOLAR GENERATING STATION IS PROPOSED TO BE LOCATED.

(2) NO LATER THAN 120 DAYS AFTER THE DATE AN APPLICATION FOR A DISTRIBUTED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IS FILED WITH THE COMMISSION, THE POWER PLANT RESEARCH PROGRAM SHALL:

(I) DETERMINE WHETHER THE DISTRIBUTED SOLAR GENERATING STATION PROPOSED IN THE APPLICATION RECEIVED UNDER SUBSECTION (B) OF THIS SECTION IS CONSISTENT WITH THE MODEL PERMIT DESIGN; AND

(II) FILE A LETTER WITH THE COMMISSION STATING THAT THE POWER PLANT RESEARCH PROGRAM DETERMINED THE DISTRIBUTED SOLAR GENERATING STATION:

- 1. CONFORMS TO THE MODEL PERMIT DESIGN; OR**
- 2. DOES NOT CONFORM TO THE MODEL PERMIT DESIGN AND HOW THE APPLICANT MAY CURE THE DEFICIENCY.**

(3) THE POWER PLANT RESEARCH PROGRAM SHALL CONSIDER PUBLIC COMMENTS RECEIVED AT THE COMMUNITY MEETING WHEN DETERMINING WHETHER THE PROPOSED DISTRIBUTED SOLAR GENERATING STATION IS CONSISTENT WITH THE MODEL PERMIT DESIGN.

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(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL SCHEDULE AN APPLICATION FOR CONSIDERATION AT AN ADMINISTRATIVE MEETING NO LATER THAN 45 DAYS AFTER THE DATE THE POWER PLANT RESEARCH PROGRAM FILES A LETTER WITH THE COMMISSION UNDER SUBSECTION (C)(2)(II) OF THIS SECTION.

(2) AN APPLICANT MAY REQUEST THAT THE COMMISSION DEFER CONSIDERATION OF AN APPLICATION UNTIL THE POWER PLANT RESEARCH PROGRAM HAS DETERMINED THE DISTRIBUTED SOLAR GENERATING STATION CONFORMS TO THE MODEL PERMIT DESIGN.

(E) AT THE ADMINISTRATIVE MEETING WHERE AN APPLICATION UNDER THIS SECTION IS SCHEDULED FOR CONSIDERATION, THE COMMISSION SHALL DETERMINE WHETHER THE PROPOSED GENERATING STATION SATISFIES THE MODEL PERMIT DESIGN AND:

(1) IF THE COMMISSION DETERMINES THE PROPOSED DISTRIBUTED SOLAR GENERATING STATION SATISFIES THE MODEL PERMIT DESIGN, GRANT A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO THE APPLICANT TO CONSTRUCT THE PROPOSED DISTRIBUTED SOLAR GENERATING STATION SUBJECT TO THE STANDARD LICENSING CONDITIONS; OR

(2) IF THE COMMISSION DETERMINES THE PROPOSED DISTRIBUTED SOLAR GENERATING STATION DOES NOT SATISFY THE MODEL PERMIT DESIGN, NOTE WHY THE DISTRIBUTED SOLAR GENERATING STATION DOES NOT SATISFY THE MODEL PERMIT DESIGN AND HOW THE APPLICANT CAN CURE THE DEFICIENCY.

(F) (1) ON OR BEFORE JANUARY 1, 2025, THE POWER PLANT RESEARCH PROGRAM SHALL PUBLISH THE MODEL PERMIT DESIGN AND STANDARD LICENSING CONDITIONS AFTER AN OPPORTUNITY FOR COMMENT BY COUNTIES, THE PUBLIC, AND INTERESTED STAKEHOLDERS.

(2) ON OR BEFORE JULY 1, 2025, THE COMMISSION SHALL ADOPT REGULATIONS THAT:

(I) IMPLEMENT THE MODEL PERMIT DESIGN AND STANDARD LICENSING CONDITIONS AS PUBLISHED BY THE POWER PLANT RESEARCH PROGRAM; AND

(II) SPECIFY THE APPLICATION PROCESS FOR DISTRIBUTED SOLAR GENERATING STATIONS APPLYING FOR A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION.

