

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 869

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “limiting” in line 9 down through “circumstances;” in line 10; in line 10, strike “customers” and substitute “persons”; in line 11, after “manner;” insert “providing that certain persons who surrender certain credits retain all rights and title to certain attributes;”; in line 20, after “projects;” insert “limiting the amount of funds that may be used for certain administrative expenses;”; and in line 32, after “dates;” insert “requiring the Office of Legislative Audits to conduct a certain performance audit of the Maryland Renewable Energy Fund; requiring the Office to report the results of the audit to the General Assembly by a certain date; requiring the Administration, in cooperation with the Maryland Department of Agriculture, to enhance the State’s system of monitoring the production and volume of poultry litter for certain purposes; requiring the Commission to provide a certain status report to the Governor and the General Assembly on or before a certain date; requiring the Commission to review certain standards and matters and report its recommendations to the Governor and the General Assembly on or before a certain date;”.

AMENDMENT NO. 2

On page 3, in line 19, strike “§ 7-706” and substitute “§ 7-707”; after line 23, insert:

“(E) “OLD GROWTH TIMBER” MEANS TIMBER FROM A FOREST:

(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:

(Over)

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

(II) RANDOMLY DISTRIBUTED CANOPY GAPS ARE PRESENT;

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

(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) "PJM REGION" MEANS THE CONTROL AREA ADMINISTERED BY THE PJM INTERCONNECTION, INC., AS THE AREA MAY CHANGE FROM TIME TO TIME.

(G) "POULTRY LITTER" MEANS THE FECAL AND URINARY EXCRETIONS OF POULTRY, INCLUDING WOOD SHAVINGS, SAWDUST, STRAW, RICE HULLS, AND OTHER BEDDING MATERIAL FOR THE DISPOSITION OF MANURE."

in line 24, strike "(E)" and substitute "(H)"; in the same line, strike "SOLID,"; in line 26, strike "OTHER SOLID" and substitute "INORGANIC"; in line 27, after "FROM" insert "SOURCES INCLUDING"; and in line 30, after "RESIDUE" insert ", EXCEPT SAWDUST AND WOOD SHAVINGS".

On page 4, in line 8, after "OF" insert "ANIMAL WASTE OR"; in line 13, strike "§ 7-704(F)" and substitute "§ 7-704(E)"; strike in their entirety lines 19 and 20; in lines 21 and 30, strike "(G)" and "(H)", respectively, and substitute "(I)" and "(J)", respectively; in line 22, strike "ENVIRONMENTAL" and substitute "GENERATION"; after line 33, insert:

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

and in line 34, strike “(I)” and substitute “(L)”.

On page 5, in line 8, strike “AND”; in line 10, after “SUBSECTION” insert “; AND”

(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”;

in line 11, strike “(J)” and substitute “(M)”; in line 14, after “GENERATION” insert “;”

(2) INCINERATION OF POULTRY LITTER, IF THE MARYLAND ENERGY ADMINISTRATION AND THE MARYLAND DEPARTMENT OF AGRICULTURE DETERMINE THAT THERE IS A SUFFICIENT QUANTITY OF POULTRY LITTER AVAILABLE FOR THE ECONOMICAL VIABILITY OF ANY EXISTING AND OPERATING ENTITY THAT IS SITED ON THE DELMARVA PENINSULA AND THAT, AS OF JULY 1, 2004, PROCESSES AND PASTEURIZES CHICKEN LITTER AS FERTILIZER”;

and in line 15, strike “(2)” and substitute “(3)”.

On page 6, in line 24, strike “1.5” and substitute “1”; in line 28, strike the first “2.5” and substitute “2”; and in line 32, strike “3.5” and substitute “3”.

On page 7, in lines 1, 5, and 9, strike “4.5”, “5.5”, and “6.5”, respectively, and substitute “4”, “5”, and “6”, respectively.

AMENDMENT NO. 3

On page 7, in lines 5, 7, 9, and 11, strike “2%”, “1.5%”, “1%”, and “0.5%”, respectively, and substitute “2.5%”, “2.5%”, “2.5%”, and “2.5%”, respectively; in line 32, after “(2)” insert “(I)”; in the same line, after “SOURCE” insert “UNDER § 7-701(M)(1) OR (3) OF THIS SUBTITLE”; in line 35, after “2004” insert “, EVEN IF THE FACILITY OR SYSTEM WAS NOT CAPABLE OF GENERATING ELECTRICITY ON THAT DATE”; and after line 35, insert:

(Over)

“(II) ENERGY FROM A TIER 2 RENEWABLE SOURCE UNDER § 7-701(M)(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.”.

On page 8, strike in their entirety lines 20 through 25, inclusive; and in lines 26 and 29, strike “(F)” and “(G)”, respectively, and substitute “(E)” and “(F)”, respectively.

AMENDMENT NO. 4

On page 8, in line 18, strike “§ 7-701(I)(4)” and substitute “§ 7-701(L)(4)”; in line 29, after “MEANS” insert “:

(I)”;

in line 30, after “SERVICE” insert “; OR

(II) A RENEWABLE ON-SITE GENERATOR”;

and in line 33, after “LOAD” insert “, INCLUDING CREDITS CREATED BY A RENEWABLE ON-SITE GENERATOR”.

