

SENATE BILL 690

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1lr2589
CF HB 1121

By: ~~Senator Middleton~~ Senators Middleton, Astle, Glassman, Kelley, Kittleman, Klausmeier, Mathias, Muse, and Pugh

Introduced and read first time: February 4, 2011

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2011

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy Portfolio – Waste-to-Energy**

3 FOR the purpose of expanding the definition of a Tier 1 renewable source to include
4 waste-to-energy; altering the definition of a Tier 2 renewable source to exclude
5 waste-to-energy; providing that waste-to-energy is eligible for inclusion in
6 meeting a certain standard only if the source is connected with the distribution
7 grid serving Maryland; and generally relating to waste-to-energy and Tier 1
8 renewable sources applied to the renewable energy portfolio standard.

9 BY repealing and reenacting, with amendments,
10 Article – Public Utilities
11 Section 7-701(l) and (m) and 7-704(a) and (f)
12 Annotated Code of Maryland
13 (2010 Replacement Volume)

14 BY repealing and reenacting, without amendments,
15 Article – Public Utilities
16 Section 7-703(b)(6) through (17)
17 Annotated Code of Maryland
18 (2010 Replacement Volume)

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

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.



1 **Article – Public Utilities**

2 7–701.

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

5 (1) solar;

6 (2) wind;

7 (3) qualifying biomass;

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

10 (5) geothermal;

11 (6) ocean, including energy from waves, tides, currents, and thermal
12 differences;13 (7) a fuel cell that produces electricity from a Tier 1 renewable source
14 under item (3) or (4) of this subsection;15 (8) a small hydroelectric power plant of less than 30 megawatts in
16 capacity that is licensed or exempt from licensing by the Federal Energy Regulatory
17 Commission; [and]

18 (9) poultry litter–to–energy; AND

19 **(10) WASTE–TO–ENERGY.**20 (m) “Tier 2 renewable source” means [one or more of the following types of
21 energy sources:

22 (1)] hydroelectric power other than pump storage generation[; and

23 (2) waste–to–energy].

24 7–703.

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

26 (6) in 2011, 5.0% from Tier 1 renewable sources, including at least
27 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

1 (7) in 2012, 6.5% from Tier 1 renewable sources, including at least
2 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

3 (8) in 2013, 8.2% from Tier 1 renewable sources, including at least
4 0.2% derived from solar energy, and 2.5% from Tier 2 renewable sources;

5 (9) in 2014, 10.3% from Tier 1 renewable sources, including at least
6 0.3% derived from solar energy, and 2.5% from Tier 2 renewable sources;

7 (10) in 2015, 10.5% from Tier 1 renewable sources, including at least
8 0.4% derived from solar energy, and 2.5% from Tier 2 renewable sources;

9 (11) in 2016, 12.7% from Tier 1 renewable sources, including at least
10 0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

11 (12) in 2017, 13.1% from Tier 1 renewable sources, including at least
12 0.55% derived from solar energy, and 2.5% from Tier 2 renewable sources;

13 (13) in 2018, 15.8% from Tier 1 renewable sources, including at least
14 0.9% derived from solar energy, and 2.5% from Tier 2 renewable sources;

15 (14) in 2019, 17.4% from Tier 1 renewable sources, including at least
16 1.2% derived from solar energy, and 0% from Tier 2 renewable sources;

17 (15) in 2020, 18% from Tier 1 renewable sources, including at least
18 1.5% derived from solar energy, and 0% from Tier 2 renewable sources;

19 (16) in 2021, 18.7% from Tier 1 renewable sources, including at least
20 1.85% derived from solar energy, and 0% from Tier 2 renewable sources; and

21 (17) in 2022 and later, 20% from Tier 1 renewable sources, including at
22 least 2% derived from solar energy, and 0% from Tier 2 renewable sources.

23 7-704.

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

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

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

30 (2) (i) 1. Except as provided in subparagraph 2 of this
31 subparagraph, energy from a Tier 1 renewable source under § 7-701(l)(1), [or] (9),
32 AND (10) of this subtitle is eligible for inclusion in meeting the renewable energy

1 portfolio standard only if the source is connected with the electric distribution grid
2 serving Maryland.

3 2. On or before December 31, 2011, energy from a Tier 1
4 renewable source under § 7-701(l)(1) of this subtitle that is not connected with the
5 electric distribution grid serving Maryland is eligible for inclusion in meeting the
6 renewable energy portfolio standard only if offers for solar credits from Maryland grid
7 sources are not made to the electricity supplier that would satisfy requirements under
8 the standard and only to the extent that such offers are not made.

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

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

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

23 (f) (1) In order to create a renewable energy credit, a Tier 1 renewable
24 source or Tier 2 renewable source must substantially comply with all applicable
25 environmental and administrative requirements, including air quality, water quality,
26 solid waste, and right-to-know provisions, permit conditions, and administrative
27 orders.

28 (2) (i) This paragraph applies to Tier [2] 1 renewable sources that
29 incinerate solid waste.

30 (ii) At least 80% of the solid waste incinerated at a Tier [2] 1
31 renewable source facility shall be collected from:

32 1. for areas in Maryland, jurisdictions that achieve the
33 recycling rates required under § 9-505 of the Environment Article; and

34 2. for other states, jurisdictions for which the electricity
35 supplier demonstrates recycling substantially comparable to that required under §
36 9-505 of the Environment Article, in accordance with regulations of the Commission.

1 (iii) An electricity supplier may report credits received under
2 this paragraph based on compliance by the facility with the percentage requirement of
3 subparagraph (ii) of this paragraph during the year immediately preceding the year in
4 which the electricity supplier receives the credit to apply to the standard.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2011.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.