## SENATE BILL 799

C5, M3 3lr2162 CF HB 1266

By: Senators Middleton, Astle, Conway, and Garagiola

Introduced and read first time: February 1, 2013

Assigned to: Finance and Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 2013

CHAPTER

1 AN ACT concerning

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<u>Energy - Landfill Diversion - Municipal Solid Waste Portfolio Standard</u>

<u>Environment - Solid Waste Management Practices - Maryland Recycling and</u>

Landfill Diversion Task Force

FOR the purpose of establishing a municipal solid waste portfolio standard; requiring the Department of the Environment to implement and manage a municipal solid waste portfolio standard for each county in the State during certain years; requiring each county to submit a certain report each year to the Department; requiring each county to pay certain compliance fees into the Maryland Strategic Energy Investment Fund under certain circumstances; limiting what the fees paid into the Fund may be used for; providing that the Department has certain power and authority to implement certain provisions of law; requiring that the Department, by a certain date, designate an individual to oversee compliance with the municipal solid waste portfolio standard requirements: stating the duties of the individual that oversees compliance with the municipal solid waste portfolio standard requirements; requiring the Department to provide a certain status report to the General Assembly, the Maryland Energy Administration, and the Public Service Commission on or before a certain date: requiring the Department to adopt regulations to implement the provisions of this Act; altering one of the purposes of the Maryland Strategic Energy Investment Program; requiring the Administration to provide funding assistance to implement the purposes of the municipal solid waste portfolio standard; adding compliance fees from the municipal solid waste portfolio standard as a revenue source for the Fund; requiring that the Administration use the Fund to provide assistance to implement the purposes of the municipal

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 solid waste portfolio standard; requiring that the Administration's report on the 2 uses and expenditures of the Fund include certain information related to the 3 municipal solid waste portfolio standard; requiring each county and the 4 Department of the Environment to adopt a certain solid waste management 5 hierarchy; declaring the intent of the General Assembly that the State 6 undertake certain actions relating to recycling and landfill disposal rates: 7 establishing the Maryland Recycling and Landfill Diversion Task Force; 8 providing for the composition, cochairs, and staffing of the Task Force; 9 prohibiting a member of the Task Force from receiving certain compensation, 10 but authorizing the reimbursement of certain expenses; requiring the Task Force to determine the aspirational statewide recycling goal and a recycling and 11 landfill diversion portfolio standard that will reduce the amount of solid waste 12 being sent to landfills: specifying certain duties of the Task Force: requiring the 13 Task Force to report its findings and recommendations to the Governor and the 14 15 General Assembly on or before certain dates; providing for the termination of 16 the Task Force: specifying the intent and certain findings of the General 17 Assembly; defining certain terms; making conforming changes; and generally 18 relating to the establishment of a municipal solid waste recycling and landfill 19 diversion portfolio standard and the establishment of the Maryland Recycling 20 and Landfill Diversion Task Force.

21	BY adding	to
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- 22 Article Public Utilities
- 23 Section 7-801 through 7-807 to be under the new subtitle "Subtitle 8.
- 24 <u>Municipal Solid Waste Portfolio Standard"</u>
- 25 Annotated Code of Maryland
- 26 (2010 Replacement Volume and 2012 Supplement)
- 27 BY repealing and reenacting, without amendments,
- 28 Article State Government
- 29 Section 9 20B 02
- 30 Annotated Code of Maryland
- 31 (2009 Replacement Volume and 2012 Supplement)
- 32 BY repealing and reenacting, with amendments,
- 33 Article State Government
- 34 Section 9-20B-03 through 9-20B-05 and 9-20B-12
- 35 Annotated Code of Maryland
- 36 (2009 Replacement Volume and 2012 Supplement)
- 37 BY repealing and reenacting, with amendments,
- 38 Article Environment
- 39 Section 9–504
- 40 <u>Annotated Co</u>de of Maryland
- 41 (2007 Replacement Volume and 2012 Supplement)

$\frac{1}{2}$	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
3	$\underline{\mathbf{Article}-\mathbf{Environment}}$
4	<u>9–504.</u>
5 6 7 8 9	(a) To the extent that the incorporation will promote the public health, safety, and welfare, each county plan shall incorporate all or part of the subsidiary plans of each town, municipal corporation, sanitary district, privately owned facility, or local, State, or federal agency that has existing or planned development in that county.
10	(B) (1) THE GENERAL ASSEMBLY FINDS THAT:
11 12 13	(I) THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY HAS RANKED THE MOST ENVIRONMENTALLY SOUND STRATEGIES FOR SOLID WASTE; AND
14 15	(II) THE FOLLOWING SOLID WASTE MANAGEMENT PRACTICES ARE LISTED IN ORDER OF PREFERENCE:
16	1. Source reduction, including reuse;
17 18	2. RECYCLING, INCLUDING COMPOSTING AND ANAEROBIC DIGESTION;
19	3. ENERGY RECOVERY; AND
20	4. TREATMENT AND DISPOSAL.
21 22 23	(2) <u>Each county and the Department shall adopt the United States Environmental Protection Agency's solid waste Management Hierarchy.</u>
24 25 26	[(b)](C) If the governing body of each county that is affected adopts a subsidiary plan for a multicounty area, the county may incorporate in its county plan all or part of the subsidiary plan.
27 28	SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the State:
29	(a) set an aspirational statewide recycling goal;
30	(b) mandate minimum recycling rates and maximum landfill disposal rates;

