

Chapter 584

(House Bill 1187)

AN ACT concerning

Renewable Energy Portfolio Standard – Solar Energy and Solar Water Heating Systems

FOR the purpose of altering the minimum required percentage of Tier 1 renewable energy that must be derived from solar energy in the State's renewable energy portfolio standard in certain years; authorizing the Public Service Commission, in consultation with the Maryland Energy Administration, to identify an equivalent certification for measurement for energy generated by certain solar water heating systems for certain purposes; authorizing the Commission, in consultation with the Administration, to approve an equivalent certification body to set certain standards; providing for the application of this Act; and generally relating to solar energy.

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section 7–703 and 7–704(g)

Annotated Code of Maryland

(2010 Replacement Volume and 2011 Supplement)

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

Article – Public Utilities

7–703.

(a) (1) (i) The Commission shall implement a renewable energy portfolio standard that, except as provided under paragraph (2) of this subsection, applies to all retail electricity sales in the State by electricity suppliers.

(ii) If the standard becomes applicable to electricity sold to a customer after the start of a calendar year, the standard does not apply to electricity sold to the customer during that portion of the year before the standard became applicable.

(2) A renewable energy portfolio standard may not apply to electricity sales at retail by any electricity supplier:

(i) in excess of 300,000,000 kilowatt–hours of industrial process load to a single customer in a year;

(ii) to residential customers in a region of the State in which electricity prices for residential customers are subject to a freeze or cap contained in a settlement agreement entered into under § 7–505 of this title until the freeze or cap has expired; or

(iii) to a customer served by an electric cooperative under an electricity supplier purchase agreement that existed on October 1, 2004, until the expiration of the agreement.

(b) The renewable energy portfolio standard shall be as follows:

(1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2 renewable sources;

(2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2 renewable sources;

(3) in 2008, 2.005% from Tier 1 renewable sources, including at least 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(4) in 2009, 2.01% from Tier 1 renewable sources, including at least 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(5) in 2010, 3.025% from Tier 1 renewable sources, including at least 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(6) in 2011, 5.0% from Tier 1 renewable sources, including at least 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(7) in 2012, 6.5% from Tier 1 renewable sources, including at least 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(8) in 2013, 8.2% from Tier 1 renewable sources, including at least [0.2%] **0.25%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

(9) in 2014, 10.3% from Tier 1 renewable sources, including at least [0.3%] **0.35%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

(10) in 2015, 10.5% from Tier 1 renewable sources, including at least [0.4%] **0.5%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

(11) in 2016, 12.7% from Tier 1 renewable sources, including at least [0.5%] **0.7%** derived from solar energy, and 2.5% from Tier 2 renewable sources;

(12) in 2017, 13.1% from Tier 1 renewable sources, including at least [0.55%] ~~1.0%~~ 0.95% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(13) in 2018, 15.8% from Tier 1 renewable sources, including at least [0.9%] ~~1.35%~~ 1.4% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(14) in 2019, 17.4% from Tier 1 renewable sources, including at least [1.2%] 1.75% derived from solar energy, and 0% from Tier 2 renewable sources;

(15) in 2020, 18% from Tier 1 renewable sources, including at least [1.5%] 2.0% derived from solar energy, and 0% from Tier 2 renewable sources;

(16) in 2021, 18.7% from Tier 1 renewable sources, including at least [1.85%] 2.0% derived from solar energy, and 0% from Tier 2 renewable sources; and

(17) in 2022 and later, 20% from Tier 1 renewable sources, including at least 2% derived from solar energy, and 0% from Tier 2 renewable sources.

(c) Before calculating the number of credits required to meet the percentages established under subsection (b) of this section, an electricity supplier shall exclude from its total retail electricity sales all retail electricity sales described in subsection (a)(2) of this section.

(d) Subject to subsections (a) and (c) of this section, an electricity supplier shall meet the renewable energy portfolio standard by accumulating the equivalent amount of renewable energy credits that equal the percentages required under this section.

7-704.

(g) (1) Energy from a solar water heating system is eligible for inclusion in meeting the renewable energy portfolio standard.

(2) A person that owns and operates a solar water heating system shall receive a renewable energy credit equal to the amount of energy, converted from BTUs to kilowatt-hours, that is generated by the system that is used by the person for water heating.

(3) The total amount of energy generated and consumed for a nonresidential or commercial solar water heating system shall be measured by an on-site meter that meets the required performance standards of the International Organization of Legal Metrology.

(4) The total amount of energy generated and consumed by a residential solar water heating system shall be:

(i) measured by a meter that meets the required standards of the International Organization of Legal Metrology; or

(ii) 1. measured by the Solar Ratings and Certification Corporation's OG-300 thermal performance rating for the system **OR AN EQUIVALENT CERTIFICATION THAT THE COMMISSION APPROVES IN CONSULTATION WITH THE ADMINISTRATION**; and

2. certified to the OG-300 standard of the Solar Ratings and Certification Corporation **OR AN EQUIVALENT CERTIFICATION BODY THAT THE COMMISSION APPROVES IN CONSULTATION WITH THE ADMINISTRATION**.

(5) A residential solar water heating system shall be installed in accordance with applicable State and local plumbing codes.

(6) A residential solar water heating system may not produce more than five solar renewable energy credits in any 1 year.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract existing before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012.

Approved by the Governor, May 22, 2012.