

# HOUSE BILL 875

M5, C5  
HB 98/20 – ECM

1r1708  
CF SB 65

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By: **Delegate D.E. Davis**

Introduced and read first time: January 29, 2021

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Electricity – Renewable Energy Portfolio Standard – Qualifying Biomass**

3 FOR the purpose of altering the definition of “qualifying biomass” for purposes of excluding  
4 energy derived from certain material from being eligible for meeting certain Tier 1  
5 obligations under the renewable energy portfolio standard; providing that existing  
6 obligations or contract rights may not be impaired by this Act; providing for the  
7 application of this Act; making technical corrections; and generally relating to  
8 electricity and the renewable energy portfolio standard.

9 BY repealing and reenacting, without amendments,  
10 Article – Public Utilities  
11 Section 7–701(a) and (s)  
12 Annotated Code of Maryland  
13 (2020 Replacement Volume and 2020 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Public Utilities  
16 Section 7–701(l) and 7–704(a)  
17 Annotated Code of Maryland  
18 (2020 Replacement Volume and 2020 Supplement)

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

21 **Article – Public Utilities**

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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.



1 7-701.

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

3 (1) (1) “Qualifying biomass” means a nonhazardous, organic material that is  
4 available on a renewable or recurring basis, and is:

5 (i) waste material that is segregated from inorganic waste material  
6 and is derived from sources including:

7 1. except for old growth timber, any of the following  
8 forest-related resources:

9 A. ~~mill~~ residue, except sawdust and wood shavings;

10 B. ~~pre~~commercial soft wood thinning;

11 ~~C. slash;~~

12 ~~D. brush; or~~

13 ~~E. yard waste;~~

14 2. a pallet, crate, or dunnage;

15 3. agricultural and silvicultural sources, including tree  
16 crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues;  
17 or

18 4. gas produced from the anaerobic decomposition of animal  
19 waste or poultry waste; or

20 (ii) a plant that is cultivated exclusively for purposes of being used  
21 at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

22 (2) “Qualifying biomass” includes biomass listed in paragraph (1) of this  
23 subsection that is used for co-firing, subject to § 7-704(d) of this subtitle.

24 (3) “Qualifying biomass” does not include:

25 (i) unsegregated solid waste or postconsumer wastepaper; ~~or~~

26 (ii) **BLACK LIQUOR, OR ANY PRODUCT DERIVED FROM BLACK**  
27 **LIQUOR; OR**

1                    **(III)** an invasive exotic plant species.

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

4                    (1)    solar energy, including energy from photovoltaic technologies and solar  
5 water heating systems;

6                    (2)    wind;

7                    (3)    qualifying biomass;

8                    (4)    methane from the anaerobic decomposition of organic materials in a  
9 landfill or wastewater treatment plant;

10                   (5)    geothermal, including energy generated through geothermal exchange  
11 from or thermal energy avoided by, groundwater or a shallow ground source;

12                   (6)    ocean, including energy from waves, tides, currents, and thermal  
13 differences;

14                   (7)    a fuel cell that produces electricity from a Tier 1 renewable source  
15 under item (3) or (4) of this subsection;

16                   (8)    a small hydroelectric power plant of less than 30 megawatts in capacity  
17 that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;

18                   (9)    poultry litter-to-energy;

19                   (10)   waste-to-energy;

20                   (11)   refuse-derived fuel; and

21                   (12)   thermal energy from a thermal biomass system.

22 7-704.

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

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

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

28                    (2)    (i)    Energy from a Tier 1 renewable source under [§ 7-701(r)(1)] §  
29 **7-701(S)(1)**, (5), (9), (10), or (11) of this subtitle is eligible for inclusion in meeting the

1 renewable energy portfolio standard only if the source is connected with the electric  
2 distribution grid serving Maryland.

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

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

11 (4) Energy from a Tier 2 renewable source under **[\§ 7-701(s)] § 7-701(T)**  
12 of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard  
13 through 2020 if it is generated at a system or facility that existed and was operational as  
14 of January 1, 2004, even if the facility or system was not capable of generating electricity  
15 on that date.

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

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2021, and shall apply to all renewable energy portfolio standard compliance  
20 years beginning January 1, 2022, or later.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.