

SENATE BILL 903

C5, M5
SB 549/21 – FIN

2lr1973
CF 2lr1955

By: **Senators Hershey and Edwards**

Introduced and read first time: February 7, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Qualifying Biomass and Thermal**
3 **Biomass Systems**

4 FOR the purpose of altering the components of fuels that qualify a generating facility as a
5 Tier 1 renewable source under the renewable energy portfolio standard by altering
6 the definitions of “qualifying biomass” and “thermal biomass system”; and generally
7 relating to the renewable energy portfolio standard.

8 BY repealing and reenacting, without amendments,
9 Article – Natural Resources
10 Section 5–101(a) and (l)
11 Annotated Code of Maryland
12 (2018 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Public Utilities
15 Section 7–701(a) and 7–704(d), (f)(1), and (i)
16 Annotated Code of Maryland
17 (2020 Replacement Volume and 2021 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Public Utilities
20 Section 7–701(l) and (r)
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2021 Supplement)

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

25 **Article – Natural Resources**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 5–101.

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

3 (l) “Silvicultural product” or “forest product” means any raw material yielded by
4 a forest, including:

5 (1) Timber;

6 (2) Timber products; and

7 (3) Any other forest materials, such as lumber, poles, pulpwood, firewood,
8 and pine straw.

9 **Article – Public Utilities**

10 7–701.

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

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

14 (i) waste material that is segregated from inorganic waste material
15 and is derived from sources including:

16 1. except for old growth timber, any of the following
17 forest–related resources:

18 A. [mill residue, except sawdust and wood shavings;

19 B. precommercial] soft wood thinning;

20 [C.] B. [slash] SILVICULTURAL PRODUCTS, AS DEFINED
21 IN § 5–101 OF THE NATURAL RESOURCES ARTICLE;

22 [D.] C. [brush] NATURAL WOOD WASTE AS DEFINED IN
23 COMAR 26.04.09.02; or

24 [E.] D. yard waste;

25 2. a pallet, crate, or dunnage;

26 3. agricultural and silvicultural sources, including tree
27 crops, vineyard materials, grain, legumes, sugar, and other crop by–products or residues;
28 or

1 (i) (1) Energy from a thermal biomass system is eligible for inclusion in
2 meeting the renewable energy portfolio standard.

3 (2) (i) A person that owns and operates a thermal biomass system that
4 uses anaerobic digestion is eligible to receive a renewable energy credit.

5 (ii) A person that owns and operates a thermal biomass system that
6 uses a thermochemical process is eligible to receive a renewable energy credit if the person
7 demonstrates to the Maryland Department of the Environment that the operation of the
8 thermal biomass system:

9 1. is not significantly contributing to local or regional air
10 quality impairments; and

11 2. will substantially decrease emissions of oxides of nitrogen
12 beyond that achieved by a direct burn combustion unit through the use of precombustion
13 techniques, combustion techniques, or postcombustion techniques.

14 (3) A person that is eligible to receive a renewable energy credit under
15 paragraph (2) of this subsection shall receive a renewable energy credit equal to the amount
16 of energy, converted from BTUs to kilowatt-hours, that is generated by the thermal
17 biomass system and used on site.

18 (4) The total amount of energy generated and consumed for a residential,
19 nonresidential, or commercial thermal biomass system shall be measured by an on-site
20 meter that meets the required performance standards established by the Commission.

21 (5) The Commission shall adopt regulations for the metering, verification,
22 and reporting of the output of thermal biomass systems.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
24 renewable energy portfolio standard compliance years starting on or after January 1, 2022.

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2022.