HOUSE BILL 1414

C5 7lr1915
CF SB 1146

By: **Delegate Jameson**
Introduced and read first time: February 10, 2017
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 11, 2017

CHAPTER _____

AN ACT concerning

Renewable Energy Portfolio Standard – Study

FOR the purpose of requiring the ~~Maryland Clean Energy Center and the University of Maryland Energy Research Center jointly~~ Power Plant Research Program to conduct a study on the renewable energy portfolio standard and certain related matters; providing for the scope of the study; providing certain specific subjects that the study must address; requiring certain State and local units to cooperate with the ~~centers~~ Program in the conduct of the study; requiring the ~~centers~~ Program to report to the Governor and certain committees on or before certain dates; providing for the termination of this Act; and generally relating to the renewable energy portfolio standard and the State's energy policies.

BY repealing and reenacting, without amendments,
Article – Public Utilities
Section 7–701(a), (b), (i), (n), (o), and (p)
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

BY adding to
Article – Public Utilities
Section 7–714
Annotated Code of Maryland
(2010 Replacement Volume and 2016 Supplement)

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.

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

Article – Public Utilities

7–701.

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

(b) "Administration" means the Maryland Energy Administration.

(i) "PJM region" means the control area administered by the PJM Interconnection, as the area may change from time to time.

(n) "Renewable energy credit" or "credit" means a credit equal to the generation attributes of 1 megawatt–hour of electricity that is derived from a Tier 1 renewable source or a Tier 2 renewable source that is located:

(1) in the PJM region;

(2) outside the area described in item (1) of this subsection but in a control area that is adjacent to the PJM region, if the electricity is delivered into the PJM region; or

(3) on the outer continental shelf of the Atlantic Ocean in an area that:

(i) the United States Department of the Interior designates for leasing after coordination and consultation with the State in accordance with § 388(a) of the Energy Policy Act of 2005; and

(ii) is between 10 and 30 miles off the coast of the State.

(o) "Renewable energy portfolio standard" or "standard" means the percentage of electricity sales at retail in the State that is to be derived from Tier 1 renewable sources and Tier 2 renewable sources in accordance with § 7–703(b) of this subtitle.

(p) "Renewable on–site generator" means a person who generates electricity on site from a Tier 1 renewable source or a Tier 2 renewable source for the person's own use.

7–714.

(A) THE ~~MARYLAND CLEAN ENERGY CENTER AND THE UNIVERSITY OF MARYLAND ENERGY RESEARCH CENTER~~ POWER PLANT RESEARCH PROGRAM SHALL ~~JOINTLY~~ CONDUCT A STUDY OF THE RENEWABLE ENERGY PORTFOLIO STANDARD AND RELATED MATTERS IN ACCORDANCE WITH THIS SECTION.

(B) THE STUDY SHALL BE A COMPREHENSIVE REVIEW OF THE HISTORY, IMPLEMENTATION, AND EFFECTIVENESS OF THE RENEWABLE ENERGY PORTFOLIO STANDARD IN RELATION TO THE ENERGY POLICIES OF THE STATE, INCLUDING:

(1) THE AVAILABILITY OF CLEAN ENERGY AT REASONABLE AND AFFORDABLE RATES;

(2) THE ECONOMIC AND ENVIRONMENTAL IMPACTS OF THE DEPLOYMENT OF RENEWABLE ENERGY SOURCES IN THE STATE AND IN SURROUNDING AREAS OF THE PJM REGION;

(3) THE EFFECTIVENESS OF THE STANDARD IN ENCOURAGING DEVELOPMENT AND DEPLOYMENT OF RENEWABLE ENERGY SOURCES;

(4) THE IMPACT OF ALTERATIONS THAT HAVE BEEN MADE IN THE COMPONENTS OF EACH TIER OF THE STANDARD, THE IMPLEMENTATION OF DIFFERENT SPECIFIC GOALS FOR PARTICULAR SOURCES, AND THE EFFECT OF DIFFERENT PERCENTAGES AND ALTERNATIVE COMPLIANCE PAYMENT SCALES FOR ENERGY IN THE TIERS;