$\frac{1}{2}$	(c) consider a r	<u>in the development of recycling and landfill disposal rate requirements, ate structure that:</u>
3		(1) accounts for differences in the population of the counties; and
4		(2) includes municipal corporations;
5 6	(d) landfill disp	assist counties and municipal corporations in meeting recycling and posal rate requirements by:
7 8	waste mana	(1) stimulating business opportunities and the development of the agement industry;
9 10	municipal c	(2) <u>identifying appropriate methods of funding for counties and orporations; and</u>
11		(3) identifying appropriate incentives; and
12 13 14 15	_	consider imposing penalties, including a compliance fee, on counties for nce with the recycling and landfill disposal rate requirements, taking into on appropriate exemptions from the penalties and appropriate uses of the
16	SECT	TION 3. AND BE IT FURTHER ENACTED, That:
17	<u>(a)</u>	There is a Maryland Recycling and Landfill Diversion Task Force.
18	<u>(b)</u>	The Task Force consists of the following 18 members:
19 20	of the Senat	(1) one member of the Senate of Maryland, appointed by the President te:
21 22	the House;	(2) one member of the House of Delegates, appointed by the Speaker of
23 24	Director's d	(3) the Director of the Maryland Energy Administration, or the esignee;
25		(4) the Secretary of the Environment, or the Secretary's designee;
26 27	Authority, o	(5) the Executive Director of the Northeast Maryland Waste Disposal or the Executive Director's designee;
28 29	the Executi	(6) the Executive Director of the Maryland Association of Counties, or ve Director's designee;

$\frac{1}{2}$	(7) one representative of a county with a population of 150,000 of more, as designated by the Maryland Association of Counties;
3 4	(8) one representative of a county with a population under 150,000, a designated by the Maryland Association of Counties;
5 6	(9) the Executive Director of the Maryland Municipal League, or the Executive Director's designee;
7 8	(10) the Director of the Maryland Environmental Service, or the Director's designee;
9 10	(11) the Secretary of Business and Economic Development, or the Secretary's designee; and
11 12	(12) one member from each of the following organizations, a designated by the managing director of each organization:
13	(i) American Forest and Paper Association;
14	(ii) Sustainable Materials Recovery Coalition;
15	(iii) America Biogas Council;
16	(iv) The Peninsula Compost Group;
17	(v) Maryland–Delaware Solid Waste Association;
18	(vi) Trash Free Maryland; and
19	(vii) Chesapeake Climate Action Network.
20 21	(c) The President of the Senate and the Speaker of the House shall joint appoint the members under subsection (b)(12) of this section.
22 23 24	(d) To the extent practicable, the members under subsection (b)(12) of the section shall be from an organization or a member company of the organization that operates or has an interest in operating in Maryland.
25 26	(e) The Task Force shall be cochaired by the members from the Senate of Maryland and the House of Delegates.
27 28	(f) (1) The Department of the Environment shall provide staff for the Task Force.

1 2 3	(2) The Maryland Energy Administration and the Department of Legislative Services shall assist the Department of the Environment in providing staff for the Task Force.
4	(g) A member of the Task Force:
5	(1) may not receive compensation as a member of the Task Force; but
6 7	(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.
8	(h) The Task Force shall:
9 10 11	(1) <u>determine whether the aspirational statewide recycling goal of 80%</u> should be set in statute based on the recycling achievements of other states and countries;
12 13	(2) <u>determine a recycling and landfill diversion portfolio standard that</u> will reduce the amount of solid waste being sent to landfills;
14 15 16	(3) <u>determine</u> , <u>based on the viability of a recycling and waste</u> <u>management industry in each county</u> , <u>whether recycling rate and landfill disposal rate requirements should be uniform for:</u>
17	(i) all counties with a population of 150,000 and over; and
18	(ii) all counties with a population under 150,000;
19 20	(4) consider as a possible recycling and landfill diversion portfolio standard:
21 22	(i) for counties with a population of 150,000 or more, minimum recycling rates beginning with 35% in 2015 and reaching 60% by 2028 and thereafter;
23 24 25	(ii) for counties with a population of less than 150,000, minimum recycling rates beginning with 20% in 2015 and reaching 60% by 2035 and thereafter;
26 27 28	(iii) for counties with a population of 150,000 or more, maximum landfill disposal rates beginning with 65% of the solid waste stream in 2015 and reaching 5% by 2028; and
29 30 31	(iv) for counties with a population of less than 150,000, maximum landfill disposal rates beginning with 80% of the solid waste stream in 2015 and reaching 5% by 2035;

