

## Chapter 519

(Senate Bill 690)

AN ACT concerning

### **Renewable Energy Portfolio – Waste-to-Energy *and Refuse-Derived Fuel***

FOR the purpose of expanding the definition of a Tier 1 renewable source to include waste-to-energy *and refuse-derived fuel*; altering the definition of a Tier 2 renewable source to exclude waste-to-energy; providing that a Tier 1 source using waste-to-energy or refuse-derived fuel is eligible for inclusion in meeting a certain standard only if the source is connected with the distribution grid serving Maryland; and generally relating to waste-to-energy, *refuse-derived fuel*, and Tier 1 renewable sources applied to the renewable energy portfolio standard.

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

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

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

#### **Article – Public Utilities**

7-701.

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

- (1) solar;
- (2) wind;
- (3) qualifying biomass;

(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; **[and]**

(9) poultry litter-to-energy; ~~AND~~

**(10) WASTE-TO-ENERGY; AND**

**(11) REFUSE-DERIVED FUEL.**

(m) “Tier 2 renewable source” means [one or more of the following types of energy sources:

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

(2) waste-to-energy].

7-703.

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

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

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

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

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

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

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

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

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

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

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

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

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

7-704.

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

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

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

(2) (i) 1. Except as provided in subparagraph 2 of this subparagraph, energy from a Tier 1 renewable source under § 7-701(l)(1), [or] (9), ~~AND (10), OR (11)~~ of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard only if the source is connected with the electric distribution grid serving Maryland.

2. On or before December 31, 2011, energy from a Tier 1 renewable source under § 7-701(l)(1) of this subtitle that is not connected with the electric distribution grid serving Maryland is eligible for inclusion in meeting the renewable energy portfolio standard only if offers for solar credits from Maryland grid

sources are not made to the electricity supplier that would satisfy requirements under the standard and only to the extent that such offers are not made.

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

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

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

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

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

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

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

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

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

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

**Approved by the Governor, May 19, 2011.**