

SB0595/167671/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 595

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “customer-generators;” insert “providing that a certain portion of a certain limit shall be for eligible customer-generators that operate solar electric generating facilities;”; in line 9, after “produced;” insert “requiring the Public Service Commission on or before a certain date each year to report on the status of the net metering program;”; in lines 11 and 12, strike “only to electric companies under certain circumstances” and substitute “to electricity suppliers”; strike beginning with “requiring” in line 12 down through “manner;” in line 13; in lines 16 and 17, strike “electric companies” and substitute “electricity suppliers”; in line 18, strike “electric company” and substitute “electricity supplier”; in line 22, after “years;” insert “requiring the purchase of certain credits from certain systems to be made in a certain manner in accordance with rates and methods determined by the Commission;”; in line 23, strike “appoint” and substitute “designate”; in line 24, after “to” insert “convene a certain workgroup to”; in the same line, strike “certain” and substitute “the State’s”; and in line 25, after “procedures” insert “to be consistent with certain standards by a certain date; requiring the Commission to investigate certain rate-making mechanisms; providing for the application and construction of certain provisions of this Act; requiring the Commission to include certain information in a report”.

On page 2, in line 5, strike “and 7-709” and substitute “7-709, and 7-712”.

AMENDMENT NO. 2

On page 3, in line 19, after “megawatts” insert “**, OF WHICH 1,465.28 MEGAWATTS SHALL BE FOR ELIGIBLE CUSTOMER-GENERATORS THAT OWN AND OPERATE OR LEASE AND OPERATE A SOLAR ELECTRIC GENERATING FACILITY**”.

(Over)

On page 4, after line 17, insert:

“(6) ANY REMAINING ACCRUED GENERATION CREDIT AT THE EXPIRATION OF THE 12-MONTH ACCRUAL PERIOD UNDER PARAGRAPH (5)(II)2 OF THIS SUBSECTION:

(I) SHALL REVERT TO THE ELECTRIC COMPANY; AND

(II) MAY NOT BE RECOVERED BY THE ELIGIBLE CUSTOMER-GENERATOR.”;

in line 18, after “(g)” insert “**(1)**”; in lines 21, 23, 24, and 25, strike “(1)”, “(2)”, “(i)”, and “(ii)”, respectively, and substitute “**(I)**”, “**(II)**”, “**1.**”, and “**2.**”, respectively; and after line 28, insert:

“(2) IN DETERMINING WHETHER TO REQUIRE AN ELIGIBLE CUSTOMER-GENERATOR TO INSTALL A DUAL METER UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER THE GENERATING CAPACITY OF THE CUSTOMER-GENERATOR.”.

On page 5, after line 27, insert:

“(I) ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE NET METERING PROGRAM UNDER THIS SECTION, INCLUDING:

(1) THE AMOUNT OF CAPACITY OF ELECTRIC GENERATING FACILITIES OWNED AND OPERATED BY ELIGIBLE CUSTOMER-GENERATORS IN THE STATE BY TYPE OF ENERGY RESOURCE;

(2) BASED ON THE NEED TO ENCOURAGE A DIVERSIFICATION OF THE STATE’S ENERGY RESOURCE MIX TO ENSURE RELIABILITY, WHETHER THE RATED GENERATING CAPACITY LIMIT IN SUBSECTION (D) OF THIS SECTION SHOULD BE ALTERED FOR ELIGIBLE CUSTOMER-GENERATORS THAT OWN AND OPERATE OR LEASE AND OPERATE A GENERATING FACILITY OTHER THAN A SOLAR ELECTRIC GENERATING FACILITY; AND

(3) OTHER PERTINENT INFORMATION.”.

AMENDMENT NO. 3

On pages 9 and 10, strike beginning with the colon in line 28 on page 9 through “**SOURCES**” in line 1 on page 10; and strike beginning with the semicolon in line 3 down through “**COMMISSION**” in line 6.

On page 12, in line 8, strike “**(I)**”; in line 10, strike “percentage” and substitute “**PERCENTAGES**”; and strike in their entirety lines 12 through 16, inclusive.

On page 15, strike beginning with “**AND**” in line 13 down through “**COMMISSION**” in line 14; in line 16, strike the brackets; in the same line, strike “**IT**”; in lines 19 and 20, in each instance, strike the bracket; in line 20, strike “**IT**”; and in line 26, strike “paragraph” and substitute “**ITEM**”.

