

SENATE BILL 590

M5, C5

3lr1346
CF HB 718

By: **Senator Lewis Young**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Eligible Sources – Alterations**
3 **(Reclaim Renewable Energy Act of 2023)**

4 FOR the purpose of altering the definitions of “qualifying biomass”, “thermal biomass
5 system”, and “Tier 1 renewable source” for purposes of excluding energy derived from
6 certain forest–related resources, animal manure, waste, and refuse and gas produced
7 from the anaerobic decomposition of animal waste or poultry waste from being
8 eligible for inclusion in the renewable energy portfolio standard; and generally
9 relating to the renewable energy portfolio standard.

10 BY repealing and reenacting, with amendments,
11 Article – Public Utilities
12 Section 7–701 and 7–704(a) and (c)
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2022 Supplement)

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

Article – Public Utilities

18 7–701.

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

20 (b) “Administration” means the Maryland Energy Administration.

21 (c) “Fund” means the Maryland Strategic Energy Investment Fund established
22 under § 9–20B–05 of the State Government Article.

23 (d) “Geothermal heating and cooling system” means a system that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) exchanges thermal energy from groundwater or a shallow ground
2 source to generate thermal energy through a geothermal heat pump or a system of
3 geothermal heat pumps interconnected with any geothermal extraction facility that is:

4 (i) a closed loop or a series of closed loop systems in which fluid is
5 permanently confined within a pipe or tubing and does not come in contact with the outside
6 environment; or

7 (ii) an open loop system in which ground or surface water is
8 circulated in an environmentally safe manner directly into the facility and returned to the
9 same aquifer or surface water source;

10 (2) meets or exceeds the current federal Energy Star product specification
11 standards;

12 (3) is manufactured, installed, and operated in accordance with applicable
13 government and industry standards; and

14 (4) does not feed electricity back to the grid.

15 (e) “Industrial process load” means the consumption of electricity by a
16 manufacturing process at an establishment classified in the manufacturing sector under
17 the North American Industry Classification System, Codes 31 through 33.

18 [(e-1)] (F) “Legacy geothermal system” means a geothermal heating and cooling
19 system that was placed in service on or before December 31, 2022.

20 [(f)] (G) “Offshore wind energy” means energy generated by a qualified offshore
21 wind project.

22 [(g)] (H) “Offshore wind renewable energy credit” or “OREC” means a renewable
23 energy credit equal to the generation attributes of 1 megawatt-hour of electricity that is
24 derived from offshore wind energy.

25 [(h)] “Old growth timber” means timber from a forest:

26 (1) at least 5 acres in size with a preponderance of old trees, of which the
27 oldest exceed at least half the projected maximum attainable age for the species; and

28 (2) that exhibits several of the following characteristics:

29 (i) shade-tolerant species are present in all age and size classes;

30 (ii) randomly distributed canopy gaps are present;

1 (iii) a high degree of structural diversity characterized by multiple
2 growth layers reflecting a broad spectrum of ages is present;

3 (iv) an accumulation of dead wood of varying sizes and stages of
4 decomposition accompanied by decadence in live dominant trees is present; and

5 (v) pit and mound topography can be observed.]

6 (i) “PJM region” means the control area administered by the PJM
7 Interconnection, as the area may change from time to time.

8 [(i-1)] (j) “Post-2022 geothermal system” means a geothermal heating and
9 cooling system that is placed in service on or after January 1, 2023.

10 [(j)] (k) “Poultry litter” means the fecal and urinary excretions of poultry, including
11 wood shavings, sawdust, straw, rice hulls, and other bedding material for the disposition
12 of manure.]

13 (k) “Qualified offshore wind project” means a wind turbine electricity generation
14 facility, including the associated transmission-related interconnection facilities and
15 equipment, that:

16 (1) is located on the outer continental shelf of the Atlantic Ocean in an area
17 that the United States Department of the Interior designates for leasing after coordination
18 and consultation with the State in accordance with § 388(a) of the Energy Policy Act of
19 2005; and

20 (2) interconnects to the PJM Interconnection grid at a point located on the
21 Delmarva Peninsula.

22 (l) (1) “Qualifying biomass” means a nonhazardous, organic material that is
23 available on a renewable or recurring basis, and is:

24 (i) waste material that is segregated from inorganic waste material
25 and is derived from sources including:

26 [1. Except for old growth timber, any of the following
27 forest-related resources:

28 A. mill residue, except sawdust and wood shavings;

29 B. precommercial soft wood thinning;

30 C. slash;

31 D. brush; or

E. yard waste;]

[2.] 1. A pallet, crate, or dunnage; OR

[3.] 2. Agricultural and silvicultural sources, including tree crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or

[4. Gas produced from the anaerobic decomposition of animal waste or poultry waste; or]

(ii) a plant that is cultivated exclusively for purposes of being used at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

(2) “Qualifying biomass” includes biomass listed in paragraph (1) of this subsection that is used for co-firing, subject to § 7-704(d) of this subtitle.

(3) “Qualifying biomass” does not include:

(i) unsegregated solid waste or postconsumer wastepaper;

(ii) black liquor, or any product derived from black liquor; [or]

(iii) an invasive exotic plant species;

(IV) ANY OF THE FOLLOWING FOREST-RELATED RESOURCES:

1. MILL RESIDUE, INCLUDING SAWDUST AND WOOD SHAVINGS;

2. PRECOMMERCIAL SOFT WOOD THINNING;

3. SLASH;

4. BRUSH; OR

5. YARD WASTE; OR

(V) GAS PRODUCED FROM THE ANAEROBIC DECOMPOSITION OF ANIMAL WASTE OR POULTRY WASTE.

