BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1308 (First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike "and Walkup" and substitute "<u>Walkup, Feldman,</u> <u>Gordon, Love, Mandel, Murray, Niemann, Stern, Taylor, Burns, Haddaway, Harrison, and Kirk</u>".

AMENDMENT NO. 2

On page 1, strike beginning with "limiting" in line 9 down through "circumstances;" in line 10; in line 10, strike "customers" and substitute "<u>persons</u>"; in line 11, after "manner;" insert "<u>providing that certain persons who surrender certain credits retain all rights and title to certain attributes:</u>"; and in line 15, after "circumstances;" insert "<u>authorizing the Commission to waive recovery of a certain fee under certain circumstances;"</u>.

On page 2, in line 1, after "dates;" insert "<u>requiring the Commission to review certain</u> <u>standards and matters and report its recommendations to the Governor and the General Assembly on</u> <u>or before a certain date;</u>".

AMENDMENT NO. 3

On page 4, in line 14, strike "§ 7-704(F)" and substitute "§ 7-704(E)".

On page 7, in lines 7, 9, 11, and 13, strike "2%", "1.5%", "1%", and "0.5%", respectively, and substitute "2.5%".

On page 8, in line 2, after "2004" insert "<u>, EVEN IF THE FACILITY OR SYSTEM WAS</u> <u>NOT CAPABLE OF GENERATING ELECTRICITY ON THAT DATE</u>"; strike in their entirety lines 23 through 28, inclusive; and in lines 29 and 32, strike "(F)" and "(G)", respectively, and substitute "<u>(E)</u>" and "<u>(F)</u>", respectively.

On page 9, in line 18, strike "(H)" and substitute "(G)".

On page 18, after line 5, insert:

"<u>SECTION 5. AND BE IT FURTHER ENACTED</u>, That the Public Service Commission shall:

(1) on or before January 1, 2016, commence a review of the implementation and the environmental and economic impacts of the renewable portfolio standard enacted by this Act, including the impacts of Tier 2 renewable sources;

(2) in the course of its review, consult with appropriate scientific, economic, and environmental resources, and with affected communities of interest;

(3) develop recommendations concerning the continuation of the renewable portfolio standard for Tier 1 and Tier 2 renewable sources, including the classification of sources in distinct tiers, any recommended alteration to the tier system, whether the tiers should be continued, and if so, at what percentages; and

(4) on or before January 1, 2017, report its recommendations to the Governor and the General Assembly, subject to § 2-1246 of the State Government Article.";

in lines 6 and 8, strike "5." and "6.", respectively, and substitute "<u>6.</u>" and "<u>7.</u>", respectively; and in line 9, strike "5" and substitute "<u>6</u>".

AMENDMENT NO. 4

On page 4, in line 23, strike "ENVIRONMENTAL" and substitute "<u>GENERATION</u>"; and after line 34, insert:

"(J) <u>"RENEWABLE ON-SITE GENERATOR" MEANS A PERSON WHO</u> <u>GENERATES ELECTRICITY ON SITE FROM A TIER 1 RENEWABLE SOURCE OR A TIER 2</u> <u>RENEWABLE SOURCE FOR THE PERSON'S OWN USE.</u>".

On page 5, in lines 1 and 13, strike "(I)" and "(J)", respectively, and substitute " (\underline{K}) " and "((\underline{L}) ", respectively.

On page 8, in line 21, strike "§ 7-701(I)(4)" and substitute "§ 7-701(K)(4)"; in line 32, after "MEANS" insert ":

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<u>(I)</u>";

in line 33, after "SERVICE" insert "; OR

(II) <u>A RENEWABLE ON-SITE GENERATOR</u>";

and in line 36, after "LOAD" insert "<u>, INCLUDING CREDITS CREATED BY A RENEWABLE</u> <u>ON-SITE GENERATOR</u>".

On page 9, in line 8, after "CUSTOMER" insert "<u>OR BY THE ELECTRICITY SUPPLIER</u>"; after line 11, insert:

"(IV) <u>A CUSTOMER WHO SURRENDERS CREDITS UNDER THIS</u> SUBSECTION RETAINS ALL RIGHTS AND TITLE TO ANY ENVIRONMENTAL OR OTHER ATTRIBUTES ASSOCIATED WITH THE CREDITS, INCLUDING EMISSION REDUCTIONS OR RELATED ALLOWANCES.

(3) <u>A RENEWABLE ON-SITE GENERATOR SHALL RECEIVE CREDIT FOR</u> <u>THE PORTION OF ITS ON-SITE GENERATION FROM A TIER 1 RENEWABLE SOURCE OR</u> <u>A TIER 2 RENEWABLE SOURCE THAT DISPLACES THE PURCHASE OF ELECTRICITY BY</u> <u>THE RENEWABLE ON-SITE GENERATOR FROM THE GRID.</u>";

and in lines 12 and 15, strike "(3)" and "(4)", respectively, and substitute "(4)" and "(5)", respectively.

On page 11, in line 26, after "CUSTOMERS" insert "<u>EXCEPT AS OTHERWISE</u> <u>PROVIDED IN § 7-704(F) OF THIS SUBTITLE</u>".