On page 16, in line 4, after “1” insert “**AND TIER 3**”; in line 14, strike “**IF AN ELECTRIC COMPANY**” and substitute “**IF AN ELECTRICITY SUPPLIER**”; in line 16, strike “**ELECTRIC COMPANY**” and substitute “**ELECTRICITY SUPPLIER**”; in line 17, after “**SUBTITLE**” insert “**;**”

(1) EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION,”;

in lines 20, 21, 22, 23, 24, and 25, strike “(1)”, “(2)”, “(3)”, “(4)”, “(5)”, and “(6)”, respectively, and substitute “(I)”, “(II)”, “(III)”, “(IV)”, “(V)”, and “(VI)”, respectively; in line 20, strike “2007 AND”; in line 24, strike the second “AND”; and in line 25, strike “AND LATER” and substitute “AND 2018;”

(VII) 15 CENTS IN 2019 AND 2020;

(VIII) 10 CENTS IN 2021 AND 2022; AND

(IX) 5 CENTS IN 2023 AND LATER; AND

(2) FOR INDUSTRIAL PROCESS LOAD, A COMPLIANCE FEE AS PROVIDED IN SUBSECTION (B)(2)(I) OF THIS SECTION”.

AMENDMENT NO. 4

On page 17, in lines 1 and 2, strike “OR AN ELECTRIC COMPANY”; in line 10, after “ACTUAL” insert “OR PROJECTED”; in the same line, strike “INCURRED” and substitute “INCURRED OR TO BE INCURRED BY AN ELECTRICITY SUPPLIER”; in line 12, after “TO” insert “, OR IS ANTICIPATED TO BE GREATER THAN OR EQUAL TO,”; in lines 12 and 13, strike “ANNUAL ELECTRICITY SALES REVENUE FOR AN ELECTRIC COMPANY, THE ELECTRIC COMPANY” and substitute “ELECTRIC SUPPLIER’S TOTAL ANNUAL ELECTRICITY SALES REVENUES IN MARYLAND, THE ELECTRICITY SUPPLIER”; strike beginning with “DELAY” in line 14 down through “YEAR” in line 15 and substitute “:

(I) DELAY BY 1 YEAR EACH OF THE SCHEDULED PERCENTAGES UNDER §7-703(B) OF THIS SUBTITLE THAT WOULD APPLY TO THE ELECTRICITY SUPPLIER IN TIER 3; AND

(II) ALLOW THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR TIER 3 FOR THAT YEAR TO CONTINUE TO APPLY TO THE ELECTRICITY SUPPLIER FOR THE FOLLOWING YEAR”;

in line 17, after the second “THE” insert “ACTUAL OR PROJECTED”; in line 18, strike “ELECTRIC COMPANIES” and substitute “ELECTRICITY SUPPLIERS”; and after line 18, insert:

“(3) IF AN ELECTRICITY SUPPLIER MAKES A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION BASED ON PROJECTED COSTS, THE ELECTRICITY SUPPLIER SHALL PROVIDE VERIFIABLE EVIDENCE OF THE PROJECTIONS TO THE COMMISSION AT THE TIME OF THE REQUEST.

(4) IF THE COMMISSION ALLOWS A DELAY UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR TIER 3 APPLICABLE TO THE ELECTRICITY SUPPLIER UNDER THE DELAY CONTINUES FOR EACH SUBSEQUENT CONSECUTIVE YEAR THAT THE ACTUAL OR PROJECTED DOLLAR-FOR-DOLLAR COSTS INCURRED, OR TO BE INCURRED, BY THE ELECTRICITY SUPPLIER SOLELY FOR THE PURCHASE OF TIER 3 RENEWABLE ENERGY CREDITS IS GREATER THAN OR EQUAL TO, OR IS ANTICIPATED TO BE GREATER THAN OR EQUAL TO, 1% OF THE ELECTRICITY SUPPLIER’S TOTAL ANNUAL RETAIL ELECTRICITY SALES REVENUES IN MARYLAND; AND

(II) THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR TIER 3 APPLICABLE TO THE ELECTRICITY SUPPLIER UNDER THE DELAY IS INCREASED TO THE NEXT SCHEDULED PERCENTAGE INCREASE UNDER § 7-703(B) OF THIS SUBTITLE FOR EACH YEAR IN WHICH THE ACTUAL OR

(Over)

PROJECTED DOLLAR-FOR-DOLLAR COSTS INCURRED, OR TO BE INCURRED, BY THE ELECTRICITY SUPPLIER SOLELY FOR THE PURCHASE OF TIER 3 RENEWABLE ENERGY CREDITS IS LESS THAN, OR IS ANTICIPATED TO BE LESS THAN, 1% OF THE ELECTRICITY SUPPLIER'S TOTAL ANNUAL RETAIL ELECTRICITY SALES REVENUES IN MARYLAND.

