

HOUSE BILL 1653

C5

8lr2597
CF 8lr2560

By: **Delegates Arentz, Aumann, and Hornberger**

Introduced and read first time: February 9, 2018

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Solar Electric Generating Facility Decommissioning and Restoration – Security**
3 **– Fund**

4 FOR the purpose of requiring the Public Service Commission to establish a surcharge on
5 certain solar electric generating facilities for a certain purpose on the basis of certain
6 factors; requiring the Comptroller to collect the revenue from the surcharge and
7 deposit it into the Maryland Solar Electric Generating Facility Decommissioning and
8 Restoration Fund; requiring the Commission to review the amount of the surcharge
9 at certain intervals; authorizing the Commission to adjust the surcharge on review;
10 authorizing a solar electric generating facility to post a certain bond or other security
11 instead of a surcharge under certain circumstances; requiring the Commission to
12 collect the bond or other security and deposit it into the Fund; requiring the
13 Commission to adopt certain regulations relating to the surcharge and the bond or
14 other security; establishing the Fund for certain purposes; providing for the use,
15 accounting, and administration of the Fund; requiring the Commission to adopt
16 certain regulations relating to the Fund; requiring the State Treasurer to invest the
17 Fund and disburse any revenue from the investment in a certain manner; requiring
18 the Commission to submit a certain report by a certain date each year to the
19 Governor and the General Assembly; and generally relating to the financing of
20 decommissioning and restoration of solar electric generating facilities in the State.

21 BY adding to

22 Article – Public Utilities

23 Section 7–215 and 7–216

24 Annotated Code of Maryland

25 (2010 Replacement Volume and 2017 Supplement)

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

28 **Article – Public Utilities**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-215.

2 (A) THIS SECTION APPLIES TO A SOLAR PHOTOVOLTAIC ELECTRIC
3 GENERATING FACILITY LOCATED IN THE STATE THAT:

4 (1) HAS THE CAPACITY TO PRODUCE AT LEAST 2 MEGAWATTS OF
5 ELECTRICITY; AND

6 (2) IS DESIGNED TO PRODUCE ELECTRICITY FOR SALE ON THE
7 WHOLESALE MARKET.

8 (B) (1) THE COMMISSION SHALL ESTABLISH A SURCHARGE ON SOLAR
9 ELECTRIC GENERATING FACILITIES FOR THE PURPOSE OF ENSURING THAT
10 ADEQUATE FUNDS EXIST TO:

11 (I) DECOMMISSION SOLAR ELECTRIC GENERATING FACILITIES
12 ONCE THEY CEASE TO OPERATE; AND

13 (II) RESTORE THE SITES ON WHICH SOLAR ELECTRIC
14 GENERATING FACILITIES OPERATED TO THEIR PREOPERATING CONDITION.

15 (2) THE COMMISSION MAY ESTABLISH THE SURCHARGE IN
16 PARAGRAPH (1) OF THIS SUBSECTION BASED ON THE OUTPUT OR PRODUCTION
17 CAPACITY OF THE SOLAR ELECTRIC GENERATING FACILITY.

18 (C) THE COMPTROLLER SHALL COLLECT THE REVENUE FROM THE
19 SURCHARGE IMPOSED UNDER SUBSECTION (B) OF THIS SECTION AND PLACE THE
20 REVENUE INTO THE MARYLAND SOLAR ELECTRIC GENERATING FACILITY
21 DECOMMISSIONING AND RESTORATION FUND ESTABLISHED UNDER § 7-216 OF
22 THIS SUBTITLE.

23 (D) (1) THE COMMISSION SHALL REVIEW THE AMOUNT OF THE
24 SURCHARGE AT STANDARD INTERVALS DETERMINED BY THE COMMISSION.

25 (2) THE COMMISSION MAY ADJUST THE AMOUNT OF THE SURCHARGE
26 ON REVIEW.

27 (E) (1) INSTEAD OF PAYING THE SURCHARGE ESTABLISHED UNDER
28 SUBSECTION (B) OF THIS SECTION, A SOLAR ELECTRIC GENERATING FACILITY MAY
29 POST A BOND OR OTHER SECURITY ACCEPTABLE TO THE COMMISSION.

30 (2) THE COMMISSION SHALL COLLECT THE BOND OR OTHER

1 SECURITY POSTED BY THE SOLAR ELECTRIC GENERATING FACILITY UNDER
2 PARAGRAPH (1) OF THIS SUBSECTION AND DEPOSIT IT INTO THE MARYLAND SOLAR
3 ELECTRIC GENERATING FACILITY DECOMMISSIONING AND RESTORATION FUND.