On page 13, in line 22, after "STANDARD" insert "<u>, INCLUDING CREDITS CREATED</u> <u>BY A RENEWABLE ON-SITE GENERATOR</u>".

AMENDMENT NO. 5

On page 10, strike in their entirety lines 22 through 25, inclusive, and substitute:

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"(I) FOR EACH KILOWATT-HOUR OF SHORTFALL FROM REQUIRED TIER 1 RENEWABLE SOURCES:

- <u>1.</u> 0.8 CENTS IN 2006, 2007, AND 2008;
- <u>2.</u> <u>0.5 CENTS IN 2009 AND 2010;</u>
- <u>3.</u> <u>0.4 CENTS IN 2011 AND 2012;</u>
- <u>4.</u> <u>0.3 CENTS IN 2013 AND 2014;</u>
- 5. 0.25 CENTS IN 2015 AND 2016; AND
- 6. 0.2 CENTS IN 2017 AND LATER; AND

(II) NOTHING FOR ANY SHORTFALL FROM REQUIRED TIER 2 RENEWABLE SOURCES.".

AMENDMENT NO. 6

On page 11, after line 31, insert:

"(D) (1) IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION IN CONSULTATION WITH THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, THE COMMISSION MAY WAIVE THE RECOVERY OF ALL OR PART OF THE COMPLIANCE FEE ASSESSED ON THE LOAD OF A PARTICULAR INDUSTRIAL OR COMMERCIAL CUSTOMER IN A YEAR BASED ON HARDSHIP.

(2) <u>ANY COMPLIANCE FEE RECOVERY THAT IS WAIVED UNDER THIS</u> <u>SUBSECTION MAY NOT BE ASSESSED AGAINST OTHER CUSTOMERS.</u>".

AMENDMENT NO. 7

On page 3, after line 24, insert: "(E) "OLD GROWTH TIMBER" MEANS TIMBER FROM A FOREST: HB1308/503394/2 ECM Amendments to HB 1308 Page 5 of 6

(1) AT LEAST 5 ACRES IN SIZE WITH A PREPONDERANCE OF OLD TREES, OF WHICH THE OLDEST EXCEED AT LEAST HALF THE PROJECTED MAXIMUM ATTAINABLE AGE FOR THE SPECIES; AND

(2) THAT EXHIBITS SEVERAL OF THE FOLLOWING CHARACTERISTICS:

(I) <u>SHADE-TOLERANT SPECIES ARE PRESENT IN ALL AGE AND</u> <u>SIZE CLASSES</u>;

(II) RANDOMLY DISTRIBUTED CANOPY GAPS ARE PRESENT;

(III) <u>A HIGH DEGREE OF STRUCTURAL DIVERSITY</u> <u>CHARACTERIZED BY MULTIPLE GROWTH LAYERS REFLECTING A BROAD SPECTRUM</u> <u>OF AGES IS PRESENT;</u>

(IV) AN ACCUMULATION OF DEAD WOOD OF VARYING SIZES AND STAGES OF DECOMPOSITION ACCOMPANIED BY DECADENCE IN LIVE DOMINANT TREES IS PRESENT; AND

(V) PIT AND MOUND TOPOGRAPHY CAN BE OBSERVED.

(F) <u>"PJM REGION" MEANS THE CONTROL AREA ADMINISTERED BY THE PJM</u> INTERCONNECTION, INC., AS THE AREA MAY CHANGE FROM TIME TO TIME.";

in line 25, strike "(E)" and substitute "<u>(G)</u>"; in the same line, strike "SOLID,"; in line 27, strike "OTHER SOLID" and substitute "<u>INORGANIC</u>"; and in line 28, after "FROM" insert "<u>SOURCES</u> <u>INCLUDING</u>".

On page 4, strike in their entirety lines 20 and 21, inclusive; in lines 22 and 31, strike "(G)" and "(H)", respectively, and substitute "(H)" and "(I)", respectively.

On page 5, in line 16, after "GENERATION" insert ";

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(2) THERMAL DECOMPOSITION OF POULTRY LITTER";

and in line 17, strike "(2)" and substitute "(3)".

On page 7, in line 34, after "(2)" insert "<u>(I)</u>"; and in the same line, after "SOURCE" insert "<u>UNDER § 7-701(L)(1) OR (3) OF THIS SUBTITLE</u>".

On page 8, after line 2, insert:

"(II) ENERGY FROM A TIER 2 RENEWABLE SOURCE UNDER § 7-701(L)(2) OF THIS SUBTITLE IS ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD REGARDLESS OF WHEN THE GENERATING SYSTEM WAS PLACED IN SERVICE.".

AMENDMENT NO. 8

On page 10, in line 29, after "BROKER" insert "<u>WHO ASSISTS AN ELECTRICITY</u> <u>CUSTOMER IN PURCHASING ELECTRICITY BUT WHO DOES NOT SUPPLY THE</u> <u>ELECTRICITY OR TAKE TITLE TO OR OWNERSHIP OF THE ELECTRICITY</u>"; in line 30, strike "FROM WHICH THE AGGREGATOR OR BROKER PROCURES" and substitute "<u>WHO</u> <u>GENERATES THE</u>"; and strike beginning with the comma in line 30 down through the comma in line 31, inclusive.