

May 30, 2025

**VIA ELECTRONIC FILING**

Andrew S. Johnston, Executive Secretary  
Public Service Commission of Maryland  
William Donald Schaefer Tower  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, MD 21202-6806

**Re: Rulemaking Session 56 (“RM56”) – Community Solar Energy Generation Systems (“CESGS”)**

Dear Secretary Johnston:

The Potomac Edison Company (“PE” or the “Company”) hereby files the attached revisions to its Community Solar Energy Generation Systems (“CSEGS”) Pilot Program tariff pages in its Maryland Tariff, Electric P.S.C. Md. No. 54 to comply with updates to the Code of Maryland Regulations (“COMAR”) Title 20, Subtitle 62 adopted by the Commission at the April 30, 2025, final rulemaking session in RM56.

For purposes of efficiency and transparency, PE is also including additional tariff revisions at this time, including a subset of revisions that apply to the Company’s Net Energy Metering (“NEM”) Rider. The Company notes that all of the attached proposed revisions were reviewed and discussed with the Net Metering Work Group (“NMWG”) prior to this filing. No objections or concerns were expressed at that time. These additional proposed revisions include:

- Proposing a new policy regarding annual net excess generation cashouts for NEM and community solar that simplifies the process for customers and allows for customer bill credits to take the place of mailed payments for balances \$25 or less. This will affect most of the cashouts for customers without a structural imbalance between baseline usage and annual generation.
- Addressing compliance with provisions in 2025 HB1036 that, when effective on July 1, 2025, will update Maryland Public Utilities Article § 7.306.2 to require electric companies to track unsubscribed energy at the host level for each CSEGS

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and allow allocation of these credits to subscribers for the following twelve months. PE's proposed method for host-level banking was proposed after collaboration with industry stakeholders and did not receive any opposition when discussed in the NMWG.

The Company is requesting an effective date of July 1, 2025, for its proposed tariff revisions filed herewith. Should there be any further questions concerning this matter please feel free to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jessica M. Raba", with a stylized flourish at the end.

Jessica M. Raba

Counsel to The Potomac Edison Company

Attachments

cc: Phillip VanderHeyden, PSC Staff

# Community Solar Energy Generation Systems Program

Clean Version

**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM****AVAILABILITY**

All Customers are eligible to subscribe. Subscriber Organizations must be approved by the Commission. In addition to the requirements set herein, all participants are subject to the regulations as stated in Code of Maryland Regulations (COMAR) Title 20, Subtitle 62, Community Solar Energy Generation Systems, and Public Utilities Article, §§7-306.1 and 7-306.2. The Company shall continue to serve a Subscriber Organization that was granted a queue position by the Company or constructed during the Program until the final Community Solar Energy Generating System (CSEGS) associated with the subscriber organization is decommissioned.

**SUBSCRIBER**

A Subscriber is a Customer that has subscribed with a Subscriber Organization for a portion of the kilowatt-hour output produced by a CSEGS. A Customer may subscribe to no more than four Subscriber Organizations and may also participate in the Company's Net Energy Metering Rider. A Customer may only subscribe to a CSEGS that is located in the same electric Service territory as the Customer.

A Subscriber receiving Service under this Program is subject to the identical energy, capacity, and reactive charges, rate structure, and monthly charges and minimum charges that would be assigned if the Customer were not subscribed to the kilowatt-hour output of a CSEGS. This Program provides no adjustment to the demand billing determinant or capacity charge that a Customer eligible for Service under this Program may be subject to.

A Subscriber's billing period shall be the customary billing period for Service provided under the Customer's applicable Rate Schedule and meter reading cycle.

The Company will apply a subscription credit to each Subscriber's bill as either a reduction in metered kilowatt-hour use or a dollar credit to the Subscriber's billed amount. The Company's choice of subscription credit methodology shall be the same for all Subscribers to a CSEGS project.

**Reduction in Metered Kilowatt-Hours**

A Subscriber will receive a reduction in metered kilowatt-hours for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The reduction in metered kilowatt-hours during each billing period will result in Net Energy Consumed or Net Excess Generation.

Net Energy Consumed is the amount of kilowatt-hour energy supplied by the Company that exceeds the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider. In any billing period where Net Energy Consumed occurs, the Company will bill the Subscriber for Net Energy Consumed and any applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued May 30, 2025

Effective July 1, 2025

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM (Continued)**

Net Excess Generation is the amount of the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider that exceeds the kilowatt-hour energy supplied by the Company. In any billing period where Net Excess Generation occurs, the Subscriber shall be required to pay only applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service. Net Excess Generation will be carried forward in either of two methods, as determined by the Customer. Eligible Customers will default to the Twelve-Month method and must notify the Company on the [firstenergycorp.com](http://firstenergycorp.com) website or by indicating on a form accepted by the Commission. A Customer may designate a third party to submit an accrual election form on their behalf. Customers receiving service under this Rider may opt to change the method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year.

- a. Twelve-Month Period: Using this method, Net Excess Generation will be carried forward until the Subscriber's consumption of electricity from the grid eliminates the Net Excess Generation or the 12 month accrual period expires. Within 30 days after the billing cycle that is complete immediately prior to the end of April each year, the Company shall calculate the dollar value of any Net Excess Generation accrued remaining at the end of the previous 12-month period to be applied as a bill credit to the Customer's account. If the remaining credit balance after settling any past due balance is more than \$25 it will be refunded to the Customer. Should the credit balance be \$25 or less, the amount will remain as a credit on the Customer's account to pay for future charges. Should the Customer close the account, any remaining balance after settling any open balance will be refunded to the Customer. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Community Solar Energy Generation Systems Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Community Solar Energy Generation System Program terms contained herein.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued May 30, 2025

Effective July 1, 2025

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM (Continued)**

- b. Indefinite Period: Using this method, Net Excess Generation will be carried forward indefinitely regardless of whether the Subscriber previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period method. Within 15 days that a Subscriber closes their account, the Company shall calculate the dollar value of any accrued Net Excess Generation remaining at the time of the account closing to be applied as a bill credit to the Customer's account. Any remaining credit balance after settling any open balance will be refunded to the Customer. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Community Solar Energy Generation Systems Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Community Solar Energy Generation Systems Program terms contained herein.