(3) IN DEVELOPING THE MODEL PERMIT DESIGN AND STANDARD LICENSING CONDITIONS, THE POWER PLANT RESEARCH PROGRAM SHALL CONSIDER:

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(I) ACHIEVEMENT OF THE STATE'S CLIMATE CHANGE REDUCTION GOALS AND RENEWABLE ENERGY REQUIREMENTS;

(II) APPROPRIATE AND REASONABLE SETBACKS AND LANDSCAPE SCREENING REQUIREMENTS;

(III) PRESERVATION OF THE ENVIRONMENT, INCLUDING THE RETENTION OF FOREST EXCEPT WHERE NECESSARY TO ADDRESS SHADING ON SOLAR PANELS, FACILITATE INTERCONNECTION INFRASTRUCTURE, AND ENSURE ADEQUATE SITE ACCESS;

(IV) INDUSTRY BEST PRACTICES; AND

(V) LICENSING CONDITIONS PREVIOUSLY ADOPTED BY THE COMMISSION FOR SOLAR GENERATING STATIONS.

(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSION MAY NOT APPROVE AN APPLICATION FOR A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR A DISTRIBUTED SOLAR GENERATING STATION THAT DOES NOT USE AGRIVOLTAICS PROPOSED TO BE LOCATED ON AGRICULTURAL LAND IN A COUNTY WHERE DISTRIBUTED SOLAR GENERATING STATIONS LICENSED UNDER THIS SECTION THAT DO NOT USE AGRIVOLTAICS HAVE UTILIZED THE EQUIVALENT OF [*] % OF THE TOTAL ACRES OF LAND IN FARMS FOR THE COUNTY IDENTIFIED IN THE 2017 MARYLAND CENSUS OF AGRICULTURE ISSUED APRIL 2019 BY THE UNITED STATES DEPARTMENT OF AGRICULTURE NATIONAL AGRICULTURE STATISTICS SERVICE.

(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT APPLY IF:

1. THE COUNTY WHERE THE DISTRIBUTED SOLAR GENERATING SYSTEM IS PROPOSED TO BE LOCATED ISSUES A LETTER INDICATING THE COUNTY SUPPORTS APPROVAL OF THE APPLICATION; OR

2. THE COMMISSION DETERMINES APPROVAL OF THE APPLICATION IS NECESSARY TO ACHIEVE THE STATE'S CLIMATE CHANGE REDUCTION GOALS AND RENEWABLE ENERGY REQUIREMENTS.

(G) (1) A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED BY THE COMMISSION UNDER THIS SECTION HAS THE SAME FORCE AND EFFECT AS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED UNDER § 7-306 OF THIS SUBTITLE.

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(2) § 7-306(H) OF THIS SUBTITLE APPLIES TO A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED BY THE COMMISSION UNDER THIS SECTION.

Article – Natural Resources

§ 3-306.

(D) THIS SECTION DOES NOT APPLY TO AN APPLICATION FOR A DISTRIBUTED GENERATION CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FILED WITH THE PUBLIC SERVICE COMMISSION UNDER § 7-207.3 OF THE PUBLIC UTILITIES ARTICLE.

§ 3-308.

FOR FISCAL YEARS 2026 THROUGH 20[*], THE GOVERNOR SHALL INCLUDE AT LEAST \$[*] IN THE ANNUAL BUDGET IN APPROPRIATIONS FOR EXPENSES INCURRED BY THE PROGRAM RELATED TO THE REVIEW OF APPLICATIONS UNDER § 7-207.3 OF THE PUBLIC UTILITIES ARTICLE.

Article – State Government

§ 9-20B-05

(i)

(3) 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:

(I) make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit low–income residents of the State; AND

(II) FUND NO MORE THAN \$[*] IN CONSULTING FEES TO ASSIST THE POWER PLANT RESEARCH PROGRAM WITHIN THE DEPARTMENT OF NATURAL RESOURCES WITH THE DEVELOPMENT OF THE MODEL PERMIT DESIGN AND STANDARD LICENSING CONDITIONS REQUIRED UNDER § 7-207.3 OF THE PUBLIC UTILITIES ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That [*] Position Identification Numbers shall be created in the Department of Natural Resources for full–time positions that will focus only on the review of applications under § 7-207.3 of the Public Utilities Article, as enacted under Section 1 of this Act.