(5) AN ASSESSMENT OF ALTERNATIVE MODELS OF REGULATION AND MARKET–BASED TOOLS THAT MAY BE AVAILABLE OR ADVISABLE TO PROMOTE THE GOALS OF THE STANDARD AND THE ENERGY POLICIES OF THE STATE; AND

(6) THE POTENTIAL TO ALTER OR OTHERWISE EVOLVE THE STANDARD IN ORDER TO INCREASE AND MAINTAIN ITS EFFECTIVENESS IN PROMOTING THE STATE'S ENERGY POLICIES.

(C) PARTICULAR SUBJECTS TO BE ADDRESSED IN THE STUDY INCLUDE:

(1) THE ROLE THAT THE STANDARD MAY HAVE IN REDUCING THE CARBON CONTENT OF IMPORTED ELECTRICITY AND WHETHER EXISTING OR NEW ADDITIONAL COMPLEMENTARY POLICIES OR PROGRAMS COULD HELP ADDRESS THE CARBON EMISSIONS ASSOCIATED WITH ELECTRICITY IMPORTED INTO THE STATE;

(2) THE NET ENVIRONMENTAL AND FISCAL IMPACTS THAT MAY BE ASSOCIATED WITH LONG–TERM CONTRACTS TIED TO CLEAN ENERGY PROJECTS;

(3) WHETHER THE STANDARD IS ABLE TO MEET CURRENT AND POTENTIAL FUTURE TARGETS WITHOUT THE INCLUSION OF CERTAIN TECHNOLOGIES;

(4) WHAT INDUSTRIES ARE PROJECTED TO GROW, AND TO WHAT EXTENT, AS A RESULT OF INCENTIVES ASSOCIATED WITH THE STANDARD;

(5) WHETHER THE PUBLIC HEALTH AND ENVIRONMENTAL BENEFITS OF THE GROWING CLEAN ENERGY INDUSTRIES SUPPORTED BY THE STANDARD ARE BEING EQUITABLY DISTRIBUTED ACROSS OVERBURDENED AND UNDERSERVED ENVIRONMENTAL JUSTICE COMMUNITIES;

(6) WHETHER THE STATE IS LIKELY TO MEET ITS EXISTING GOALS UNDER THE STANDARD AND, IF THE STATE WERE TO INCREASE THOSE GOALS, WHETHER ELECTRICITY SUPPLIERS SHOULD EXPECT TO FIND AN ADEQUATE SUPPLY TO MEET THE ADDITIONAL DEMAND FOR CREDITS;

(7) ADDITIONAL OPPORTUNITIES THAT MAY BE AVAILABLE TO PROMOTE LOCAL JOB CREATION WITHIN THE INDUSTRIES THAT ARE PROJECTED TO GROW AS A RESULT OF THE STANDARD;

(8) SYSTEM FLEXIBILITY THAT THE STATE WOULD NEED UNDER FUTURE GOALS UNDER THE STANDARD, INCLUDING THE QUANTITIES OF SYSTEM PEAKING AND RAMPING THAT MAY BE REQUIRED;

(9) ~~WHETHER AND~~ HOW ENERGY STORAGE TECHNOLOGY AND OTHER FLEXIBILITY RESOURCES SHOULD CONTINUE TO BE ADDRESSED IN SUPPORT OF RENEWABLE ENERGY AND STATE ENERGY POLICY, INCLUDING:

(I) WHETHER THE RESOURCES SHOULD BE ~~INCLUDED IN THE STANDARD OR SHOULD BE ADDRESSED BY A SEPARATE STANDARD OR~~ ENCOURAGED THROUGH A PROCUREMENT ~~MECHANISM~~, A PRODUCTION, OR AN INSTALLATION INCENTIVE;