**Dollar Credit**

A Subscriber will receive a bill credit for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The monthly dollar credit on the Subscriber's bill will be the equivalent of their subscription percentage of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the Subscriber's bill. The Subscriber's bill credit will be used to offset the Subscriber's total bill. If the Subscriber is with an Electricity Supplier, the monthly dollar credit on their bill will be the equivalent of their subscription allocation of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges and their Electricity Supplier kilowatt-hour rate, where available through a Commission approved predefined and standardized electronic process across all Maryland utilities. If the Electricity Supplier kilowatt-hour rate is unavailable, or the Subscriber has not chosen an Electricity Supplier, the applicable Standard Offer Service kilowatt-hour rate will be used.

For a Customer that selects the Twelve-Month Period method of Net Excess Generation accumulation within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company will apply to the bill of each eligible Subscriber a true-up for any excess generation. The Subscriber's bill shall be reasonably adjusted to exclude the distribution, transmission, and noncommodity portion of the Subscriber's bill for the excess generation amount. This could result in a one-time adjustment to a Subscriber's bill if the Subscriber has been overcompensated for excess generation throughout the year. For Customers participating in both the Community Solar Energy Generation Systems Program and the Net Energy Metering Rider, credit for Net Excess Generation shall be in accordance with the Community Solar Energy Generation Systems Program terms contained herein.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM (Continued)****SUBSCRIBER ORGANIZATION**

A Subscriber Organization is the body responsible for maintaining Subscribers and providing the Subscriber List to the Company for billing. A Subscriber Organization must be a Customer of any available Company Rate Schedule and must be the name on the account for the CSEGS with the Company. A CSEGS must be located in the Company's Service territory and may not exceed five (5) megawatts (MW) in alternating current rated capacity of the system's inverter. A CSEGS must meet all project location requirements in COMAR 20.62.03.08.

A Subscriber Organization may employ the use of a Subscription Coordinator. A Subscription Coordinator is a person that markets CSEGS projects or related services under its own brand name, performs administrative actions to connect or enroll Customers with CSEGS projects or allocates subscriptions, or manages interactions between a Subscriber Organization and the Company relating to Subscribers.

A Subscriber Organization is subject to all Tariff provisions applicable under the Rate Schedule they are served. Rate Schedule and demand are determined based on the capacity of the CSEGS. The Company at its sole discretion shall determine whether the CSEGS must be placed on a Service voltage greater than one (1) kV. Metering for a CSEGS will be divided into an input and an output channel. All usage on the input channel will be billed in accordance with the applicable Rate Schedule of the CSEGS. All kilowatt-hour generation on the output channel will be used in the calculation of the Subscriber credits and Unsubscribed Energy. The Company reserves the right to require the CSEGS facility to be moved to a specific bill cycle in order to facilitate efficient credit calculation.

Prior to applying for an Interconnection Agreement for this Program, a Subscriber Organization must first be granted permission to participate in this Program by the Commission and have received a Subscriber Organization Identification Number from the Commission. Once the Subscriber Organization has an Identification Number, they must apply to the Company for an Interconnection Agreement for each CSEGS project under COMAR 20.50.09, indicating a request to participate in the Program. A Subscriber Organization shall make each interconnection application separately. Interconnection Agreement applications will be processed in the order in which the completed applications are received, according to the date and time stamp of the electronic submission. Where two (2) or more projects are applying for interconnection at the same location, interconnection rights will be allocated in the order the applications are received. Projects requiring construction on the part of the Company will be processed under a Level 4 Study Review under COMAR 20.50.09. A Subscriber Organization is responsible for all interconnection costs.

A Subscriber Organization must provide the Company an executed Interconnection Agreement, in conjunction with a Program Application. An executed Interconnection Agreement shall mean an Interconnection Agreement with preliminary approval from the Company. A Subscriber Organization shall make each Pilot Program Application separately. Program Applications will be processed in the order in which they are received, according to the date and time stamp of the electronic submission. The Company will notify the Subscriber Organization of receipt of the Program Application and whether the Program Application is complete within five (5) business days. A Subscriber Organization receiving notice of an incomplete Program Application shall revise and resubmit within ten (10) business days of receiving the notice.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM (Continued)**

A CSEGS Identification Number will be assigned by the Company and capacity in the Program queue will be reserved for the Subscriber Organization's specific CSEGS upon approval by the Company of a Program Application.

Program Applications will only be accepted in electronic format as defined by the Company. In order to apply for consideration in the Company's Program queue, a Subscriber Organization shall provide the following information for each CSEGS in the Program Application:

- 1) An executed Interconnection Agreement, an electronic receipt of an Interconnection Agreement partially executed by the Applicant or conditional approval to interconnect a CSEGS from the Company;
- 2) Proof of application for all applicable permits;
  - a) A receipt confirming the filing fee from a local jurisdiction demonstrating application for at least one of the following permits: 1) a Site Plan Review Application; 2) a Zoning Conditional Use Application; 3) a Zoning Variance Application; 4) a Zoning Certificate of Use Application; 5) a Special Exception Application; 6) a Board of Appeals Hearing Application; or 7) a Building Permit Application. If one of the previous is not available due to preliminary action required by the jurisdiction, the Subscriber Organization may provide a receipt confirming completion of the preliminary action in lieu of one of the permits listed above. If a Subscriber Organization is unable to provide confirmation of the required permit within 120 days of application, the Company may rescind the award of project capacity.
- 3) Proof of site control, evidenced by:
  - a) Evidence of property ownership;
  - b) An executed lease agreement; or
  - c) A signed option to purchase or lease

If a CSEGS project fails to begin operating within twenty-four (24) months of submission of a completed Program Application, it shall be removed from the queue unless the Subscriber Organization pays \$50 per kW, which will maintain its spot in the queue for up to twelve (12) additional months. CSEGS projects that were awarded capacity in the Low and Moderate Income (LMI) Category of the Pilot Program are exempt from queue deposits. A CSEGS project may lose its place in the queue if the Subscriber Organization does not complete any item required. The Company will notify a Subscriber Organization prior to removal from the queue. A Subscriber Organization must maintain all data and information as prescribed in COMAR 20.62. Updates to the Status of the Company's Program queue can be found at [www.firstenergycorp.com](http://www.firstenergycorp.com).