1 2 3 4	(5) <u>determine how solid waste is currently being handled by collecting and analyzing solid waste data from counties, municipal corporations, and nonresidential entities that may contribute to the county's solid waste stream and from private waste haulers and recyclers in Maryland;</u>
5 6	(6) <u>determine the appropriate definition of "solid waste" that should be incorporated into a recycling and landfill diversion portfolio standard;</u>
7 8 9 10	(7) evaluate how a recycling and landfill diversion portfolio standard will affect current recycling plan and comprehensive solid waste plan requirements and processes, and recommend how to incorporate the standard's recycling and waste diversion requirements into the plans and an appropriate incorporation timeline;
11 12 13	(8) determine how to integrate the recycling and waste management efforts in municipal corporations into county recycling and landfill waste diversion plans;
14 15 16	(9) evaluate and identify county recycling and waste diversion infrastructure needed to comply with a recycling and landfill diversion portfolio standard, including potential siting issues;
17 18	(10) <u>determine how a recycling and landfill diversion portfolio standard</u> would apply to counties that have existing landfill debt;
19 20 21	(11) review best practices in other states and countries for achieving recycling goals to determine whether those practices could be used to assist counties in achieving recycling goals in Maryland;
22 23 24	(12) determine whether new and emerging technologies in the waste management industry may assist counties in achieving a recycling and landfill diversion portfolio standard;
25 26 27 28	(13) <u>determine how the Department of Business and Economic Development may assist in stimulating business opportunities and development in the waste management industry in ways that would assist counties in achieving a recycling and landfill diversion portfolio standard;</u>
29 30 31 32	(14) identify appropriate methods of providing funding for counties and municipal corporations to achieve a recycling and landfill diversion portfolio standard, including how any State funds would be calculated to incentivize counties to meet the requirements of the recycling and landfill waste diversion requirements;
33 34	(15) consider, in allowing municipal corporations to be eligible to receive funds from the State Recycling Fund or from any other State aid that are

available to assist a municipal corporation in increasing recycling rates if the

municipal corporation cooperates with the county to achieve the minimum recycling

rates and the maximum landfill disposal rates and participates and is included in the

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1 2	development and implementation of the county's recycling and landfill waste diversion plan;
3 4 5 6 7	(16) consider requiring any recycling rate requirement to be adjusted for noninclusion of the municipal corporation if the municipal corporation does not cooperate with the county to achieve the minimum recycling rates or participate and is not included in the development and implementation of the county's recycling and landfill waste diversion plan;
8 9 10	(17) determine whether it would be appropriate to impose a compliance fee on a county that fails to achieve the applicable solid waste recycling and landfill waste diversion requirements and, if a compliance fee is determined to be appropriate:
11 12 13	(i) consider whether the compliance fee should be adjusted each year based on an inflationary index, calculated on a per ton basis, and increase each year as the recycling and landfill waste diversion requirements increase;
14 15 16	(ii) consider the impact of the imposition of a compliance fee on a county that fails to achieve the applicable solid waste recycling rate or exceeds the applicable landfill disposal rate;
17 18 19	(iii) determine the use of the compliance fees or potential penalties, including depositing the revenue in the State Recycling Fund for providing grants and other assistance to counties and municipal corporations; and
20 21	(iv) determine whether an exemption from compliance fees or other potential penalties would be appropriate for counties:
22	1. that have existing landfill debt;
23 24	2. <u>that have adequate justification for an alternative</u> recycling rate or landfill disposal rate;
25	3. when State funds are not provided to all counties; or
26 27	4. when the Governor has declared a state of emergency due to a disaster;
28 29 30	(18) examine whether other forms of incentives or potential penalties should be considered in order for counties and municipal corporations to meet the requirements of the recycling and landfill waste diversion requirements; and
31 32 33	(19) <u>determine any other changes to State law that the Task Force</u> deems appropriate to implement the recycling and landfill diversion portfolio standard.

1 2 3 4	(i) (1) Except as provided in paragraph (2) of this subsection, on or before December 31, 2013, the Task Force shall report its findings and recommendations, including legislation, to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.
5 6 7	(2) If the Task Force has not completed its work on or before December 31, 2013, the Task Force shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly:
8	(i) on or before December 31, 2013, its preliminary findings and recommendations; and
l0 l1	(ii) on or before December 31, 2014, its final findings and recommendations, including legislation.
12	Article - Public Utilities
13	SUBTITLE 8. MUNICIPAL SOLID WASTE PORTFOLIO STANDARD.
14	<del>7-801.</del>
15 16	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
17 18	(B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.
19 20	(C) "DEPARTMENT" MEANS THE MARYLAND DEPARTMENT OF THE ENVIRONMENT.
21	(D) "ENERGY RECOVERY" MEANS A PROCESS IN WHICH SOLID WASTE:
22 23	(1) PRODUCES A VALUABLE ENERGY RESOURCE, INCLUDING STEAM, ELECTRICITY, GAS, OR REFUSE-DERIVED FUEL; AND
24 25	(2) ACHIEVES A VOLUME REDUCTION OF AT LEAST 65% OF ITS SOLID WASTE STREAM.
26 27 28	(E) "Fund" means the Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article.
29 30	(F) "INDEX" MEANS THE CONSUMER PRICE INDEX ESTABLISHED UNDER § 29–401 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

