BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL NO. 154

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 14, strike "<u>under certain circumstances</u>" and substitute "<u>after a certain</u> date".

On page 2, in line 5, after "Act;" insert "requiring the Department to allow a certain affected facility to operate without complying with the requirements of this Act under certain circumstances; prohibiting a certain affected facility from operating above certain emissions levels; requiring the Department to review the operations of an affected facility and establish a certain requirement by regulation under certain circumstances;"; strike beginning with "establishing" in line 7 down through "money;" in line 10; in line 10, after "terms;" insert "requiring the Department to enter into a certain contract to conduct a certain study; requiring the Department to make a certain report on or before a certain date;"; and strike in their entirety lines 23 through 27, inclusive.

AMENDMENT NO. 2

On page 4, in line 7, strike " $\underline{21,475}$ " and substitute " $\underline{20,216}$ "; in line 19, strike " $\underline{17,926}$ " and substitute " $\underline{16,667}$ "; in line 21, strike " $\underline{2015}$ " and substitute " $\underline{2013}$ "; and in line 22, strike " $\underline{32,322}$ " and substitute " $\underline{37,235}$ ".

On page 5, in line 10, strike "2012" and substitute "2013".

AMENDMENT NO. 3

On page 6, strike beginning with "<u>IF</u>" in line 34 down through "<u>STATE</u>," in line 37; and in line 37, after "<u>INITIATIVE</u>" insert a comma.

On page 7, in line 10, after "<u>STATE</u>" insert "<u>THAT CONSIDERS THE USE OF MARYLAND GROWN, NATIVE, WARM SEASON GRASSES AS A POSSIBLE METHOD OF REDUCING CARBON EMISSIONS</u>".

On page 8, strike in their entirety lines 12 through 27, inclusive, and substitute:

"(2) THE DEPARTMENT:

- (I) MAY NOT ALLOW THE APPLICATION OF ALLOWANCES TO THE COMPLIANCE OF ANY AFFECTED FACILITY WITH THE EMISSIONS LIMITATIONS ESTABLISHED UNDER SUBSECTIONS (A) THROUGH (D) OF THIS SECTION; BUT
- (II) MAY ALLOW THE ALLOWANCES TO BE SOLD OR TRADED TO FACILITIES OUTSIDE THE STATE IN ACCORDANCE WITH ALLOWANCE TRADING PROGRAMS OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY.".

AMENDMENT NO. 4

On page 3, in line 3, after "(II)" insert "SUBJECT TO § 2-1003(C) OF THIS SUBTITLE,".

On page 9, after line 6, insert:

- "(C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL ALLOW THE R.P. SMITH FACILITY, UNITS 3 AND 4, TO OPERATE WITHOUT COMPLYING WITH THE EMISSIONS REQUIREMENTS UNDER THIS SUBTITLE IF PJM INTERCONNECTION, INC. DETERMINES THAT THE TERMINATION OF OPERATION OF THE FACILITY WILL ADVERSELY AFFECT THE RELIABILITY OF ELECTRICAL SERVICE IN THE PJM REGION.
- (2) <u>IF THE DEPARTMENT ALLOWS THE R.P. SMITH FACILITY, UNITS 3</u> <u>AND 4, TO OPERATE WITHOUT COMPLYING WITH THE EMISSIONS REQUIREMENTS</u> UNDER THIS SUBTITLE IN ACCORDANCE WITH THIS SUBSECTION:
- (I) THE FACILITY MAY NOT OPERATE AT EMISSIONS LEVELS GREATER THAN THE HIGHEST LEVEL MEASURED AT THE FACILITY DURING THE CALENDAR YEARS 2000 THROUGH 2004; AND
- (II) THE DEPARTMENT SHALL REVIEW THE OPERATIONS OF THE FACILITY AND ADOPT REGULATIONS TO ESTABLISH AN ALTERNATIVE EMISSIONS REQUIREMENT FOR THE FACILITY.".

Amendments to SB 154 Page 3 of 4

AMENDMENT NO. 5

On pages 11 and 12, strike in their entirety the lines beginning with line 12 on page 11 through line 14 on page 12, inclusive.

AMENDMENT NO. 6

On page 12, after line 14, insert:

"SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Department of the Environment shall contract with an academic institution in the State for a study of whether there will be an adverse impact on the State economy, the reliability of the State's energy supply, and the cost of energy for consumers as a result of the State's entry into and continued participation in the Regional Greenhouse Gas Initiative among mid-atlantic and northeast states.

(b) The study shall:

- (1) evaluate whether the State's participation in the Regional Greenhouse Gas Initiative has or may have an adverse impact on:
- (i) the preservation and enhancement of the economic welfare of the residents of the State;
- (ii) the maintenance of a safe and reliable electric power supply in the State;
- (iii) the adequacy of the energy supply in the State, including the potential for power plant shutdowns;
- (iv) the ability of persons who own, lease, operate, or control an affected facility to compete in neighboring states; or
 - (v) electric rates for residents of the State; and

ECM

- (2) take into consideration:
- (i) the number of states that are included as full participants in the Regional Greenhouse Gas Initiative;
- (ii) the mix of energy resources in the states that are included as full participants in the Regional Greenhouse Gas Initiative; and
 - (iii) the availability of credits among participating states.
- (c) On or before January 1, 2008, the Department shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the findings of the study contracted for under this section.";

and in line 15, strike "2." and substitute "3.".