

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 633

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Energy - Taxes - Extension and Expansion of Credit for Renewable Energy” and substitute “Maryland Clean Energy Incentive Act of 2005”; strike beginning with “extending” in line 3 down through “resources” in line 8 and substitute “establishing the Renewable Energy Production Grant Program in the Maryland Energy Administration to provide certain grants for individuals or businesses for electricity produced by certain means; requiring the Maryland Energy Administration to administer the Program; establishing certain procedures and award of grants from the Program; defining certain terms; and generally relating to the Renewable Energy Production Grant Program”; and strike in their entirety lines 9 through 13, inclusive, and substitute:

“BY adding to

Article - State Government

Section 9-2008

Annotated Code of Maryland

(2004 Replacement Volume)”.

AMENDMENT NO. 2

On pages 2 through 4, strike in their entirety the lines beginning with line 14 on page 2 through line 38 on page 4, inclusive, and substitute:

“Article - State Government

9-2008.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(Over)

(2) “PROGRAM” MEANS THE RENEWABLE ENERGY PRODUCTION GRANT PROGRAM.

(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, “QUALIFIED ENERGY RESOURCES” HAS THE MEANING STATED IN § 45 OF THE INTERNAL REVENUE CODE.

(II) “QUALIFIED ENERGY RESOURCES” INCLUDES ANY SOLID, NONHAZARDOUS, CELLULOSIC WASTE MATERIAL THAT IS SEGREGATED FROM OTHER WASTE MATERIALS AND IS DERIVED FROM:

1. ANY OF THE FOLLOWING FOREST-RELATED RESOURCES, NOT INCLUDING OLD-GROWTH TIMBER:

A. MILL RESIDUES, EXCEPT SAWDUST AND WOOD SHAVINGS;

B. PRE-COMMERCIAL THINNINGS;

C. SLASH; OR

D. BRUSH;

2. WASTE PALLETS, CRATES, AND DUNNAGE AND LANDSCAPE OR RIGHT-OF-WAY TRIMMINGS, NOT INCLUDING UNSEGREGATED MUNICIPAL SOLID WASTE AND POST-CONSUMER WASTE PAPER; OR

3. AGRICULTURAL SOURCES, INCLUDING ORCHARD TREE CROPS, VINEYARD, GRAIN, LEGUMES, SUGAR, AND OTHER CROP BY-PRODUCTS OR RESIDUES.

(III) “QUALIFIED ENERGY RESOURCES” INCLUDES METHANE GAS OR OTHER COMBUSTIBLE GASES RESULTING FROM THE DECOMPOSITION OF ORGANIC MATERIALS FROM AN AGRICULTURAL OPERATION, A LANDFILL OR A WASTEWATER TREATMENT PLANT USING ONE OR A COMBINATION OF THE FOLLOWING PROCESSES:

1. ANAEROBIC DECOMPOSITION; OR
2. THERMAL DECOMPOSITION.

(4) “QUALIFIED MARYLAND FACILITY” MEANS A FACILITY LOCATED IN THE STATE THAT:

(I) PRIMARILY USES QUALIFIED ENERGY RESOURCES TO PRODUCE ELECTRICITY AND IS ORIGINALLY PLACED IN SERVICE ON OR AFTER JANUARY 1, 2006, BUT BEFORE JANUARY 1, 2013; OR

(II) PRODUCES ELECTRICITY FROM A QUALIFIED ENERGY RESOURCE THAT IS CO-FIRED WITH COAL AND INITIALLY BEGINS CO-FIRING A QUALIFIED ENERGY RESOURCE ON OR AFTER JANUARY 1, 2006 BUT BEFORE JANUARY 1, 2013, REGARDLESS OF WHEN THE ORIGINAL FACILITY WAS PLACED IN SERVICE.

(B) THERE IS A RENEWABLE ENERGY PRODUCTION GRANT PROGRAM IN THE ADMINISTRATION.

(C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS TO INDIVIDUALS AND BUSINESSES FOR A PORTION OF THE COSTS TO PRODUCE ELECTRICITY FROM RENEWABLE SOURCES.

(D) THE ADMINISTRATION SHALL:

(1) ADMINISTER THE PROGRAM;

(2) ESTABLISH APPLICATION PROCEDURES FOR THE PROGRAM; AND

(3) AWARD GRANTS FROM THE PROGRAM.

(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IN

EACH FISCAL YEAR, A GRANT AWARDED UNDER THE PROGRAM MAY NOT EXCEED AN AMOUNT EQUAL TO 0.85 CENTS FOR EACH KILOWATT HOUR OF ELECTRICITY:

(I) PRODUCED BY THE INDIVIDUAL OR CORPORATION FROM QUALIFIED ENERGY RESOURCES AT A QUALIFIED MARYLAND FACILITY DURING THE 10-YEAR PERIOD BEGINNING ON:

1. THE DATE THE FACILITY WAS ORIGINALLY PLACED IN SERVICE; OR

2. IN THE CASE OF A FACILITY THAT PRODUCES ELECTRICITY FROM A QUALIFIED ENERGY RESOURCE THAT IS CO-FIRED WITH COAL, THE DATE OF THE INITIAL CO-FIRING; AND

(II) SOLD BY THE INDIVIDUAL OR CORPORATION TO A PERSON OTHER THAN A RELATED PERSON, WITHIN THE MEANING OF § 45 OF THE INTERNAL REVENUE CODE, DURING THE TAXABLE YEAR.

(2) IF THE ELECTRICITY IS PRODUCED FROM A QUALIFIED ENERGY RESOURCE THAT IS CO-FIRED AT A FACILITY THAT PRODUCES ELECTRICITY FROM COAL, THE GRANT AWARDED UNDER THE PROGRAM IN EACH FISCAL YEAR MAY NOT EXCEED 0.5 CENTS FOR EACH KILOWATT HOUR OF ELECTRICITY PRODUCED FROM THE QUALIFIED ENERGY RESOURCE INSTEAD OF 0.85 CENTS.

(F) FUNDING FOR THE RENEWABLE ENERGY PRODUCTION GRANT PROGRAM SHALL BE AS PROVIDED IN THE STATE BUDGET.”.