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Issued May 30, 2025

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM (Continued)**

A Subscriber Organization shall maintain a minimum average subscription size of two (2) kW per Subscriber, must have at least two (2) Subscribers per CSEGS project, and subscriptions larger than 200 kW cannot constitute more than sixty percent (60%) of a CSEGS project's total subscriptions. The Subscriber Organization will certify in the Program Application each Subscriber's LMI eligibility, if relevant to the CSEGS project. The Subscriber Organization will certify in the Program Application that each Subscriber authorizes the Company to release that Customer's account information as necessary to ensure compliance with regulatory requirements. The above certifications shall be updated as necessary by the Subscriber Organization in the Subscription Lists provided to the Company.

A Subscriber Organization must provide the following Subscriber List requirements set forth by the Company, with electronic data for each CSEGS project indicating the proportion of a CSEGS output that shall be applied to each Subscriber's bill including:

- 1) Date of submission
- 2) Applicable month
- 3) CSEGS Identification Number assigned by the Company
- 4) Subscriber Organization Identification Number assigned by the Commission
- 5) Subscriber Organization name
- 6) Each Subscriber's name (per Company account)
- 7) Each Subscriber's Company account number
- 8) Each Subscriber's Electric Choice ID
- 9) Subscriber's LMI eligibility
- 10) Percentage share of each Subscriber

A Subscriber Organization may at any time provide Subscriber List updates that clearly indicate which Subscribers are new to the list or whose information has been revised from previous Subscriber Lists. The Subscriber List should clearly indicate if there are no changes as compared to the prior issuance of the Subscriber List. A Subscriber Organization does not need to provide a Subscriber List update unless there is a change as compared to the prior issuance of the Subscriber List. Non-compatible or incorrect information will be returned to the Subscriber Organization for correction. Any energy not allocated to Subscribers or subscriptions associated with ineligible subscribers (such as subscribers that are not Customers of the Company or whose Company accounts have been finalized) will be treated as Unsubscribed Energy. A Subscriber Organization must replace LMI Subscribers that are removed from the Subscriber List with eligible LMI Subscribers such that the required percentage of the kilowatt-hour output is provided to LMI Subscribers. Depending on timing of notification from the Subscriber Organization of the Subscriber's subscription amount in the Subscriber List, it may take up to two billing cycles, or more, before a subscription credit is applied to the Customer's bill from the Company. Subscriptions may not take effect retroactively. No retroactive corrections or changes can be made to Subscriber information or subscription allocation percentages.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued May 30, 2025

Effective July 1, 2025

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PROGRAM (Concluded)**

The Company shall provide a Subscriber Organization with a report detailing each Subscriber's credit allocation no later than the last day of each calendar month following the month of the CSEGS meter reading.

Unsubscribed Energy will be banked by the Company in monthly blocks. Unsubscribed Energy, starting with the oldest existing blocks, will be allocated to Subscribers at the request of the Subscriber Organization during the twelve (12) months following the month it was generated. Allocation instructions for Unsubscribed Energy will be posted on the Company website at [www.firstenergycorp.com](http://www.firstenergycorp.com). The Company shall allocate Unsubscribed Energy in the first full billing cycle after submission of instructions by the Subscriber Organization. Any Unsubscribed Energy remaining after twelve (12) months of banking will be purchased from the Subscriber Organization via a bill credit at the net hourly integrated real time locational marginal price for energy at the APS Zone of PJM.

The Company will recover Pilot Program credit costs in existing rate adjustments for distribution rates or as a revenue or cost component for transmission or commodity rates.

**PILOT PROGRAM**

The Community Solar Energy Generation Systems Pilot Program is available to Subscriber Organizations that received capacity before January 1, 2025 and complete interconnection per the operational deadline requirements in COMAR 20.62. Projects approved as part of this Pilot must continue to meet eligibility requirements established previously in COMAR 20.62 for their respective capacity category:

1. Small, Brownfield, and Other:
  - a. Projects up to and including 500 kW.
  - b. Projects installed on rooftops, parking lots, roadways or parking structures.
  - c. Projects installed on brownfield locations.
  - d. Projects serving more than 51 percent of kWh output to Low or Moderate Income Customers.
  - e. Projects installed on clean fill sites.
2. Open:
  - a. Projects of any size up to 2 MW
3. Low and Moderate Income Category
  - a. Projects serving more than 30 percent of kWh output to Low or Moderate income subscribers of which Low Income subscribers receive a minimum of 10 percent of kWh output.

If a Subscriber Organization has been waitlisted under the Pilot Program, the Subscriber Organization shall receive a queue position when the Program has begun under Public Utilities Article, §7-306.2(d)(20), Annotated Code of Maryland; and the Company has received the information required by COMAR 20.62.03.04B(3) to receive a queue position in the Program.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued May 30, 2025

Effective July 1, 2025

# Community Solar Energy Generation Systems Program

Redline Version

**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM****AVAILABILITY**

~~Available to all~~ All Customers are eligible to subscribe. Subscriber Organizations must be approved by the Commission. In addition to the requirements set herein, all participants in this Pilot Program are subject to the regulations as stated in Code of Maryland Regulations (COMAR) Title 20, Subtitle 62, Community Solar Energy Generation Systems, and Public Utilities Article, §§7-306.1 and 7-306.2. The Company shall continue to serve a Subscriber Organization that was granted a queue position by the Company or constructed during the Program until the final Community Solar Energy Generating System (CSEGS) associated with the subscriber organization is decommissioned established during the Pilot Program for a period of 25 years after the Pilot Program has ended.

~~Subject to Pilot Program Capacity Limitations, as set forth below, the Company will accept applications to participate in the Pilot Program and administer the Pilot Program's queue for the duration of the Pilot Program. The Company shall make best efforts to begin each program year within twelve (12) months of the start date for the previous year, with the exception of program Year 6. The Company shall make best efforts to begin program Year 6 within eighteen (18) months after the beginning of program Year 4. The following table sets forth the annual capacity limits under the Pilot Program for the Company. Updates to the status of the Company's Pilot Program's queue and capacity limits can be found at [www.firstenergycorp.com](http://www.firstenergycorp.com).~~

Pilot Program Capacity Limitations (megawatts)				
	Category			
	Small, Brownfield and Other	Open	Low and Moderate Income	<= 50 kW
Year 1	3.05	4.07	3.05	0.00
Year 2	3.05	4.07	3.05	0.00
Year 3	1.53	2.04	1.53	0.00
Year 4	1.78	2.38	1.78	0.85
Year 5	4.08	5.42	4.08	0.00
Year 6	4.58	6.10	4.58	0.00
Year 7	4.83	6.45	4.83	0.00

~~Acceptance of a Community Solar Energy Generating System (CSEGS) into the Small Brownfield and Other, Open, or Low and Moderate Income (LMI) Categories will be in accordance with definitions and procedures set forth in COMAR Section 20.62. Participation in the Pilot Program for existing systems will also be limited as set forth in COMAR Section 20.62. Existing systems are generators granted permission to operate before May 15, 2016.~~

**SUBSCRIBER**

A Subscriber is a Customer that has subscribed with a Subscriber Organization for a portion of the kilowatt-hour output produced by a CSEGS. A Customer may subscribe to no more than ~~one~~ subscription from more than ~~one~~ four Subscriber Organizations and may also participate in the Company's Net Energy Metering Rider. A Customer may only subscribe to a CSEGS that is located in the same electric Service territory as the Customer.

ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued ~~November 27, 2024~~ May 30, 2025Effective ~~July~~ January 1, 2025~~Approved at Public Service Commission Administrative Meeting of December 18, 2024.~~

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM (Continued)**

A Subscriber receiving Service under this ~~Pilot~~ Program is subject to the identical energy, capacity, and reactive charges, rate structure, and monthly charges and minimum charges that would be assigned if the Customer were not subscribed to the kilowatt-hour output of a CSEGS. This ~~Pilot~~ Program provides no adjustment to the demand billing determinant or capacity charge that a Customer eligible for Service under this ~~Pilot~~ Program may be subject to.

A Subscriber's billing period shall be the customary billing period for Service provided under the Customer's applicable Rate Schedule and meter reading cycle.

The Company will apply a subscription credit to each Subscriber's bill as either a reduction in metered kilowatt-hour use or a dollar credit to the Subscriber's billed amount. The Company's choice of subscription credit methodology shall be the same for all Subscribers to a CSEGS project.

**Reduction in Metered Kilowatt-Hours**

A Subscriber will receive a reduction in metered kilowatt-hours for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The reduction in metered kilowatt-hours during each billing period will result in Net Energy Consumed or Net Excess Generation.

Net Energy Consumed is the amount of kilowatt-hour energy supplied by the Company that exceeds the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider. In any billing period where Net Energy Consumed occurs, the Company will bill the Subscriber for Net Energy Consumed and any applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service.

Net Excess Generation is the amount of the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider that exceeds the kilowatt-hour energy supplied by the Company. In any billing period where Net Excess Generation occurs, the Subscriber shall be required to pay only applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service. Net Excess Generation will be carried forward in either of two methods, as determined by the Customer. Eligible Customers will default to the ~~Twelve12-m~~Month ~~M~~method and must notify the Company on the [firstenergycorp.com](http://firstenergycorp.com) website or by indicating on a form accepted by the Commission. A Customer may designate a third party to submit an accrual election form on their behalf. Customers receiving service under this Rider may opt to change the method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year.

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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued ~~September-May 430, 2023~~2025

Effective ~~October-July 1, 2023~~2025

~~Approved at Public Service Commission Administrative Meeting of September 27, 2023~~

**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM (Continued)**

- a. Twelve-Month Period: Using this method, Net Excess Generation will be carried forward until the Subscriber's consumption of electricity from the grid eliminates the Net Excess Generation or the 12 month accrual period expires. Within 30 days after the billing cycle that is complete immediately prior to the ~~month~~ end of April ~~of~~ each year, the Company shall ~~pay each Subscriber for~~ calculate the dollar value of any ~~accrued~~ Net Excess Generation accrued remaining at the end of the previous 12-month ~~accrual~~ period to be applied as a bill credit to the Customer's account. If the remaining credit balance after settling any past due balance is more than \$25 it will be refunded to the Customer. Should the credit balance be \$25 or less, the amount will remain as a credit on the Customer's account to pay for future charges. Should the Customer close the account, any remaining balance after settling any open balance will be refunded to the Customer. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Community Solar Energy Generation Systems Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Community Solar Energy Generation System~~Pilot~~ Program terms contained herein.
- b. Indefinite Period: Using this ~~M~~method, Net Excess Generation will be carried forward indefinitely regardless of whether the Subscriber previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period ~~M~~method. Within 15 days that a Subscriber closes their account, the Company shall ~~pay~~ calculate the ~~Subscriber for~~ dollar value of any accrued Net Excess Generation remaining at the time of the account closing to be applied as a bill credit to the Customer's account. Any remaining credit balance after settling any open balance will be refunded to the Customer. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Community Solar Energy Generation Systems -Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Pilot Community Solar Energy Generation Systems Program terms contained herein.

Issued ~~September-May 130, 2023~~2025

Effective ~~October-July 1, 2023~~2025

~~Approved at Public Service Commission Administrative Meeting of September 27, 2023~~

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM (Continued)****Dollar Credit**

A Subscriber will receive a bill credit for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The monthly dollar credit on the Subscriber's bill will be the equivalent of their subscription percentage of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the Subscriber's bill. The Subscriber's bill credit will be used to offset the Subscriber's total bill. If the Subscriber is with an Electricity Supplier, the monthly dollar credit on their bill will be the equivalent of their subscription allocation of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges and their Electricity Supplier kilowatt-hour rate, where available through a Commission approved predefined and standardized electronic process across all Maryland utilities. If the Electricity Supplier kilowatt-hour rate is unavailable, or the Subscriber has not chosen an Electricity Supplier, the applicable Standard Offer Service kilowatt-hour rate will be used.

For a Customer that selects the Twelve-Month Period method of Net Excess Generation accumulation within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company will apply to the bill of each eligible Subscriber a true-up for any excess generation. The Subscriber's bill shall be reasonably adjusted to exclude the distribution, transmission, and noncommodity portion of the Subscriber's bill for the excess generation amount. This could result in a one-time adjustment to a Subscriber's bill if the Subscriber has been overcompensated for excess generation throughout the year. For Customers participating in both the ~~Pilot-Community Solar Energy Generation Systems~~ Program and the Net Energy Metering Rider, ~~payment of the excess generation amount credit for Net Excess Generation~~ shall be in accordance with the ~~Pilot-Community Solar Energy Generation Systems~~ Program terms contained herein.