4 (F) (1) THE COMMISSION SHALL ESTABLISH REGULATIONS TO
5 IMPLEMENT THIS SECTION.

6 (2) THE REGULATIONS SHALL INCLUDE:

7 (I) CRITERIA FOR ESTABLISHING THE AMOUNT OF THE
8 SURCHARGE;

9 (II) THE FREQUENCY WITH WHICH THE COMMISSION WILL
10 REVIEW THE AMOUNT OF THE SURCHARGE;

11 (III) CRITERIA FOR DETERMINING WHETHER OR NOT TO ADJUST
12 THE AMOUNT OF THE SURCHARGE ON REVIEW; AND

13 (IV) CRITERIA FOR ESTABLISHING THE AMOUNT AND ADEQUACY
14 OF A BOND OR OTHER SECURITY PROPOSED UNDER SUBSECTION (E) OF THIS
15 SECTION.

16 7-216.

17 (A) IN THIS SECTION, "FUND" MEANS THE MARYLAND SOLAR ELECTRIC
18 GENERATING FACILITY DECOMMISSIONING AND RESTORATION FUND.

19 (B) THERE IS A MARYLAND SOLAR ELECTRIC GENERATING FACILITY
20 DECOMMISSIONING AND RESTORATION FUND.

21 (C) THE PURPOSE OF THE FUND IS TO ENSURE THAT ADEQUATE FUNDS
22 EXIST TO DECOMMISSION SOLAR ELECTRIC GENERATING FACILITIES AND TO
23 RESTORE THE SITE ON WHICH THEY OPERATE TO PREOPERATING CONDITION.

24 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
25 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

26 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
27 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

28 (E) THE FUND CONSISTS OF SURCHARGES OR ANY BOND OR OTHER
29 SECURITY PAID UNDER § 7-215 OF THIS SUBTITLE.

1 **(F) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FUND**
2 **MAY BE USED ONLY FOR THE PURPOSE SET FORTH IN SUBSECTION (C) OF THIS**
3 **SECTION.**

4 **(2) THE COMMISSION MAY ALLOW THE USE OF NOT MORE THAN 10%**
5 **OF THE MONEY PLACED IN THE FUND FOR ADMINISTRATIVE EXPENSES RELATED TO**
6 **THE FUND, INCLUDING PROJECT REVIEW AND OVERSIGHT.**

7 **(G) (1) SURCHARGES OR BONDS OR OTHER SECURITY PAID BY A SOLAR**
8 **ELECTRIC GENERATING FACILITY UNDER § 7-215 OF THIS SUBTITLE SHALL BE**
9 **ACCOUNTED FOR SEPARATELY WITHIN THE FUND.**

10 **(2) DISBURSEMENTS FROM THE FUND TO DECOMMISSION A FACILITY**
11 **OR TO RESTORE A SITE MAY BE PAID ONLY FROM THE ACCOUNT CREATED FOR THE**
12 **FACILITY.**

13 **(H) THE COMMISSION SHALL:**

14 **(1) ADMINISTER THE FUND;**

15 **(2) ADOPT ELIGIBILITY CRITERIA FOR PROJECTS SUPPORTED BY THE**
16 **FUND BY REGULATION;**

17 **(3) RECEIVE AND REVIEW APPLICATIONS FOR DISBURSEMENTS FROM**
18 **THE FUND; AND**

19 **(4) APPROVE OR DISAPPROVE APPLICATIONS FOR DISBURSEMENTS**
20 **FROM THE FUND.**

21 **(I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
22 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

23 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**
24 **TO THE FUND AND SPLIT EVENLY AMONG FACILITY ACCOUNTS.**

25 **(J) (1) ON OR BEFORE FEBRUARY 1 EACH YEAR, THE COMMISSION**
26 **SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE**
27 **STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE STATUS OF THE**
28 **FUND.**

29 **(2) THE REPORT SHALL INCLUDE:**

30 **(I) ALL AMOUNTS RECEIVED BY AND DISBURSED FROM THE**

1 **FUND IN THE PRECEDING CALENDAR YEAR;**

2 **(II) THE EVALUATION CRITERIA THAT THE COMMISSION USED**
3 **TO MAKE DISBURSEMENTS FROM THE FUND;**

4 **(III) THE PROJECTED RECEIPTS OF THE FUND IN THE CURRENT**
5 **CALENDAR YEAR; AND**

6 **(IV) PLANS FOR THE USE OF THE FUND IN THE CURRENT**
7 **CALENDAR YEAR.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2018.