(m) “Renewable energy credit” or “credit” means a credit equal to the generation attributes of 1 megawatt-hour of electricity that is derived from a Tier 1 renewable source or a Tier 2 renewable source that is located:

1 (1) in the PJM region;

2 (2) outside the area described in item (1) of this subsection but in a control
3 area that is adjacent to the PJM region, if the electricity is delivered into the PJM region;
4 or

5 (3) on the outer continental shelf of the Atlantic Ocean in an area that:

6 (i) the United States Department of the Interior designates for
7 leasing after coordination and consultation with the State in accordance with § 388(a) of
8 the Energy Policy Act of 2005; and

9 (ii) is between 10 and 80 miles off the coast of the State.

10 (n) “Renewable energy portfolio standard” or “standard” means the percentage of
11 electricity sales at retail in the State that is to be derived from Tier 1 renewable sources
12 and Tier 2 renewable sources in accordance with § 7–703(b) of this subtitle.

13 (o) “Renewable on–site generator” means a person who generates electricity on
14 site from a Tier 1 renewable source or a Tier 2 renewable source for the person’s own use.

15 (p) “Round 1 offshore wind project” means a qualified offshore wind project that:

16 (1) is between 10 and 30 miles off the coast of the State; and

17 (2) the Commission approved under § 7–704.1 of this subtitle before July
18 1, 2017.

19 [(p–1)] (Q) “Round 2 offshore wind project” means a qualified offshore wind project
20 that:

21 (1) is not less than 10 miles off the coast of the State; and

22 (2) the Commission approves under § 7–704.1 of this subtitle on or after
23 July 1, 2017.

24 [(q)] (R) (1) “Solar water heating system” means a system that:

25 (i) consists of glazed liquid–type flat–plate or tubular solar
26 collectors or concentrating solar thermal collectors as defined and certified to the OG–100
27 standard of the Solar Ratings and Certification Corporation;

28 (ii) generates energy using solar radiation for the purpose of heating
29 water; and

30 (iii) does not feed electricity back to the electric grid.

1 (2) “Solar water heating system” does not include a system that generates
2 energy using solar radiation for the sole purpose of heating a hot tub or swimming pool.

3 **[(r)] (S)** “Thermal biomass system” means a system that:

4 (1) uses[:

5 (i) primarily animal manure, including poultry litter, and
6 associated bedding to generate thermal energy; and

7 (ii)] food waste or qualifying biomass for [the remainder of] the
8 feedstock;

9 (2) is used in the State; and

10 (3) complies with all applicable State and federal statutes and regulations,
11 as determined by the appropriate regulatory authority.

12 **[(s)] (T)** “Tier 1 renewable source” means one or more of the following types of
13 energy sources:

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

16 (2) wind;

17 (3) qualifying biomass;

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

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

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

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

26 (8) a small hydroelectric power plant of less than 30 megawatts in capacity
27 that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;

28 **[(9)** poultry litter–to–energy;

29 (10) waste–to–energy;

1 (11) refuse-derived fuel;]

2 [(12)] (9) thermal energy from a thermal biomass system; and

3 [(13)] (10) raw or treated wastewater used as a heat source or sink for a
4 heating or cooling system.

5 [(t)] (U) "Tier 2 renewable source" means hydroelectric power other than pump
6 storage generation.

7 7-704.

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

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

11 (ii) may be applied to the percentage requirements of the standard
12 for either Tier 1 renewable sources or Tier 2 renewable sources.

13 (2) (i) Energy from a Tier 1 renewable source under [§ 7-701(s)(1), (5),
14 (9), (10), or (11)] **§ 7-701(T)(1) OR (5)** of this subtitle is eligible for inclusion in meeting
15 the renewable energy portfolio standard only if the source is connected with the electric
16 distribution grid serving Maryland.

17 (ii) Energy from a Tier 1 renewable source under [§ 7-701(s)(13)] **§**
18 **7-701(T)(10)** of this subtitle is eligible for inclusion in meeting the renewable energy
19 portfolio standard only if the source:

20 1. is connected with the electric distribution grid serving
21 Maryland; or

22 2. processes wastewater from Maryland residents.

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

27 (3) Energy from a Tier 1 renewable source under [§ 7-701(s)(8)] **§**
28 **7-701(T)(8)** of this subtitle is eligible for inclusion in meeting the renewable energy
29 portfolio standard if it is generated at a dam that existed as of January 1, 2004, even if a
30 system or facility that is capable of generating electricity did not exist on that date.

31 (4) Energy from a Tier 2 renewable source under [§ 7-701(t)] **§ 7-701(U)**
32 of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard

1 if it is generated at a system or facility that existed and was operational as of January 1,
2 2004, even if the facility or system was not capable of generating electricity on that date.

3 (c) (1) This subsection applies only to a generating facility that is placed in
4 service on or after January 1, 2004.

5 (2) (i) On or before December 31, 2005, an electricity supplier shall
6 receive 120% credit toward meeting the renewable energy portfolio standard for energy
7 derived from wind.

8 (ii) After December 31, 2005, and on or before December 31, 2008,
9 an electricity supplier shall receive 110% credit toward meeting the renewable energy
10 portfolio standard for energy derived from wind.

11 [(3) On or before December 31, 2008, an electricity supplier shall receive
12 110% credit toward meeting the renewable energy portfolio standard for energy derived
13 from methane under § 7-701(r)(4) of this subtitle.]

14 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation
15 or contract right may not be impaired in any way by this Act.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to all
17 renewable energy portfolio standard compliance years starting on or after January 1, 2023.

18 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2023.