(II) ~~WHETHER RESOURCES SUCH AS~~ THE ADVISABILITY OF PROVIDING INCENTIVES FOR ENERGY STORAGE DEVICES ~~THAT~~ TO INCREASE HOSTING CAPACITY OF INCREASED RENEWABLE ON–SITE GENERATION ON THE DISTRIBUTION SYSTEM ~~SHOULD BE INCLUDED AS PART OF THE STANDARD~~; AND

(III) ~~WHAT OWNERSHIP MODELS MAY BE APPROPRIATE FOR ENERGY STORAGE RECOGNIZED UNDER THE STANDARD OR AN ALTERNATIVE MECHANISM; AND~~

~~(IV) A COMPARISON OF THE NET RATEPAYER~~ DISCUSSION OF THE COSTS AND BENEFITS OF ENERGY STORAGE DEPLOYMENT IN THE STATE UNDER FUTURE GOALS SCENARIOS~~, AND HOW MUCH OF THOSE BENEFITS CAN BE MONETIZED BY EITHER STORAGE RESOURCE OWNERS OR ELECTRIC DISTRIBUTION UTILITIES~~ FOR RENEWABLE GENERATION; ~~AND~~

(10) THE ROLE OF IN–STATE CLEAN ENERGY IN ACHIEVING GREENHOUSE GAS EMISSION REDUCTIONS AND PROMOTING LOCAL JOBS AND ECONOMIC ACTIVITY IN THE STATE;

(11) AN ASSESSMENT OF ANY CHANGE IN SOLAR RENEWABLE ENERGY CREDIT PRICES OVER THE IMMEDIATE 24 MONTHS PRECEDING THE SUBMISSION OF THE INTERIM REPORT REQUIRED UNDER SUBSECTION (E) OF THIS SECTION; AND

(12) ANY OTHER MATTERS THE ~~CENTERS CONSIDER~~ PROGRAM CONSIDERS RELEVANT TO THE ANALYSIS OF THE ISSUES OUTLINED IN THIS SECTION.

(D) THE COMMISSION, THE ADMINISTRATION, THE DEPARTMENT OF THE ENVIRONMENT, THE DEPARTMENT OF NATURAL RESOURCES, AND OTHER STATE AND LOCAL UNITS SHALL COOPERATE WITH THE ~~CENTERS~~ PROGRAM IN THE CONDUCT OF THE STUDY UNDER THIS SECTION, INCLUDING SHARING OF INFORMATION, DATA, AND RESOURCES, SUBJECT TO APPROPRIATE LEGAL PROTECTION OF COMMERCIALLY SENSITIVE AND OTHER INFORMATION.

(E) (1) ON OR BEFORE DECEMBER 1, 2018, THE ~~CENTERS~~ PROGRAM SHALL SUBMIT AN INTERIM REPORT ON ANY PRELIMINARY FINDINGS OF THE STUDY UNDER THIS SECTION, INCLUDING ANY OBSERVATIONS AND REQUESTS FOR ALTERATION OR CLARIFICATION OF THE SCOPE, SUBJECTS, PROCEDURES, AND INTERGOVERNMENTAL COOPERATION THAT MAY BE REQUIRED TO COMPLETE THE STUDY AND SUBMIT A FINAL REPORT UNDER THIS SUBSECTION.

(2) ON OR BEFORE DECEMBER 1, 2019, THE ~~CENTERS~~ PROGRAM SHALL SUBMIT A FINAL REPORT ON THE FINDINGS OF THE STUDY, INCLUDING PROPOSALS FOR ANY ALTERATION OF THE RENEWABLE PORTFOLIO STANDARD, ALTERNATIVE MECHANISMS FOR FURTHERING THE STATE'S ENERGY POLICIES, AND RELATED MATTERS, AND ANY PROPOSED LEGISLATIVE OR REGULATORY CHANGES RECOMMENDED TO IMPLEMENT THE FINDINGS OF THE STUDY.

(3) THE INTERIM AND FINAL REPORTS SHALL BE SUBMITTED TO THE GOVERNOR AND, SUBJECT TO § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017. It shall remain effective for a period of 3 years and 1 month and, at the end of June 30, 2020, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.