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1	(G) "Municipal solid waste" means solid waste, as defined in
2	COMAR 26.13.02.02, THAT ORIGINATES FROM HOUSEHOLDS, PRIVATE
3	RESIDENCES, SCHOOLS, INSTITUTIONS, BUSINESSES, OR COMMERCIAL
4	ENTERPRISES OR AS THE RESULT OF COMMUNITY ACTIVITIES.
5	(H) "RECYCLING" MEANS THE WASTE DIVERSION RATE CALCULATED BY
6	THE DEPARTMENT.
7	(I) "Unprocessed mixed municipal solid waste" means
8	MUNICIPAL SOLID WASTE OR MUNICIPAL SOLID WASTE COMPONENTS THAT
9	HAVE NOT BEEN PROCESSED THROUGH RECYCLING, ENERGY RECOVERY,
10	ANAEROBIC DIGESTION, PRODUCTION AND USE OF REFUSE DERIVED FUEL,
11	COMPOSTING, OR ANY COMBINATION OF THESE PROCESSES SO THAT THE TOTAL
12	WEIGHT OF THE WASTE REMAINING THAT MUST BE DISPOSED OF IN A MIXED
13	MUNICIPAL SOLID WASTE DISPOSAL FACILITY IS NOT MORE THAN 35% OF THE
14	WEIGHT BEFORE PROCESSING, ON AN ANNUAL AVERAGE.
15	<del>7–802.</del>
16	(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROTECT THE
17	STATE'S ENVIRONMENT AND OTHER NATURAL RESOURCES AND THE PUBLIC
18	HEALTH BY IMPROVING MUNICIPAL SOLID WASTE MANAGEMENT IN THE STATE
19	TO SERVE THE FOLLOWING PURPOSES:
20	(1) REDUCE THE AMOUNT OF MUNICIPAL SOLID WASTE DISPOSED
21	<del>OF IN LANDFILLS;</del>
22	(2) INCREASE RECYCLING, COMPOSTING, AND ANAEROBIC
23	DIGESTION OF MUNICIPAL SOLID WASTE COMPONENTS;
24	(3) INCREASE THE RECOVERY OF ENERGY FROM MUNICIPAL
25	SOLID WASTE;
26	(4) PROVIDE A CLEAR AND ACHIEVABLE STANDARD FOR
27	MUNICIPAL SOLID WASTE MANAGEMENT ACROSS THE STATE'S COUNTIES; AND
28	(F)
40	(5) ENCOURAGE AN ORDERLY AND DELIBERATE DEVELOPMENT
29	(b) ENCOURAGE AN ORDERLY AND DELIBERATE DEVELOPMENT OF MUNICIPAL SOLID WASTE MANAGEMENT FACILITIES THAT:

1	(B) THE GENERAL ASSEMBLY FINDS THAT:
2	(1) A MUNICIPAL SOLID WASTE MANAGEMENT GOAL THAT
3	FOSTERS AN INTEGRATED MUNICIPAL SOLID WASTE MANAGEMENT SYSTEM IN A
4	MANNER APPROPRIATE TO THE CHARACTERISTICS OF THE WASTE STREAM AN
5	UTILIZES MUNICIPAL SOLID WASTE AS AN ENERGY RESOURCE WILL PROTECT
6	THE STATE'S ENVIRONMENT AND OTHER NATURAL RESOURCES AND THI
7	PUBLIC HEALTH;
8	(2) THE U.S. ENVIRONMENTAL PROTECTION AGENCY HAS
9	FOUND THAT THE LANDFILLING OF SOLID WASTE EITHER LOSES ENERGY OR
10	WHEN EQUIPPED WITH ENERGY RECOVERY, PRODUCES LESS THAN 0.5 MMBT
11	PER TON OF MIXED RECYCLABLES DEPENDING ON THE LANDFILL SYSTEM
12	WHILE RECYCLING SAVES APPROXIMATELY 16 MMBTU PER TON OF MIXE
13	RECYCLABLES, AND ENERGY RECOVERY PRODUCES NEARLY 7 MMBTU PER
14	TON OF MIXED RECYCLABLES; AND
15	(3) THE FOLLOWING MUNICIPAL SOLID WASTE MANAGEMENT
16	PRACTICES ARE LISTED IN ORDER OF PREFERENCE:
17	(I) WASTE REDUCTION AND REUSE;
18	(II) RECYCLING AND ANAEROBIC DIGESTION;
19	(III) COMPOSTING;
20	(IV) ENERGY RECOVERY;
21	(V) LANDFILLING WITH METHANE GAS OR WITH A METHAN
22	COLLECTION SYSTEM; AND
23	(VI) LANDFILLING WITHOUT METHANE COLLECTION.
24	<del>7–803.</del>
25	(A) THE DEPARTMENT SHALL IMPLEMENT AND MANAGE A MUNICIPAL
26	SOLID WASTE PORTFOLIO STANDARD THAT APPLIES TO EACH COUNTY IN THE
27	STATE.
28	(B) THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD SHALL BE AS
29	<del>FOLLOWS:</del>

