

## Chapter 635

(Senate Bill 1004)

AN ACT concerning

### Renewable Energy Portfolio Standard – Renewable Energy Credits – ~~Qualifying~~ Thermal Biomass Systems

FOR the purpose of specifying that energy from a certain ~~qualifying~~ thermal biomass system is eligible for inclusion in meeting the renewable energy portfolio standard; specifying that a person that owns and operates a certain ~~qualifying~~ thermal biomass system is eligible to receive a certain renewable energy credit under certain circumstances; specifying that a certain person that is eligible to receive a certain renewable energy credit shall receive a certain renewable energy credit under certain circumstances equal to a certain amount; requiring the total amount of energy generated and consumed by a residential, nonresidential, or commercial ~~qualifying~~ thermal biomass system to be measured in a certain way; requiring the Public Service Commission to adopt certain regulations; defining a certain term; altering a certain term; providing for a delayed effective date; and generally relating to the eligibility of ~~qualifying~~ thermal biomass systems for inclusion in meeting the renewable energy portfolio standard.

BY repealing and reenacting, without amendments,  
Article – Public Utilities  
Section 7–701(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2011 Supplement)

BY adding to  
Article – Public Utilities  
Section 7–701(h–1) and 7–704(h)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,  
Article – Public Utilities  
Section 7–701(l)  
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**

7-701.

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

~~(H-1) “QUALIFYING THERMAL BIOMASS SYSTEM” MEANS A SYSTEM THAT:~~

~~(1) GENERATES ENERGY USING PRIMARILY FOOD WASTE, CROP WASTE, CROPS GROWN FOR ENERGY PRODUCTION, OR ANIMAL MANURE, INCLUDING POULTRY LITTER;~~

~~(2) PROVIDES ENERGY USED FOR SPACE HEATING OR COOLING, WATER HEATING OR COOLING, COMBINED HEAT AND POWER, HUMIDITY CONTROL, OR THERMAL END USE IF FUEL OR ELECTRICITY WOULD OTHERWISE BE CONSUMED;~~

~~(3) IS LOCATED IN A FACILITY THAT IS CONNECTED TO THE STATE’S ELECTRIC DISTRIBUTION GRID; AND~~

~~(4) HAS ALL APPLICABLE STATE AND FEDERAL PERMITS.~~

(H-1) “THERMAL BIOMASS SYSTEM” MEANS A SYSTEM THAT:

(1) USES:

(I) PRIMARILY ANIMAL MANURE, INCLUDING POULTRY LITTER, AND ASSOCIATED BEDDING TO GENERATE THERMAL ENERGY; AND

(II) FOOD WASTE OR QUALIFYING BIOMASS FOR THE REMAINDER OF THE FEEDSTOCK;

(2) IS USED IN THE STATE; AND

(3) COMPLIES WITH ALL APPLICABLE STATE AND FEDERAL STATUTES AND REGULATIONS, AS DETERMINED BY THE APPROPRIATE REGULATORY AUTHORITY.

(l) “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, ~~INCLUDING QUALIFYING THERMAL BIOMASS SYSTEMS;~~
- (4) methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;
- (5) geothermal;
- (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) a small hydroelectric power plant of less than 30 megawatts in capacity that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;
- (9) poultry litter-to-energy;
- (10) waste-to-energy; ~~and~~
- (11) refuse-derived fuel; AND
- (12) THERMAL ENERGY FROM A THERMAL BIOMASS SYSTEM.**

7-704.

**(H) (1) ~~ENERGY FROM A QUALIFYING THERMAL BIOMASS SYSTEM IS ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD.~~**

**(2) (I) A PERSON THAT OWNS AND OPERATES A THERMAL BIOMASS SYSTEM THAT USES ANAEROBIC DIGESTION IS ELIGIBLE TO RECEIVE A RENEWABLE ENERGY CREDIT.**

**(II) A PERSON THAT OWNS AND OPERATES A THERMAL BIOMASS SYSTEM THAT USES A THERMOCHEMICAL PROCESS IS ELIGIBLE TO RECEIVE A RENEWABLE ENERGY CREDIT IF THE PERSON DEMONSTRATES TO THE MARYLAND DEPARTMENT OF THE ENVIRONMENT THAT THE OPERATION OF THE THERMAL BIOMASS SYSTEM:**

1. IS NOT SIGNIFICANTLY CONTRIBUTING TO LOCAL OR REGIONAL AIR QUALITY IMPAIRMENTS; AND

2. WILL SUBSTANTIALLY DECREASE EMISSIONS OF OXIDES OF NITROGEN BEYOND THAT ACHIEVED BY A DIRECT BURN COMBUSTION UNIT THROUGH THE USE OF PRECOMBUSTION TECHNIQUES, COMBUSTION TECHNIQUES, OR POSTCOMBUSTION TECHNIQUES.

~~(2)~~ (3) A PERSON THAT ~~OWNS AND OPERATES A QUALIFYING THERMAL BIOMASS SYSTEM~~ IS ELIGIBLE TO RECEIVE A RENEWABLE ENERGY CREDIT UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL RECEIVE A RENEWABLE ENERGY CREDIT EQUAL TO THE AMOUNT OF ENERGY, CONVERTED FROM BTUS TO KILOWATT-HOURS, THAT IS GENERATED BY THE ~~QUALIFYING THERMAL BIOMASS SYSTEM~~ AND USED ON SITE.

~~(3)~~ (4) THE TOTAL AMOUNT OF ENERGY GENERATED AND CONSUMED FOR A RESIDENTIAL, NONRESIDENTIAL, OR COMMERCIAL ~~QUALIFYING THERMAL BIOMASS SYSTEM~~ SHALL BE MEASURED BY AN ON-SITE METER THAT MEETS THE REQUIRED PERFORMANCE STANDARDS ~~OF THE INTERNATIONAL ORGANIZATION OF LEGAL METROLOGY~~ ESTABLISHED BY THE COMMISSION.

~~(4)~~ (5) THE COMMISSION SHALL ADOPT REGULATIONS FOR THE METERING, VERIFICATION, AND REPORTING OF THE OUTPUT OF ~~QUALIFYING THERMAL BIOMASS SYSTEMS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2013.

Approved by the Governor, May 22, 2012.