**SUBSCRIBER ORGANIZATION**

A Subscriber Organization is the body responsible for maintaining Subscribers and providing the Subscriber List to the Company for billing. A Subscriber Organization must be a Customer of any available Company Rate Schedule and must be the name on the account for the CSEGS with the Company. A CSEGS must be located in the Company's Service territory and may not exceed five (5) megawatts (MW) in alternating current rated capacity of the system's inverter. ~~A CSEGS of 500 kW or greater may not be located on the same or contiguous parcel of property as another CSEGS of 500 kW or greater owned by the same Subscriber Organization or its affiliate unless constructed on one of the following: a building rooftop or parking structure; over a parking lot or roadway; in a platted industrial park; or two (2) or more projects, each up to two (2) MW in size comprising no more than six (6) MW constructed on a Brownfield.~~ A CSEGS must meet all project location requirements in COMAR 20.62.03.08.

A Subscriber Organization may employ the use of a Subscription Coordinator. A Subscription Coordinator is a person that markets CSEGS projects or related services under its own brand name, performs administrative actions to connect or enroll Customers with CSEGS projects or allocates subscriptions, or manages interactions between a Subscriber Organization and the Company relating to Subscribers.

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM (Continued)**

A Subscriber Organization is subject to all Tariff provisions applicable under the Rate Schedule they are served. Rate Schedule and demand are determined based on the capacity of the CSEGS. The Company at its sole discretion shall determine whether the CSEGS must be placed on a Service voltage greater than one (1) kV. Metering for a CSEGS will be divided into an input and an output channel. All usage on the input channel will be billed in accordance with the applicable Rate Schedule of the CSEGS. All kilowatt-hour generation on the output channel will be used in the calculation of the Subscriber credits and Unsubscribed Energy. The Company reserves the right to require the CSEGS facility to be moved to a specific bill cycle in order to facilitate efficient credit calculation.

Prior to applying for an Interconnection Agreement for this ~~Pilot~~ Program, a Subscriber Organization must first be granted permission to participate in this ~~Pilot~~ Program by the Commission and have received a Subscriber Organization Identification Number from the Commission. Once the Subscriber Organization has an Identification Number, they must apply to the Company for an Interconnection Agreement for each CSEGS project under COMAR 20.50.09, indicating a request to participate in the ~~Pilot~~ Program. A Subscriber Organization shall make each interconnection application separately. Interconnection Agreement applications will be processed in the order in which the completed applications are received, according to the date and time stamp of the electronic submission. Where two (2) or more projects are applying for interconnection at the same location, interconnection rights will be allocated in the order the applications are received. Projects requiring construction on the part of the Company will be processed under a Level 4 Study Review under COMAR 20.50.09. A Subscriber Organization is responsible for all interconnection costs.

A Subscriber Organization must provide the Company an executed Interconnection Agreement, in conjunction with a ~~Pilot~~ Program Application. An executed Interconnection Agreement shall mean an Interconnection Agreement with preliminary approval from the Company. A Subscriber Organization shall make each Pilot Program Application separately. ~~Pilot~~ Program Applications will be processed in the order in which they are received, according to the date and time stamp of the electronic submission. The Company will notify the Subscriber Organization of receipt of the ~~Pilot~~ Program Application and whether the ~~Pilot~~ Program Application is complete within five (5) business days. A Subscriber Organization receiving notice of an incomplete ~~Pilot~~ Program Application shall revise and resubmit within ten (10) business days of receiving the notice.

~~Once the Company has reserved sufficient Pilot Program Category capacity, the Category will be closed. If a Subscriber Organization's Pilot Program Application exceeds the available Pilot Program Capacity Limitation or the Category is otherwise complete, the Pilot Program Application shall be placed on a waiting list in order of electronic receipt for the year and Category for which the Pilot Program Application was made. If a Subscriber Organization applies to add a project to a Category after the Company has awarded all available capacity in that Category, the Company shall place the Pilot Program Application on a waitlist for the Category in the order in which the application was received. In years four (4) through seven (7) of the Pilot Program, the Company shall first award Pilot Program Applications in each Category from the waitlist for that Category before awarding capacity to new Pilot Program Applications. A Subscriber Organization may not change the Category of a project on the waitlist. The Company shall~~

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM (Continued)**

~~remove a project from a Category waitlist upon request of the Subscriber Organization. A Subscriber Organization may re-apply to a different category after the Company has removed a project from a Category waitlist. Wait-listing of one Pilot Program Application does not preclude the Company from accepting a smaller Pilot Program Application received after the wait-listed Pilot Program Application. The Company will fill the Category capacity for subsequent program years starting with the waiting list. Available Pilot Program capacity can be found on the Company's website at [www.firstenergycorp.com](http://www.firstenergycorp.com). A CSEGS Identification Number will be assigned by the Company and capacity in the Pilot Program queue will be reserved for the Subscriber Organization's specific CSEGS upon approval by the Company of a Pilot Program Application.~~

~~If a Subscriber Organization raises a dispute with the Company or the Commission regarding the processing of its Interconnection Application or its Pilot Program Application, the Company will not set aside capacity for the CSEGS during the pendency of the investigation of the dispute.~~

~~Pilot~~ Program Applications will only be accepted in electronic format as defined by the Company. In order to apply for ~~capacity consideration~~ in the Company's ~~Pilot~~ Program queue, a Subscriber Organization shall provide the following information for each CSEGS in the ~~Pilot~~ Program Application:

- 1) An executed Interconnection Agreement, an electronic receipt of an Interconnection Agreement partially executed by the Applicant or conditional approval to interconnect a CSEGS from the Company;
  - 2) Proof of application for all applicable permits;
    - a) A receipt confirming the filing fee from a local jurisdiction demonstrating application for at least one of the following permits: 1) a Site Plan Review Application; 2) a Zoning Conditional Use Application; 3) a Zoning Variance Application; 4) a Zoning Certificate of Use Application; 5) a Special Exception Application; 6) a Board of Appeals Hearing Application; or 7) a Building Permit Application. If one of the previous is not available due to preliminary action required by the jurisdiction, the Subscriber Organization may provide a receipt confirming completion of the preliminary action in lieu of one of the permits listed above. If a Subscriber Organization is unable to provide confirmation of the required permit within 120 days of application, the Company may rescind the award of project capacity.
  - 3) Proof of site control, evidenced by:
    - a) Evidence of property ownership;
    - b) An executed lease agreement; or
    - c) A signed option to purchase or lease
  - ~~4) Selection of one of the following project Categories, as defined in COMAR 20.62:
    - a) Small, Brownfield and Other;
    - b) Open;
    - c) LMI; or
    - d) 50 kW or less (Years 4 through 7 only)~~
  - ~~5) Evidence of Brownfield status, if applicable;
    - a) Amount of Pilot Program capacity the CSEGS project requests, as measured by the sum of the nameplate capacity of the project inverter.~~
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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS ~~PILOT~~ PROGRAM (Conclud~~ti~~ned)**

