

SB0516/423625/1

BY: Delegate Wivell

AMENDMENTS TO SENATE BILL 516
(Third Reading File Bill)

AMENDMENT NO. 1

On page 2, strike beginning with “altering” in line 22 down through “years;” in line 26 and substitute “repealing certain provisions relating to the imposition of certain compliance fees;”.

On page 3, in line 39, before the first comma insert “and (e)”; and in lines 39 and 40, strike “7-705(b) and (e)” and substitute “7-705(e), 7-706”.

On page 4, after line 7, insert:

“BY repealing

Article - Public Utilities

Section 7-705(b)

Annotated Code of Maryland

(2010 Replacement Volume and 2018 Supplement)”.

AMENDMENT NO. 2

On page 19, after line 12, insert:

“(e) (1) In this subsection, “customer” means:

(i) an industrial electric customer that is not on standard offer service; or

(ii) a renewable on-site generator.

(Over)

(2) This subsection does not apply to offshore wind renewable energy credits.

(3) (i) A customer may independently acquire renewable energy credits to satisfy the standards applicable to the customer's load, including credits created by a renewable on-site generator.

(ii) Credits that a customer transfers to its electricity supplier to meet the standard and that the electricity supplier relies on in submitting its compliance report may not be resold or retransferred by the customer or by the electricity supplier.

(4) A renewable on-site generator may retain or transfer at its sole option any credits created by the renewable on-site generator, including credits for the portion of its on-site generation from a Tier 1 renewable source or a Tier 2 renewable source that displaces the purchase of electricity by the renewable on-site generator from the grid.

(5) [A customer that satisfies the standard applicable to the customer's load under this subsection may not be required to contribute to a compliance fee recovered under § 7-706 of this subtitle.

(6) The Commission shall adopt regulations governing the application and transfer of credits under this subsection consistent with federal law.”.

On pages 27 through 29, strike in their entirety the lines beginning with line 26 on page 27 through line 26 on page 29, inclusive.

On page 30, after line 38, insert:

“7-706.

(a) [(1)] Except as provided in [paragraph (2) of this subsection] SUBSECTION (B) OF THIS SECTION, in accordance with the obligation to provide standard offer service through the bid process created under § 7–510 of this title, the Commission shall allow an electricity supplier to recover actual dollar-for-dollar costs incurred[, including a compliance fee under § 7–705 of this subtitle.] in complying with a State-mandated renewable energy portfolio standard.

[(2)] (B) In accordance with the Phase II settlement agreement approved by the Commission in Order No. 78710 in Case No. 8908 on September 30, 2003, for any full-service agreement executed before the renewable energy standard under this subtitle applies to an electric company, the electric company and its wholesale electricity suppliers may pass through their commercially reasonable additional costs, if any, associated with complying with the standard, through the end of the year of standard offer service in which the requirement took effect.

[(b) An electricity supplier may recover a compliance fee if:

(1) the payment of a compliance fee is the least-cost measure to customers as compared to the purchase of Tier 1 renewable sources to comply with a renewable energy portfolio standard;

(2) there are insufficient Tier 1 renewable sources available for the electricity supplier to comply with a renewable energy portfolio standard; or

(3) a wholesale electricity supplier defaults or otherwise fails to deliver renewable energy credits under a supply contract approved by the Commission.

(c) Any cost recovery under this section:

(1) for all electricity suppliers, may be in the form of a generation surcharge payable by all current electricity supply customers, except as otherwise provided in § 7–704(e) of this subtitle;

(Over)

(2) shall be disclosed to customers in a manner to be determined by the Commission; and

(3) may not include the costs for a power purchase contract under the federal Public Utility Regulatory Policy Act contemplated in rates or restructuring proceedings.

(d) (1) In accordance with regulations adopted by the Commission in consultation with the Department of Commerce, the Commission may waive the recovery of all or part of the compliance fee assessed on the load of a particular industrial or nonretail commercial customer for a particular year, based on a demonstration by the applicant of an extreme economic hardship that significantly impairs the continued operation of the applicant.

(2) Any compliance fee recovery that is waived under this subsection may not be assessed against other customers.

(3) An electricity supplier is not liable for any compliance fee that is waived under this subsection.】