

SENATE BILL 733

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By: **Senators Pinsky, Madaleno, Benson, Frosh, Jones–Rodwell, King, Manno,
Montgomery, Ramirez, Raskin, Rosapepe, and Young**

Introduced and read first time: January 31, 2014

Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Public Utilities – Renewable Energy Portfolio Standards

FOR the purpose of increasing the renewable energy portfolio standards for electricity derived from Tier 1 renewable sources for certain years; increasing the minimum required percentage of Tier 1 renewable energy that must be derived from solar energy in certain years; establishing renewable energy portfolio standards for certain years; providing for the application of this Act; and generally relating to renewable energy portfolio standards.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–703
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

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

Article – Public Utilities

7–703.

(a) (1) (i) The Commission shall implement a renewable energy portfolio standard that, except as provided under paragraphs (2) and (3) of this subsection, applies to all retail electricity sales in the State by electricity suppliers.

(ii) If the standard becomes applicable to electricity sold to a customer after the start of a calendar year, the standard does not apply to electricity sold to the customer during that portion of the year before the standard became applicable.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) A renewable energy portfolio standard may not apply to electricity sales at retail by any electricity supplier:

(i) in excess of 300,000,000 kilowatt–hours of industrial process load to a single customer in a year;

(ii) to residential customers in a region of the State in which electricity prices for residential customers are subject to a freeze or cap contained in a settlement agreement entered into under § 7–505 of this title until the freeze or cap has expired; or

(iii) to a customer served by an electric cooperative under an electricity supplier purchase agreement that existed on October 1, 2004, until the expiration of the agreement.

(3) The portion of a renewable energy portfolio standard that represents offshore wind energy may not apply to electricity sales at retail by any electricity supplier in excess of:

(i) 75,000,000 kilowatt–hours of industrial process load to a single customer in a year; and

(ii) 3,000 kilowatt–hours of electricity in a month to a customer who is an owner of agricultural land and files an Internal Revenue Service form 1040, schedule F.

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

(1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2 renewable sources;

(2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2 renewable sources;

(3) in 2008, 2.005% from Tier 1 renewable sources, including at least 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(4) in 2009, 2.01% from Tier 1 renewable sources, including at least 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(5) in 2010, 3.025% from Tier 1 renewable sources, including at least 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(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 0.25% 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 0.35% 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 0.5% 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 0.7% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(12) in 2017:

(i) [13.1%] **15.65%** from Tier 1 renewable sources, including:

1. at least [0.95%] **1.05%** derived from solar energy; and
2. an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(13) in 2018:

(i) [15.8%] **20.8%** from Tier 1 renewable sources, including:

1. at least [1.4%] **1.5%** derived from solar energy; and
2. an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

(ii) 2.5% from Tier 2 renewable sources;

(14) in 2019, [17.4%] **23.75%** from Tier 1 renewable sources, including:

- (i) at least [1.75%] **2%** derived from solar energy; and
- (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy;

(15) in 2020, [18%] **25%** from Tier 1 renewable sources, including:

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- (i) at least ~~[2.0%]~~ **2.55%** derived from solar energy; and
 - (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy;
- (16) in 2021, ~~[18.7%]~~ **28%** from Tier 1 renewable sources, including:
- (i) at least ~~[2.0%]~~ **3.2%** derived from solar energy; and
 - (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy; ~~[and]~~
- (17) in 2022 ~~[and later]~~, ~~[20%]~~ **31%** from Tier 1 renewable sources, including:
- (i) at least ~~[2%]~~ **4%** derived from solar energy; and
 - (ii) an amount set by the Commission under § 7–704.2(a) of this subtitle, not to exceed 2.5%, derived from offshore wind energy;
- (18) IN 2023, 34% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**
- (I) AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**
 - (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7–704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE WIND ENERGY;**
- (19) IN 2024, 37% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**
- (I) AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**
 - (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7–704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE WIND ENERGY; AND**
- (20) IN 2025 AND LATER, 40% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**
- (I) AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**

(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE WIND ENERGY.

(c) Before calculating the number of credits required to meet the percentages established under subsection (b) of this section, an electricity supplier shall exclude from its total retail electricity sales all retail electricity sales described in subsection (a)(2) and (3) of this section.

(d) Subject to subsections (a) and (c) of this section and in accordance with § 7-704.2 of this subtitle, an electricity supplier shall meet the renewable energy portfolio standard by accumulating the equivalent amount of renewable energy credits that equal the percentages required under this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any contract existing before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.