1	(1) IN 2015, A MINIMUM OF 20% OF MUNICIPAL SOLID WASTE
2	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 80% OF UNPROCESSED
3	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
4	(2) IN 2016, A MINIMUM OF 22% OF MUNICIPAL SOLID WASTE
5	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 75% OF UNPROCESSED
6	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
7	(3) IN 2017, A MINIMUM OF 24% OF MUNICIPAL SOLID WASTE
8	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 70% OF UNPROCESSED
9	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
10	(4) 73 2010 4 37777777 07 200/ 07 37777777 00 77
10	(4) IN 2018, A MINIMUM OF 26% OF MUNICIPAL SOLID WASTE
11	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 65% OF UNPROCESSED
12	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
13	(5) IN 2019, A MINIMUM OF 28% OF MUNICIPAL SOLID WASTE
14	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 60% OF UNPROCESSED
15	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
	(0)
16	(6) IN 2020, A MINIMUM OF 30% OF MUNICIPAL SOLID WASTE
17	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 55% OF UNPROCESSED
18	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
19	(7) IN 2021, A MINIMUM OF 32% OF MUNICIPAL SOLID WASTE
20	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 50% OF UNPROCESSED
21	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
	(0)
22	(8) IN 2022, A MINIMUM OF 34% OF MUNICIPAL SOLID WASTE
23	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 45% OF UNPROCESSED
24	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
25	(9) IN 2023, A MINIMUM OF 36% OF MUNICIPAL SOLID WASTE
26	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 40% OF UNPROCESSED
27	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
2.0	(10)
28	(10) IN 2024, A MINIMUM OF 38% OF MUNICIPAL SOLID WASTE
29	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 35% OF UNPROCESSED
30	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
31	(11) IN 2025, A MINIMUM OF 40% OF MUNICIPAL SOLID WASTE
32	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 30% OF UNPROCESSED
33	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
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1	(12) IN 2026, A MINIMUM OF 42% OF MUNICIPAL SOLID WASTE
2	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 25% OF UNPROCESSED
3	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
4	(19) IN 2007 A MINIMUM OF 440/ OF MUNICIPAL COLID WASHE
4	(13) IN 2027, A MINIMUM OF 44% OF MUNICIPAL SOLID WASTE
5	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 20% OF UNPROCESSED
6	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
7	(14) IN 2028, A MINIMUM OF 46% OF MUNICIPAL SOLID WASTE
8	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 15% OF UNPROCESSED
9	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
10	(15) IN 2029, A MINIMUM OF 48% OF MUNICIPAL SOLID WASTE
11	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 10% OF UNPROCESSED
12	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;
1.0	(10) IN 2020 A MINIMUM OF 500/ OF MINIMUM COLID WASHE
13	(16) IN 2030, A MINIMUM OF 50% OF MUNICIPAL SOLID WASTE
14	PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 5% OF UNPROCESSED
15	MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL; AND
16	(17) IN 2031 AND LATER, A MINIMUM OF 50% OF MUNICIPAL SOLID
17	WASTE PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 0% OF
18	UNPROCESSED MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL.
19	<del>7-801.</del>
20	(A) EACH COUNTY SHALL SUBMIT A REPORT TO THE DEPARTMENT
21	EACH YEAR IN A FORM AND BY A DATE SPECIFIED BY THE DEPARTMENT THAT
22	DEMONSTRATES THAT THE COUNTY HAS COMPLIED WITH THE APPLICABLE
23	MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER §
24	7-803 OF THIS SUBTITLE.
25	(B) IF A COUNTY FAILS TO COMPLY WITH THE MUNICIPAL SOLID WASTE
26	PORTFOLIO STANDARD FOR THE APPLICABLE YEAR, THE COUNTY SHALL PAY
27	INTO THE FUND A COMPLIANCE FEE OF:
28	(1) THE FOLLOWING FOR THE SHORTFALL FROM THE REQUIRED
29	MINIMUM AMOUNT OF RECYCLING ADJUSTED FOR THE INDEX EACH CALENDAR
30	<del>YEAR:</del>
31	(I) \$1 PER TON IN 2015 AND 2016;
32	(H) \$2 PER TON IN 2017 AND 2018;

1	<del>(III)</del>	\$4 PER TON IN 2019 THROUGH 2022;
2	<del>(IV)</del>	\$8 PER TON IN 2023 THROUGH 2025;
3	<del>(V)</del>	\$16 PER TON IN 2026 THROUGH 2028;
4	<del>(VI)</del>	\$20 PER TON IN 2029; AND
5	<del>(VII)</del> ÷	\$25 PER TON IN 2030 AND LATER; AND
6	<del>(2)</del> THE F	OLLOWING FOR THE SHORTFALL FROM THE REQUIRED
7	MAXIMUM AMOUNT OF	THE DISPOSAL OF UNPROCESSED MIXED MUNICIPAL
8	SOLID WASTE ADJUSTED	FOR THE INDEX EACH CALENDAR YEAR:
9	<del>(I)</del>	\$1 PER TON IN 2015 AND 2016;
10	<del>(II)</del> ÷	\$2 PER TON IN 2017 AND 2018;
11	<del>(III)</del> ÷	\$4 PER TON IN 2019 THROUGH 2022;
12	<del>(IV)</del> ÷	\$8 PER TON IN 2023 THROUGH 2025;
13	<del>(V)</del>	\$16 PER TON IN 2026 THROUGH 2028;
14	<del>(VI)</del>	\$20 PER TON IN 2029; AND
15	<del>(VII)</del> ÷	\$25 PER TON IN 2030 AND LATER.
16	(C) COMPLIANC	E FEES PAID UNDER THIS SECTION INTO THE FUND MAY
17	BE USED ONLY TO PR	OVIDE GRANTS, LOANS, AND OTHER ASSISTANCE AS
18	NECESSARY AND APPE	COPRIATE TO IMPLEMENT THE PURPOSES OF THE
19	MUNICIPAL SOLID WAST	E PORTFOLIO STANDARD UNDER THIS SUBTITLE.
20	<del>7–805.</del>	
21	(A) THE DEPA	RTMENT HAS THE POWER AND AUTHORITY TO
22	IMPLEMENT THE PROVI	<del>sions of this subtitle, including investigating</del>
23	AND EXAMINING EACH	COUNTY TO DETERMINE COMPLIANCE WITH THIS
24	SUBTITLE.	
25	(B) (1) BEGIN	NING JANUARY 1, 2015, THE DEPARTMENT SHALL
26	<del>DESIGNATE AN INDIVII</del>	OUAL TO BE RESPONSIBLE FOR THE OVERSIGHT OF
27	COMPLIANCE WITH THE	E REQUIREMENTS OF THE MUNICIPAL SOLID WASTE
28	PORTFOLIO STANDARD.	