If a CSEGS project fails to begin operating within twenty-four (24) months of submission of a completed ~~Pilot~~ Program Application, it shall be removed from the queue unless the Subscriber Organization pays \$50 per kW, which will maintain its spot in the queue for up to twelve (12) additional months. CSEGS projects that were awarded capacity in the Low and Moderate Income (LMI) Category of the Pilot Program are exempt from queue deposits. A CSEGS project may lose its place in the queue if the Subscriber Organization does not complete any item required. The Company will notify a Subscriber Organization prior to removal from the queue. A Subscriber Organization must maintain all data and information as prescribed in COMAR 20.62. Updates to the Status of the Company's Program queue can be found at [www.firstenergycorp.com](http://www.firstenergycorp.com).

A Subscriber Organization shall maintain a minimum average subscription size of two (2) kW per Subscriber, must have at least two (2) Subscribers per CSEGS project, and subscriptions larger than 200 kW cannot constitute more than sixty percent (60%) of a CSEGS project's total subscriptions. The Subscriber Organization will certify in the ~~Pilot~~ Program Application each Subscriber's LMI eligibility, if relevant to the CSEGS project. The Subscriber Organization will certify in the ~~Pilot~~ Program Application that each Subscriber authorizes the Company to release that Customer's account information as necessary to ensure compliance with regulatory requirements. The above certifications shall be updated as necessary by the Subscriber Organization in the Subscription Lists provided to the Company.

A Subscriber Organization must provide the following Subscriber List requirements set forth by the Company, with electronic data for each CSEGS project indicating the proportion of a CSEGS output that shall be applied to each Subscriber's bill including:

- 1) Date of submission
- 2) Applicable month
- 3) CSEGS Identification Number assigned by the Company
- 4) Subscriber Organization Identification Number assigned by the Commission
- 5) Subscriber Organization name
- 6) Each Subscriber's name (per Company account)
- 7) Each Subscriber's Company account number
- 8) Each Subscriber's Electric Choice ID
- 9) Subscriber's LMI eligibility
- 10) Percentage share of each Subscriber

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**COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Concluded)**

A Subscriber Organization may at any time provide Subscriber List updates that clearly indicate which Subscribers are new to the list or whose information has been revised from previous Subscriber Lists. The Subscriber List should clearly indicate if there are no changes as compared to the prior issuance of the Subscriber List. A Subscriber Organization does not need to provide a Subscriber List update unless there is a change as compared to the prior issuance of the Subscriber List. Non-compatible or incorrect information will be returned to the Subscriber Organization for correction. SubscriptionsAny energy not allocated to Subscribers or subscriptions associated with ineligible subscribers (such as subscribers that are not Customers of the Company or whose Company accounts have been finalized) will be treated as Unsubscribed Energy. A Subscriber Organization must replace LMI Subscribers that are removed from the Subscriber List with eligible LMI Subscribers such that the required percentage of the kilowatt-hour output is provided to LMI Subscribers. Depending on timing of notification from the Subscriber Organization of the Subscriber's subscription amount in the Subscriber List, it may take up to two billing cycles, or more, before a subscription credit is applied to the Customer's bill from the Company. Subscriptions may not take effect retroactively. No retroactive corrections or changes can be made to Subscriber information or subscription allocation percentages.

The Company shall provide a Subscriber Organization with a report detailing each Subscriber's credit allocation no later than the last day of each calendar month following the month of the CSEGS meter reading.

Unsubscribed Energy will be purchased from the Subscriber Organization banked by the Company in monthly blocks. Unsubscribed Energy, starting with the oldest existing blocks, will be allocated to Subscribers at the request of the Subscriber Organization during the twelve (12) months following the month it was generated. Allocation instructions for Unsubscribed Energy will be posted on the Company website at [www.firstenergycorp.com](http://www.firstenergycorp.com). The Company shall allocate Unsubscribed Energy in the first full billing cycle after submission of instructions by the Subscriber Organization. Any Unsubscribed Energy remaining after twelve (12) months of banking will be purchased from the Subscriber Organization via a bill credit at the net hourly integrated real time locational marginal price for energy at the APS Zone of PJM.

The Company will recover Pilot Program credit costs in existing rate adjustments for distribution rates or as a revenue or cost component for transmission or commodity rates.

**PILOT PROGRAM**

The Community Solar Energy Generation Systems Pilot Program is available to Subscriber Organizations that received capacity before January 1, 2025 and complete interconnection per the operational deadline requirements in COMAR 20.62. Projects approved as part of this Pilot must continue to meet eligibility requirements established previously in COMAR 20.62 for their respective capacity category:

**1. Small, Brownfield, and Other:**

- a. Projects up to and including 500 kW.
- b. Projects installed on rooftops, parking lots, roadways or parking structures.
- c. Projects installed on brownfield locations.
- d. Projects serving more than 51 percent of kWh output to Low or Moderate Income Customers.
- e. Projects installed on clean fill sites.

**2. Open:**

- a. Projects of any size up to 2 MW

**3. Low and Moderate Income Category**

- a. Projects serving more than 30 percent of kWh output to Low or Moderate income subscribers of which Low Income subscribers receive a minimum of 10 percent of kWh output.

If a Subscriber Organization has been waitlisted under the Pilot Program, the Subscriber Organization shall receive a queue position when the Program has begun under Public Utilities Article, §7-306.2(d)(20), Annotated Code of Maryland; and the Company has received the information required by COMAR 20.62.03.04B(3) to receive a queue position in the Program.

