

# SENATE BILL 548

C5, M5

9lr0350  
CF 9lr3061

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By: **Senators Hough, Bailey, Carozza, Carter, Cassilly, Eckardt, Elfreth, Ellis, Gallion, Guzzone, Hershey, Hester, Kagan, Kramer, Lam, Lee, Nathan-Pulliam, Patterson, Pinsky, Ready, Salling, Serafini, Smith, Washington, West, Young, Zirkin, and Zucker**  
Introduced and read first time: February 4, 2019  
Assigned to: Finance

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## A BILL ENTITLED

AN ACT concerning

### **Renewable Energy Portfolio Standard – Eligible Sources**

FOR the purpose of altering the eligibility of certain sources of energy for the creation of credits under the renewable energy portfolio standard; removing certain sources from the definition of a “Tier 1 renewable source”; providing that existing obligations or contract rights may not be impaired by this Act; providing for the application of this Act; and generally relating to the renewable energy portfolio standard.

BY repealing and reenacting, without amendments,  
Article – Public Utilities  
Section 7–701(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,  
Article – Public Utilities  
Section 7–701(r) and 7–704(a)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2018 Supplement)

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.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



(r) “Tier 1 renewable source” means one or more of the following types of energy sources:

- (1) solar energy, including energy from photovoltaic technologies and solar water heating systems;
- (2) wind;
- (3) qualifying biomass;
- (4) methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;
- (5) geothermal, including energy generated through geothermal exchange from or thermal energy avoided by, groundwater or a shallow ground source;
- (6) ocean, including energy from waves, tides, currents, and thermal differences;
- (7) a fuel cell that produces electricity from a Tier 1 renewable source under item (3) or (4) of this subsection;
- (8) a small hydroelectric power plant of less than 30 megawatts in capacity that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;
- (9) poultry litter-to-energy; **AND**
- (10) **[waste-to-energy;**
- (11) refuse-derived fuel; and
- (12)] thermal energy from a thermal biomass system.

7-704.

(a) (1) Energy from a Tier 1 renewable source:

- (i) is eligible for inclusion in meeting the renewable energy portfolio standard regardless of when the generating system or facility was placed in service; and
- (ii) may be applied to the percentage requirements of the standard for either Tier 1 renewable sources or Tier 2 renewable sources.

(2) (i) Energy from a Tier 1 renewable source under § 7-701(r)(1), (5), **OR** (9)[, (10), or (11)] of this subtitle is eligible for inclusion in meeting the renewable energy

portfolio standard only if the source is connected with the electric distribution grid serving Maryland.

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019, and shall be applicable to all renewable energy portfolio standard compliance years beginning after December 31, 2019.