1	(2) THE INDIVIDUAL DESIGNATED UNDER PARAGRAPH (1) OF
2	THIS SUBSECTION SHALL:
3	(I) DEVELOP A MUNICIPAL SOLID WASTE PROGRAM BASED
4	ON THE REQUIREMENTS OF THIS SUBTITLE TO ENSURE COUNTIES COMPLY WITH
5	THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD;
6	(II) PROVIDE EDUCATION AND OUTREACH TO PROMOTE
7	COMPLIANCE WITH THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD;
0	(777)
8	(III) MAKE POLICY RECOMMENDATIONS TO THE
9	DEPARTMENT AND THE COUNTIES REGARDING IMPROVING THE STATE'S
10	INTEGRATED MUNICIPAL SOLID WASTE MANAGEMENT SYSTEM; AND
11	(IV) MAKE RECOMMENDATIONS, AS DETERMINED BY THE
12	DEPARTMENT, TO THE ADMINISTRATION FOR PROGRAMS, PROJECTS, AND
13	ACTIVITIES THAT MAY BE SUPPORTED THROUGH THE USE OF GRANTS, LOANS,
14	AND OTHER ASSISTANCE FROM THE FUND.
15	<del>7-806.</del>
16	On or before February 1 of each year, the Department shall
17	REPORT TO THE ADMINISTRATION, THE COMMISSION, AND, IN ACCORDANCE
18	WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
19	ASSEMBLY ON THE STATUS OF THE IMPLEMENTATION OF THIS SUBTITLE,
20	INCLUDING THE AMOUNT OF COMPLIANCE FEES PAID, THE PROGRAMS,
21	PROJECTS, AND ACTIVITIES SUPPORTED THROUGH THE USE OF GRANTS, LOANS,
22	AND OTHER ASSISTANCE FROM THE FUND, AND OTHER PERTINENT
23	INFORMATION.
24	<del>7–807.</del>
25	THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE
26	PROVISIONS OF THIS SUBTITLE.
27	Article - State Government
28	<del>9–20B–02.</del>
29	There is a Maryland Strategic Energy Investment Program in the Maryland
30	Energy Administration.
31	0_20R_02

31

The Fund consists of:

1	The purpose of the Program is to decrease energy demand FOR RAW
2 3	MATERIALS and increase energy supply to promote affordable, reliable, and clean energy to fuel Maryland's future prosperity.
4	<del>9-20B-04.</del>
5	The Administration shall:
6	(1) manage, supervise, and administer the Program;
7 8	(2) adopt regulations to implement the Program and to ensure that Fund resources are utilized only to carry out the purposes of the Program;
9 10 11	(3) attach specific terms and conditions to any grant, loan, or other form of assistance that are determined by the Administration as necessary to ensure that the purposes of the Program are fulfilled;
12 13 14	(4) develop procedures for monitoring programs, projects, activities, and investments to verify that Fund resources are being used to meet the purposes of the Program; [and]
15 16 17 18	(5) PROVIDE GRANTS, LOANS, AND OTHER ASSISTANCE, AS RECOMMENDED BY THE DEPARTMENT OF THE ENVIRONMENT, TO IMPLEMENT THE PURPOSES OF THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER TITLE 7, SUBTITLE 8 OF THE PUBLIC UTILITIES ARTICLE; AND
19 20 21	(6) provide moneys annually or as needed to the Clean Air Fund managed by the Department of the Environment to fund the costs of the Department's programs to reduce or mitigate the effects of climate change.
22	<del>9-20B-05.</del>
23	(a) There is a Maryland Strategic Energy Investment Fund.
24 25	(b) The purpose of the Fund is to implement the Strategic Energy Investment Program.
26	(c) The Administration shall administer the Fund.
27 28	(d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
29 30	(2) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

1	<del>(</del> ]	all of the proceeds from the sale of allowances under § 2-1002(g) of
2	the Environme	ent Article;
3	<del>(</del>	money appropriated in the State budget to the Program;
4 5	<del>({</del> made from the	, 10 110
6	<del>(</del>	interest and investment earnings on the Fund;
7 8	<del>(t</del> <del>[and]</del>	6) compliance fees paid under § 7-705 of the Public Utilities Article;
9 10	<del>(</del> UTILITIES AI	6) COMPLIANCE FEES PAID UNDER § 7-804 OF THE PUBLIC RTICLE; AND
11 12	benefit of the l	(6)] (7) money received from any public or private source for the Fund.
13	<del>(f)</del>	he Administration shall use the Fund:
14	<del>(</del> 1	to invest in the promotion, development, and implementation of:
15 16	<del>projects, or act</del>	(i) cost-effective energy efficiency and conservation programs, sivities, including measurement and verification of energy savings;
17		(ii) renewable and clean energy resources;
18 19	mitigating the	(iii) climate change programs directly related to reducing or effects of climate change; and
20 21	<del>changes in ele</del>	(iv) demand response programs that are designed to promote stric usage by customers in response to:
22		1. changes in the price of electricity over time; or
23 24	times of high v	2. incentives designed to induce lower electricity use at wholesale market prices or when system reliability is jeopardized;
25 26 27		to provide targeted programs, projects, activities, and investments electricity consumption by customers in the low-income and the residential sectors;
28 29	<del>({</del> <del>through the E</del>	3) to provide supplemental funds for low-income energy assistance electric Universal Service Program established under § 7–512.1 of the