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Net Energy Metering Rider

Clean Version

**NET ENERGY METERING RIDER (Continued)****SPECIAL CONDITIONS**

1. **Net Energy:** Net Energy is the energy supplied by the Company minus the energy generated by the Customer, during a billing period, where, the energy generated by the Customer is that energy fed back into the Company's system at such times as Customer generation exceeds Customer requirements. Only if net energy is positive shall net energy charges be applied at the rates specified above except that the minimum charge will be applied in any case. If the calculation of net energy yields a negative result, all such negative net energy shall be considered Net Excess Generation and shall be treated as stated in Special Condition No. 3 below. The components of net energy shall be determined by the use of metering capable of measuring the flow of electricity in two directions, to be provided by the Company at the same charge an eligible Customer would pay for a standard meter.
  2. **Net Excess Generation:** Net Excess Generation occurs when the cumulative value of energy generated by the Customer exceeds the cumulative value of energy generated and supplied to the Customer by the Company during an entire billing period and is the amount by which the energy generated by the Customer and fed back into the Company's system exceeds the energy generated and supplied by the Company resulting in a negative kilowatt-hour reading at the end of the billing period. If electricity generated by the Customer exceeds the electricity supplied by the Company, the Customer shall be required to pay only Customer charges and minimum charges for that month, as required by the Rate Schedule under which the Customer is receiving Service.
  3. **Billing and Billing Periods:** The billing period to be used under this tariff shall be the customary billing period for ordinary residential or general Service Rate Schedules. In any billing period where the energy generated and supplied by the Company exceeds the energy generated by the Customer, the Company will bill the Customer for the Net Energy consumed per the terms of the Rate Schedule. In billing periods where the energy generated by the Customer exceeds the energy generated and supplied to the Customer by the Company, the Customer is required to pay only the Customer charges and minimums that the Customer would have otherwise paid under the applicable residential or general Service Rate Schedule.
  4. **Net Excess Generation** will be carried forward in either of two methods, as determined by the Customer. Eligible Customers must notify the Company by indicating on the Interconnection Application or by indicating on a form accepted by the Commission. A Customer may designate a third party to submit an accrual election form on their behalf. If a selection is not made, the Customer will be defaulted to the Twelve-Month Period method. Customers receiving service under this Rider may opt to change method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year. to switch to the Indefinite Period Method
    - a. **Twelve-Month Period:** Using this method, Net Excess Generation will be carried forward until the Customer's consumption of electricity from the grid eliminates the Net Excess Generation or the 12-month accrual period expires. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12-month period ending with the billing cycle that is complete immediately prior to the end of April multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 30 days after the billing cycle that is complete immediately prior to the end of April of each year, the Company shall calculate the dollar value of any
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**NET ENERGY METERING RIDER (Continued)**

accrued Net Excess Generation remaining at the end of the previous 12-month period to be applied as a bill credit to the Customer's account. Within 15 days that a Customer-generator closes their account, the Company shall calculate the dollar value of any accrued Net Excess Generation remaining at the time of the account closing to be applied as a bill credit to the Customer's account. If the remaining credit balance after settling any past due balance is more than \$25 it will be refunded to the Customer. Should the credit balance be \$25 or less, the amount will remain as a credit on the Customer's account to pay for future charges. Should the Customer close the account, any remaining balance after settling any open balance will be refunded to the Customer.

- b. Indefinite Period: Using this method, Net Excess Generation will be carried forward indefinitely regardless of whether the Customer previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period method. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12-month period ending with the billing cycle that is complete immediately prior to the end of account closing multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 15 days that a Customer-generator closes their account, the Company shall calculate the dollar value of any accrued Net Excess Generation remaining at the time of the account closing to be applied as a bill credit to the Customer's account. Any remaining credit balance after settling any open balance will be refunded to the Customer.
  5. Meter Accuracy: The metering supplied by the Company under this tariff shall be accurate to within  $\pm 5\%$  when registering in reverse, that is during those times when the energy generated by the Customer is greater than the energy generated by the Company. When the energy generated and supplied to the Customer by the Company is greater than the energy generated by the Customer, the meter must retain the ability to register consumption within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.
  6. Safety and Reliability: The design and installation of the Customer's generation must comply with all applicable laws and regulations and shall meet all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers and Underwriters Laboratory.
    - a. The Customer assumes sole responsibility to design and install its system for protection against faults or disturbances on the Company's system.
    - b. The Company shall have the right to inspect all the facilities and their operation, and to test all protective equipment, at any time that this Rider is in effect.
    - c. Customer generation must operate in parallel with Company generation. Customer must provide synchronizing equipment which will automatically isolate the Customer generation from the Company's system if the Company's circuit becomes de-energized or if the Customer should lose synchronization.
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**NET ENERGY METERING RIDER (Concluded)**

- d. Parallel operation must cease immediately and automatically during electrical outages and other emergency or abnormal conditions as specified by the Company, or when maintenance on Company facilities is being performed and safety considerations require the de-energizing of the Customer. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or voltage which originates from a Customer's generation facilities, or is caused by failure of the Customer to operate in compliance with Company requirements.
  - e. The Company may disconnect from the Customer's facilities in order that the Company can (1) construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its system; or (2) if the Company determines the curtailment, interruption or reduction of deliveries of energy or energy and capacity is necessary because of technical system emergencies including forced outages and operating conditions on its system, or as otherwise required by prudent electrical practices.
7. Periods During Which Purchases Are Not Required: The Company will not be required to receive energy or capacity during an electrical emergency or during periods of maintenance when safety considerations would require the de-energizing of facilities. Whenever possible the Company will notify the Customer by telephone, followed by written confirmation, of such circumstances.
8. General:
- a. The Customer is solely responsible for the proper installation, operation, and maintenance of any equipment used, all costs, expense, pecuniary or other loss which may arise directly or indirectly from any act or omission of the Customer, its agents, servants, or employees.
  - b. Maintenance and operation of the generator and associated equipment will be the responsibility of the Customer.
  - c. Failure of the Customer to comply with any of the Company's provisions or requirements shall result in immediate disconnection from the Company's system and the Company will be under no obligation to reconnect the Customer's Service until, in the sole opinion of the Company, the Customer does comply.