On page 9, in line 4, after “CUSTOMER” insert “OR BY THE ELECTRICITY SUPPLIER”; after line 7, insert:

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

(3) A RENEWABLE ON-SITE GENERATOR SHALL RECEIVE CREDIT 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.”;

in lines 8 and 11, strike “(3)” and “(4)”, respectively, and substitute “(4)” and “(5)”, respectively; and

in line 14, strike “(H)” and substitute “(G)”.

AMENDMENT NO. 5

On page 10, in line 11, strike “§ 7-706” and substitute “§ 7-707”; in the same line, strike “A COMPLIANCE FEE OF”; in line 12, after “SUBSECTION” insert “, A COMPLIANCE FEE OF”; and strike in their entirety lines 18 through 21, inclusive, and substitute:

“(I) FOR EACH KILOWATT-HOUR OF SHORTFALL FROM REQUIRED TIER 1 RENEWABLE SOURCES, A COMPLIANCE FEE OF:

1. 0.8 CENTS IN 2006, 2007, AND 2008;
2. 0.5 CENTS IN 2009 AND 2010;
3. 0.4 CENTS IN 2011 AND 2012;
4. 0.3 CENTS IN 2013 AND 2014;
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 10, in line 25, after “BROKER” insert “WHO ASSISTS AN ELECTRICITY CUSTOMER IN PURCHASING ELECTRICITY BUT WHO DOES NOT SUPPLY THE ELECTRICITY OR TAKE TITLE TO OR OWNERSHIP OF THE ELECTRICITY”; in line 26, strike “FROM WHICH THE AGGREGATOR OR BROKER PROCURES” and substitute “WHO SUPPLIES THE”; strike beginning with the comma in line 26 down through the comma in line 27; and in line 31, after “SERVICE” insert “THROUGH THE BID PROCESS CREATED”.

On page 11, in line 21, after “CUSTOMERS” insert “, EXCEPT AS OTHERWISE”.

PROVIDED IN § 7-704(F) OF THIS SUBTITLE".

On page 12, in line 16, after "(4)" insert "(I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,"; and after line 18, insert:

"(II) THE ADMINISTRATION AND THE COMMISSION MAY NOT SPEND MORE THAN 10% OF THE FUNDS PLACED IN THE FUND FOR ADMINISTRATIVE EXPENSES."

On page 13, in line 17, after "STANDARD" insert ", INCLUDING CREDITS CREATED BY A RENEWABLE ON-SITE GENERATOR".

AMENDMENT NO. 7

On page 17, after line 33, insert:

"SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the Public Service Commission recover the costs of establishing a market-based renewable electricity trading system under § 7-708 of the Public Utility Companies Article as enacted by this Act through its assessment under § 2-110 of the Public Utility Companies Article.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) The Office of Legislative Audits shall conduct a performance audit of the Maryland Renewable Energy Fund which includes, for each year since the creation of the Fund, an assessment of:

- (1) the amount of funds received in the Fund;
- (2) the uses of the funds; and
- (3) the administrative expenses related to the Fund for project review and oversight.

(b) The Office shall report the results of the audit to the General Assembly, in accordance with § 2-1246 of the State Government Article, on or before December 1, 2009.

(c) The cost of the performance audit shall be included in the administrative expenses under § 7-707(f)(4) of the Public Utility Companies Article, as enacted by this Act.

SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) The General Assembly acknowledges that significant investments have been made in the utilization of poultry litter in alternative and beneficial ways, such as poultry litter pelletizing plans, before enactment of this Act, and it is the intent of the General Assembly that the private sector continue to find creative and innovative ways in which to utilize poultry litter that are consistent with and responsive to the purposes of this Act.

(b) To the extent that existing and future State financial assistance programs can help facilitate this undertaking, the General Assembly encourages partnerships that lead to environmentally friendly and economically advantageous initiatives.

(c) To help safeguard previous private sector investment efforts and yet facilitate future private sector investment efforts consistent with the purposes of this Act, the General Assembly encourages the Maryland Energy Administration, in cooperation with the Maryland Department of Agriculture, to enhance the State's system of monitoring the production and volume of poultry litter in order to realize, to the extent possible, a balance between existing demands and anticipated demands for poultry litter to help ensure:

(1) that existing projects have sufficient quantities of poultry litter to meet reasonably projected demands and to be economically viable; and

(2) that future projects, such as power generation, have sufficient quantities of poultry litter in order to become economically viable.

SECTION 8. AND BE IT FURTHER ENACTED, That, on or before December 1, 2009, the Public Service Commission shall provide a status report to the Governor and the General Assembly, subject to § 2-1246 of the State Government Article, which includes a review of the implementation of this Act, the availability and development of each type of Tier 1 renewable energy source, the impact on the price of Tier 1 renewable energy sources, the amount of compliance fees paid by

(Over)

electricity suppliers each year for noncompliance with Tier 1 and Tier 2 renewable energy sources, and the use of these compliance fees to support the creation of new Tier 1 renewable energy sources.

SECTION 9. AND BE IT FURTHER ENACTED, 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, and 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.”;

and in line 34, strike “5.” and substitute “10.”.

On page 18, in line 1, strike “6.” and substitute “11.”; and in line 2, strike “5” and substitute “10”.