1	Public Utilities Article and other electric assistance programs in the Department of
2	Human Resources;
3	(4) to provide rate relief by offsetting electricity rates of residential
$\frac{3}{4}$	customers, including an offset of surcharges imposed on ratepayers under § 7-211 of
5	the Public Utilities Article:
0	the 1 upile Otheres Mercle,
6	(5) to provide grants, loans, and other assistance and investment as
7	necessary and appropriate to implement the purposes of the Program as set forth in §
8	9–20B–03 of this subtitle;
9	(6) TO PROVIDE GRANTS, LOANS, AND OTHER ASSISTANCE AS
10	NECESSARY AND APPROPRIATE TO IMPLEMENT THE PURPOSES OF THE
11	MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER TITLE 7, SUBTITLE 8
12	OF THE PUBLIC UTILITIES ARTICLE FROM COMPLIANCE FEES PAID UNDER §
13	7-804 OF THE PUBLIC UTILITIES ARTICLE:
19	<del>1-001 OF THE LUBLIC OTHER TARTICIES,</del>
14	[(6)] (7) to implement energy-related public education and outreach
15	initiatives regarding reducing energy consumption and greenhouse gas emissions; and
16	$\frac{\{(7)\}}{(8)}$ to pay the expenses of the Program.
17	(g) Except as provided in subsection (g-1) of this section, proceeds received
18	by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article
19	shall be allocated to the following accounts:
90	(1) 170/ -h-11 hlit-1 t
20	(1) 17% shall be credited to an energy assistance account to be used
21	for the Electric Universal Service Program and other electricity assistance programs
22	in the Department of Human Resources;
23	(2) except as provided in subsection (g-2) of this section, 23% shall be
24	credited to a rate relief account to provide rate relief by offsetting electricity rates of
25	residential customers, including an offset of surcharges imposed on ratepayers under §
26	7-211 of the Public Utilities Article, on a per customer basis and in a manner
27	prescribed by the Public Service Commission;
28	(3) at least 46% shall be credited to a low and moderate income
29	efficiency and conservation programs account and to a general efficiency and
30 31	conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one half shall
$\frac{31}{32}$	be targeted to the low and moderate income efficiency and conservation programs
	account for:
33	<del>account 101.</del>
34	(i) the low-income residential sector at no cost to the
35	participants of the programs, projects, or activities; and

1	(ii) the moderate-income residential sector;
2	(4) up to 10.5% shall be credited to a renewable and clean energy
3	programs account for:
4	(i) subject to subsection (i) of this section, renewable and clean
5	energy programs and initiatives;
6	(ii) energy-related public education and outreach; and
7	(iii) climate change programs; and
8	(5) up to 3.5%, but not more than \$4,000,000, shall be credited to an
9	administrative expense account for costs related to the administration of the Fund,
10	including the review of electric company plans for achieving electricity savings and
11	demand reductions that the electric companies are required under law to submit to the
12	Administration.
13	(g-1) The proceeds described in subsection (g) of this section from the
14	allowances sold between March 1, 2009, and June 30, 2012, shall be allocated as
15	follows:
10	ionows.
16	(1) up to 50% shall be credited to an energy assistance account to be
17	used as described in subsection (g)(1) of this section;
18	(2) 23% shall be credited to a rate relief account to be allocated as
19	provided in subsection (g)(2) of this section;
20	(3) at least 17.5% shall be credited to a low and moderate income
21	efficiency and conservation programs account and to a general efficiency and
22	conservation programs account to be allocated as provided in subsection (g)(3) of this
23	section;
24	(4) at least 6.5% shall be credited to a renewable and clean energy
25	programs account to be allocated as provided in subsection (g)(4) of this section; and
0.0	(*)
26	(5) up to 3.0%, but not more than \$4,000,000, shall be credited to an
27	administrative expense account to be allocated as provided in subsection (g)(5) of this
28	<del>section.</del>
29	(g-2) Subsection (g)(2) of this section does not apply to residential customers of
30	a small rural electric cooperative, as defined in § 1–101 of the Public Utilities Article.
31	(h) (1) Energy efficiency and conservation programs under subsection
32	(g)(3) of this section include:
33	(i) low-income energy efficiency programs;