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# Net Energy Metering Rider

Redline Version

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**NET ENERGY METERING RIDER (Continued)****SPECIAL CONDITIONS**

1. **Net Energy:** Net Energy is the energy supplied by the Company minus the energy generated by the Customer, during a billing period, where, the energy generated by the Customer is that energy fed back into the Company's system at such times as Customer generation exceeds Customer requirements. Only if net energy is positive shall net energy charges be applied at the rates specified above except that the minimum charge will be applied in any case. If the calculation of net energy yields a negative result, all such negative net energy shall be considered Net Excess Generation and shall be treated as stated in Special Condition No. 3 below. The components of net energy shall be determined by the use of metering capable of measuring the flow of electricity in two directions, to be provided by the Company at the same charge an eligible Customer would pay for a standard meter.
2. **Net Excess Generation:** Net Excess Generation occurs when the cumulative value of energy generated by the Customer exceeds the cumulative value of energy generated and supplied to the Customer by the Company during an entire billing period and is the amount by which the energy generated by the Customer and fed back into the Company's system exceeds the energy generated and supplied by the Company resulting in a negative kilowatt-hour reading at the end of the billing period. If electricity generated by the Customer exceeds the electricity supplied by the Company, the Customer shall be required to pay only Customer charges and minimum charges for that month, as required by the Rate Schedule under which the Customer is receiving Service.
3. **Billing and Billing Periods:** The billing period to be used under this tariff shall be the customary billing period for ordinary residential or general Service Rate Schedules. In any billing period where the energy generated and supplied by the Company exceeds the energy generated by the Customer, the Company will bill the Customer for the Net Energy consumed per the terms of the Rate Schedule. In billing periods where the energy generated by the Customer exceeds the energy generated and supplied to the Customer by the Company, the Customer is required to pay only the Customer charges and minimums that the Customer would have otherwise paid under the applicable residential or general Service Rate Schedule.
4. **Net Excess Generation will be carried forward in either of two methods, as determined by the Customer.** Eligible Customers must notify the Company by indicating on the Interconnection Application or by indicating on a form accepted by the Commission. A Customer may designate a third party to submit an accrual election form on their behalf. If a selection is not made, the Customer will be defaulted to the Twelve-Month Period ~~M~~method. Customers receiving service under this Rider may opt to change method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year. to switch to the Indefinite Period Method
  - a. ~~Twelve-Month Period:~~ Using this ~~M~~method, Net Excess Generation will be carried forward until the Customer's consumption of electricity from the grid eliminates the Net Excess Generation or the 12-month accrual period expires. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12-month period ending with the billing cycle that is complete immediately prior to the end of April multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 30 days after the billing cycle that is complete immediately prior to the end of April of each year, the Company shall ~~pay each eligible Customer-~~

b-a.

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### NET ENERGY METERING RIDER (Continued)

~~generator-forcalculate~~ the dollar value of any accrued Net Excess Generation remaining at the end of the previous 12--month period to be applied as a bill credit to the Customer's account. Within 15 days that a Customer-generator closes their account, the Company shall ~~pay the Customer-generator forcalculate~~ the dollar value of any accrued Net Excess Generation remaining at the time of the account closing to be applied as a bill credit to the Customer's account. If the remaining credit balance after settling any past due balance is more than \$25 it will be refunded to the Customer. Should the credit balance be \$25 or less, the amount will remain as a credit on the Customer's account to pay for future charges. Should the Customer close the account, any remaining balance after settling any open balance will be refunded to the Customer.

~~e-b.~~ Indefinite Period: Using this ~~M~~method, Net Excess Generation will be carried forward indefinitely regardless of whether the Customer previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period ~~M~~method. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12--month period ending with the billing cycle that is complete immediately prior to the end of account closing multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 15 days that a Customer-generator closes their account, the Company shall ~~pay the Customer-generator forcalculate~~ the dollar value of any accrued Net Excess Generation remaining at the time of the account closing to be applied as a bill credit to the Customer' account. Any remaining credit balance after settling any open balance will be refunded to the Customer.

5. Meter Accuracy: The metering supplied by the Company under this tariff shall be accurate to within  $\pm 5\%$  when registering in reverse, that is during those times when the energy generated by the Customer is greater than the energy generated by the Company. When the energy generated and supplied to the Customer by the Company is greater than the energy generated by the Customer, the meter must retain the ability to register consumption within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.
6. Safety and Reliability: The design and installation of the Customer's generation must comply with all applicable laws and regulations and shall meet all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers and Underwriters Laboratory.
  - a. The Customer assumes sole responsibility to design and install its system for protection against faults or disturbances on the Company's system.
  - b. The Company shall have the right to inspect all the facilities and their operation, and to test all protective equipment, at any time that this Rider is in effect.
  - c. Customer generation must operate in parallel with Company generation. Customer must provide synchronizing equipment which will automatically isolate the Customer generation from the Company's system if the Company's circuit becomes de-energized or if the Customer should lose synchronization.
  - ~~d. Parallel operation must cease immediately and automatically during electrical outages and other emergency or abnormal conditions as specified by the Company, or when maintenance on Company facilities is being~~

~~performed and safety considerations require the de-energizing of the Customer. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or voltage which originates from a Customer's generation facilities, or is caused by failure of the Customer to operate in compliance with Company requirements.~~

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THE POTOMAC EDISON COMPANY

Electric P.S.C. Md. No. 54

~~First Second~~ Revision of

Original Page No. 26-3

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~~First Revision of~~

Original Page No. 26-3

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#### NET ENERGY METERING RIDER (Concluded)

- d. ~~Parallel operation must cease immediately and automatically during electrical outages and other emergency or abnormal conditions as specified by the Company, or when maintenance on Company facilities is being performed and safety considerations require the de-energizing of the Customer. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or voltage which originates from a Customer's generation facilities, or is caused by failure of the Customer to operate in compliance with Company requirements.~~
- e. The Company may disconnect from the Customer's facilities in order that the Company can (1) construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its system; or (2) if the Company determines the curtailment, interruption or reduction of deliveries of energy or energy and capacity is necessary because of technical system emergencies including forced outages and operating conditions on its system, or as otherwise required by prudent electrical practices.
7. Periods During Which Purchases Are Not Required: The Company will not be required to receive energy or capacity during an electrical emergency or during periods of maintenance when safety considerations would require the de-energizing of facilities. Whenever possible the Company will notify the Customer by telephone, followed by written confirmation, of such circumstances.
8. General:
- a. The Customer is solely responsible for the proper installation, operation, and maintenance of any equipment used, all costs, expense, pecuniary or other loss which may arise directly or indirectly from any act or omission of the Customer, its agents, servants, or employees.
  - b. Maintenance and operation of the generator and associated equipment will be the responsibility of the Customer.
  - c. Failure of the Customer to comply with any of the Company's provisions or requirements shall result in immediate disconnection from the Company's system and the Company will be under no obligation to reconnect the Customer's Service until, in the sole opinion of the Company, the Customer does comply.
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ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued ~~September May 130, 2023~~2025

Effective ~~October July 1, 2023~~2025

~~Approved at Public Service Commission Administrative Meeting of September 27, 2023~~