

# SENATE BILL 760

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5lr2639

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By: **Senator Montgomery**

Introduced and read first time: February 16, 2015

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Renewable Energy Portfolio Standard – Combustion Source**

3 FOR the purpose of prohibiting an electricity supplier from receiving renewable energy  
4 credits from a combustion source in an amount greater than a certain renewable  
5 energy credit amount on and after a certain date; stating that energy from a  
6 combustion source is eligible for inclusion in meeting the renewable energy portfolio  
7 standard if it is generated at a certain system or facility; providing for the application  
8 of this Act; defining a certain term; making a stylistic change; and generally relating  
9 to the renewable energy portfolio standard.

10 BY repealing and reenacting, without amendments,  
11 Article – Public Utilities  
12 Section 7–701(a)  
13 Annotated Code of Maryland  
14 (2010 Replacement Volume and 2014 Supplement)

15 BY adding to  
16 Article – Public Utilities  
17 Section 7–701(b–1)  
18 Annotated Code of Maryland  
19 (2010 Replacement Volume and 2014 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article – Public Utilities  
22 Section 7–703(d) and 7–704(a)  
23 Annotated Code of Maryland  
24 (2010 Replacement Volume and 2014 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



## Article – Public Utilities

1  
2 7–701.

3 (a) In this subtitle the following words have the meanings indicated.

4 **(B–1) “COMBUSTION SOURCE” MEANS ONE OR MORE OF THE FOLLOWING**  
5 **TYPES OF TIER 1 RENEWABLE SOURCES:**

6 **(1) QUALIFYING BIOMASS;**

7 **(2) METHANE FROM THE ANAEROBIC DECOMPOSITION OF ORGANIC**  
8 **MATERIALS IN A LANDFILL OR WASTEWATER TREATMENT PLANT;**

9 **(3) A FUEL CELL THAT PRODUCES ELECTRICITY FROM A TIER 1**  
10 **RENEWABLE SOURCE UNDER ITEM (1) OR (2) OF THIS SUBSECTION;**

11 **(4) POULTRY LITTER–TO–ENERGY;**

12 **(5) WASTE–TO–ENERGY;**

13 **(6) REFUSE–DERIVED FUEL; AND**

14 **(7) THERMAL ENERGY FROM A THERMAL BIOMASS SYSTEM.**

15 7–703.

16 (d) **(1)** Subject to subsections (a) and (c) of this section and in accordance with  
17 § 7–704.2 of this subtitle, an electricity supplier shall meet the renewable energy portfolio  
18 standard by accumulating the equivalent amount of renewable energy credits that equal  
19 the percentages required under this section.

20 **(2) ON AND AFTER JANUARY 1, 2016, AN ELECTRICITY SUPPLIER MAY**  
21 **NOT RECEIVE RENEWABLE ENERGY CREDITS FROM A COMBUSTION SOURCE IN AN**  
22 **AMOUNT GREATER THAN THE RENEWABLE ENERGY CREDIT AMOUNT THAT THE**  
23 **ELECTRICITY SUPPLIER RECEIVED FROM THAT COMBUSTION SOURCE IN 2013.**

24 7–704.

25 (a) (1) **[Energy] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (4) OF**  
26 **THIS SUBSECTION, ENERGY** from a Tier 1 renewable source:

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

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

3 (2) (i) Energy from a Tier 1 renewable source under § 7-701(r)(1), (5),  
4 (9), (10), or (11) of this subtitle is eligible for inclusion in meeting the renewable energy  
5 portfolio standard only if the source is connected with the electric distribution grid serving  
6 Maryland.

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

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

15 (4) **ENERGY FROM A COMBUSTION SOURCE IS ELIGIBLE FOR**  
16 **INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD IF IT IS**  
17 **GENERATED AT A SYSTEM OR FACILITY THAT EXISTED AND WAS OPERATIONAL AS OF**  
18 **JANUARY 1, 2015, EVEN IF THE FACILITY OR SYSTEM WAS NOT CAPABLE OF**  
19 **GENERATING ELECTRICITY ON THAT DATE.**

20 (5) Energy from a Tier 2 renewable source under § 7-701(s) of this subtitle  
21 is eligible for inclusion in meeting the renewable energy portfolio standard through 2018 if  
22 it is generated at a system or facility that existed and was operational as of January 1,  
23 2004, even if the facility or system was not capable of generating electricity on that date.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
25 apply only prospectively and may not be applied or interpreted to have any effect on or  
26 application to any contract for renewable energy credits from a combustion source that  
27 existed before the effective date of this Act.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2015.