1		<del>(ii)</del>	residential and small business energy efficiency programs;
2		<del>(iii)</del>	commercial and industrial energy efficiency programs;
3		<del>(iv)</del>	State and local energy efficiency programs;
4		<del>(v)</del>	demand response programs;
5		<del>(vi)</del>	loan programs and alternative financing mechanisms; and
6 7 8	job training for do	<del>(vii)</del> <del>eployn</del>	grants to training funds and other organizations supporting nent of energy efficiency and energy conservation technology
9 10 11	<del>(2)</del>		gy-related public education and outreach and renewable and and initiatives under subsection (g)(4)(i) and (ii) of this section
12		<del>(i)</del>	production incentives for specified renewable energy sources;
13 14	and wind program	<del>(ii)</del> <del>8;</del>	expansion of existing grant programs for solar, geothermal,
15		<del>(iii)</del>	loan programs and alternative financing mechanisms; and
16 17	designed to reach	<del>(iv)</del> low-in	consumer education and outreach programs that are come communities.
18 19 20 21		7-70	pt as provided in paragraph (2) of this subsection, compliance (b) of the Public Utilities Article may be used only to make ort the creation of new Tier 1 renewable energy sources in the
22 23 24 25		<del>ccount</del>	pliance fees paid under § 7-705(b)(1)(ii) of the Public Utilities ed for separately within the Fund and may be used only to to support the creation of new solar energy sources in the
26 27 28 29 30	ARTICLE MAY I ASSISTANCE AS I OF THE MUNICI	BE US VECES PAL S	GE FEES PAID UNDER § 7-804 OF THE PUBLIC UTILITIES SED ONLY TO PROVIDE GRANTS, LOANS, AND OTHER SARY AND APPROPRIATE TO IMPLEMENT THE PURPOSES SOLID WASTE PORTFOLIO STANDARD UNDER TITLE 7, UBLIC UTILITIES ARTICLE.
50			

1	<del>[(j)] (K)</del>	(1) The Treasurer shall invest the money of the Fund in the
2	same manner as of	ther State money may be invested.
3	<del>(2)</del>	Any investment earnings of the Fund shall be paid into an
4	administrative exp	ense account within the Fund.
5	<del>(3)</del>	Any repayment of principal and interest on loans made from the
6	Fund shall be paid	into the Fund.
7	<del>(4)</del>	Balances in the Fund shall be held for the benefit of the Program,
8	shall be expended	solely for the purposes of the Program, and may not be used for the
9	general obligations	
10	<del>[(k)] (L)</del>	Expenditures from the Fund shall be made by:
11	<del>(1)</del>	an appropriation in the annual State budget; or
12	<del>(2)</del>	a budget amendment in accordance with § 7-209 of the State
13	Finance and Procu	rement Article.
14	<del>[(1)] (M)</del>	An expenditure by budget amendment may be made under
15	subsection (k) (L)	of this section only after:
16	<del>(1)</del>	the Administration has submitted the proposed budget amendment
17	` '	cumentation to the Senate Budget and Taxation Committee, Senate
18		e, House Appropriations Committee, and House Economic Matters
19	Committee; and	-,
20	<del>(2)</del>	the committees have had 45 days for review and comment.
	. ,	
21	<del>9–20B–12.</del>	
22	<del>(a)</del> On or	before January 1 of each year, the Administration shall report to
23	the Governor and,	in accordance with § 2–1246 of this article, to the General Assembly
24		penditures of the Fund from the prior fiscal year.
25	(b) The re	eport shall include:
26	<del>(1)</del>	a detailed accounting of all amounts received by and disbursed
27	from the Fund;	
28	<del>(2)</del>	all amounts used by the Administration for administrative
29	<del>purposes;</del>	
30	<del>(3)</del>	programs, projects, and activities included in each category under §
31	9-20B-05(g) of this	

1	(4) the status of programs, projects, activities, and investments
2	implemented with funds from the Fund, including an evaluation of the impact of the
3	programs, projects, activities, and investments that are directed to low-income or
4	moderate-income residential sectors or to other particular classes of ratepayers;
5	(5) an estimate of electricity savings from the programs, projects,
6	activities, and investments;
7	(6) the number of allowances sold in each auction;
8	(7) the average allowance price from each auction;
9	(8) an estimate of revenue from future auctions; [and]
10	(9) recommendations for changes to the allocation of funds under §
11	9-20B-05(g) of this subtitle;
12	(10) BEGINNING IN 2016, PROGRAMS, PROJECTS, AND ACTIVITIES
13	SUPPORTED BY MUNICIPAL SOLID WASTE PORTFOLIO COMPLIANCE FEES
14	UNDER § 7-804 OF THE PUBLIC UTILITIES ARTICLE; AND
15	(11) BEGINNING IN 2016, THE ENERGY SAVED AND PRODUCED AS A
16	RESULT OF THE IMPLEMENTATION OF THE MUNICIPAL SOLID WASTE
17	PORTFOLIO STANDARD UNDER TITLE 7, SUBTITLE 8 OF THE PUBLIC UTILITIES
18	ARTICLE.
19	SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
20	take effect June 1, 2013. It shall remain effective for a period of 1 year and 7 months,
$\frac{1}{21}$	and at the end of December 31, 2014, with no further action required by the General
$\overline{22}$	Assembly, Section 3 of this Act shall be abrogated and of no further force and effect.
00	CECTION OF AND DE IT ELIDTHED ENACTED That are a second as a secon
23 24	SECTION <u>2.</u> <u>5.</u> AND BE IT FURTHER ENACTED, That, except as provided in <u>Section 4 of this Act</u> , this Act shall take effect October 1, 2013.
	Ammarada
	Approved:
	Governor.
	President of the Senate.
	Speaker of the House of Delegates.