

HOUSE BILL 601

M5, C5

9lr1474
CF SB 350

By: **Delegate D.E. Davis**

Introduced and read first time: February 6, 2019

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2019

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – ~~Tier 1 Eligibility~~ Alterations**

3 FOR the purpose of ~~altering the definition of a “Tier 1 renewable source” for purposes of~~
4 ~~the renewable energy portfolio standard; adding certain hydroelectric power as a~~
5 ~~Tier 1 renewable source; repealing an obsolete definition; repealing obsolete~~
6 ~~language; altering the renewable energy portfolio standard for certain years;~~
7 providing for the application of this Act; and generally relating to the renewable
8 energy portfolio standard.

9 BY repealing and reenacting, without amendments,
10 Article – Public Utilities
11 Section ~~7-701(a), (r), and (s)~~
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2018 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Public Utilities
16 Section ~~7-701(a)~~ 7-703(b)(14) and (15) and 7-704(a)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2018 Supplement)

19 ~~BY repealing~~
20 ~~Article – Public Utilities~~
21 ~~Section 7-701(s)~~
22 ~~Annotated Code of Maryland~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~(2010 Replacement Volume and 2018 Supplement)~~

BY adding to

Article – Public Utilities

Section 7–703(b)(16)

Annotated Code of Maryland

(2010 Replacement Volume and 2018 Supplement)

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

Article – Public Utilities

7–701.

(a) In this subtitle the following words have the meanings indicated.

(r) “Tier 1 renewable source” means one or more of the following types of energy sources:

(1) solar energy, including energy from photovoltaic technologies and solar water heating systems;

(2) wind;

(3) qualifying biomass;

(4) methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;

(5) geothermal, including energy generated through geothermal exchange from or thermal energy avoided by, groundwater or a shallow ground source;

(6) ocean, including energy from waves, tides, currents, and thermal differences;

(7) a fuel cell that produces electricity from a Tier 1 renewable source under item (3) or (4) of this subsection;

(8) ~~fa small~~ hydroelectric power ~~plant~~ of less than 30 megawatts in capacity that is licensed or exempt from licensing by the Federal Energy Regulatory Commission; ~~OTHER THAN PUMP STORAGE GENERATION;~~

(9) poultry litter-to-energy;

(10) waste-to-energy;

1 (11) refuse-derived fuel; and

2 (12) thermal energy from a thermal biomass system.

3 ~~[(s)]~~ “Tier 2 renewable source” means hydroelectric power other than pump storage
4 generation.]

5 7-703.

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

7 (14) in [2019.] 2019:

8 (I) 20.4% from Tier 1 renewable sources, including:

9 [(i)] 1. at least 1.95% derived from solar energy; and

10 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
11 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

12 (II) 2.5% FROM TIER 2 RENEWABLE SOURCES;

13 (15) in 2020 [and later.]:

14 (I) 25% from Tier 1 renewable sources, including:

15 [(i)] 1. at least 2.5% derived from solar energy; and

16 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
17 this subtitle, not to exceed 2.5%, derived from offshore wind energy; AND

18 (II) 2.5% FROM TIER 2 RENEWABLE SOURCES; AND

19 (16) IN 2021 AND LATER, AT LEAST 25% FROM TIER 1 RENEWABLE
20 SOURCES, INCLUDING:

21 (I) AT LEAST 2.5% DERIVED FROM SOLAR ENERGY; AND

22 (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)
23 OF THIS SUBTITLE, NOT TO EXCEED 2.5% DERIVED FROM OFFSHORE WIND ENERGY.

24 7-704.

25 (a) (1) Energy from a Tier 1 renewable source:

1 (i) is eligible for inclusion in meeting the renewable energy portfolio
2 standard regardless of when the generating system or facility was placed in service; and

3 (ii) may be applied to the percentage requirements of the standard
4 for ~~either~~ Tier 1 renewable sources ~~for Tier 2 renewable sources~~.

5 (2) (i) Energy from a Tier 1 renewable source under § 7-701(r)(1), (5),
6 (9), (10), or (11) of this subtitle is eligible for inclusion in meeting the renewable energy
7 portfolio standard only if the source is connected with the electric distribution grid serving
8 Maryland.

9 (ii) If the owner of a solar generating system in this State chooses to
10 sell solar renewable energy credits from that system, the owner must first offer the credits
11 for sale to an electricity supplier or electric company that shall apply them toward
12 compliance with the renewable energy portfolio standard under § 7-703 of this subtitle.

13 (3) Energy from a Tier 1 renewable source under § 7-701(r)(8) of this
14 subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it is
15 generated at a dam that existed as of January 1, 2004, even if a system or facility that is
16 capable of generating electricity did not exist on that date.

17 ~~(4) Energy from a Tier 2 renewable source under § 7-701(s) of this subtitle~~
18 ~~is eligible for inclusion in meeting the renewable energy portfolio standard through 2018~~
19 ~~2020 if it is generated at a system or facility that existed and was operational as of January~~
20 ~~1, 2004, even if the facility or system was not capable of generating electricity on that date.~~

21 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July~~
22 ~~1, 2019, and shall apply to all renewable portfolio standard compliance years that begin on~~
23 ~~or after January 1, 2020.~~

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed
25 to apply retroactively and shall be applied and interpreted to affect all renewable portfolio
26 standard compliance years that begin on or after January 1, 2019.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
28 1, 2019.