On page 21, in line 15, after "(C)" insert "(1)"; in the same line, strike "ELECTRIC COMPANY" and substitute "ELECTRICITY SUPPLIER"; in line 16, after "CREDITS" insert "DIRECTLY FROM A RENEWABLE ON-SITE GENERATOR"; in line 17, strike "SOURCE" and substitute "ENERGY CREDITS"; and after line 18, insert:

"(2) (I) AN ELECTRICITY SUPPLIER THAT PURCHASES TIER 3 RENEWABLE ENERGY CREDITS FROM A RENEWABLE ON-SITE GENERATOR WITH A CAPACITY NOT EXCEEDING 10 KILOWATTS SHALL PURCHASE THE CREDITS WITH A SINGLE INITIAL PAYMENT REPRESENTING THE FULL ESTIMATED PRODUCTION OF THE SYSTEM FOR THE LIFE OF THE CONTRACT.

(II) THE COMMISSION SHALL:

1. DETERMINE THE RATE FOR A PAYMENT MADE TO THE RENEWABLE ON-SITE GENERATOR UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

2. DEVELOP A METHOD FOR ESTIMATING ANNUAL PRODUCTION FROM THE TYPE OF SYSTEM DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH AND ALLOCATING THE TIER 3 RENEWABLE ENERGY CREDITS TO THE ELECTRICITY SUPPLIER IN A MANNER THAT IS CONSISTENT WITH A MINIMUM 15-YEAR PRODUCTION PERIOD.

AMENDMENT NO. 5

On page 22, after line 17, insert:

“7-712.

Subject to § 2-1246 of the State Government Article, on or before February 1 of each year the Commission shall report to the General Assembly on the status of implementation of this subtitle, including the availability of Tier 1 AND TIER 3 renewable sources, projects supported by the Fund, and other pertinent information.”;

in line 19, strike “APPOINT” and substitute “DESIGNATE”; in the same line, strike “WHO SHALL” and substitute “TO”; in line 20, strike “SOLELY”; in line 22, strike “AND”; and in line 26, after “SOURCES” insert “;AND

(3) THE DEVELOPMENT OF CLEAR, SIMPLE, AND STRAIGHTFORWARD FORMS, REQUIREMENTS, AND PROCEDURES TO FACILITATE PARTICIPATION OF HOMEOWNERS AND SMALL BUSINESSES IN THE DEPLOYMENT OF TIER 3 RENEWABLE ENERGY GENERATION IN THE STATE”.

On pages 22 and 23, strike beginning with “That” in line 27 on page 22 through “generators” in line 2 on page 23 and substitute “That, in recognition of the value of small distributed generation to the reliable and cost-effective operation of the grid, the Public Service Commission shall:

(1) form a small generator interconnections working group to develop interconnection standards and procedures for on-site generator facilities operating in Maryland that are consistent with nationally adopted interconnection standards and procedures; and

(2) on or before November 1, 2007, by regulation or order, revise Maryland’s interconnection standards and procedures:

(Over)

(i) to be consistent with nationally adopted interconnection standards and procedures; and

(ii) to facilitate and encourage a simplified connection of small distributed generators to the grid in a manner that ensures the safe and reliable operation of the grid”.

On page 23, after line 2, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Public Service Commission shall investigate the benefits to residential customers of using a regulatory rate-making mechanism that separates electric company distribution sales from electric company distribution profits, including a mechanism that allows electric companies to recover fixed distribution costs on a flat rate basis instead of on a consumption rate basis.

SECTION 4. AND BE IT FURTHER ENACTED, That the requirement under § 7-306 (h)(5) of the Public Utility Companies Article, as enacted by Section 1 of this Act, for an eligible customer-generator to own and have title to all renewable energy attributes or renewable energy credits associated with any electricity produced by its electric generating system shall apply prospectively and may not be construed to:

(1) impair contracts that were entered into before the effective date of this Act; or

(2) prohibit contracts between an eligible customer-generator and another entity entered into after the effective date of this Act that explicitly transfers ownership of the renewable energy attributes or renewable energy credits from the eligible customer-generator to another entity.

SECTION 5. AND BE IT FURTHER ENACTED, That, as part of its annual report due February 1, 2014 under § 7-712 of the Public Utility Companies Article, the Public Service Commission shall report its findings and recommendations for modification, if any, to the renewable energy portfolio standard provisions under Title 7, Subtitle 7 of the Public Utility Companies Article based on a thorough study of the implementation of the renewable energy portfolio standard requirements since 2006. The study conducted by the Commission shall:

(1) be based on the results of the renewable energy portfolio standard requirements effective through 2013;

(2) determine whether the intended goals of the renewable energy portfolio standard provisions are being met and are anticipated to be met in the future;

(3) consider the impact of the renewable energy portfolio standard requirements in developing renewable energy in the State; and

(4) consider the cost implications to residential consumers of continuing the renewable energy portfolio standard requirements beyond 2014.”;

and in line 3, strike “3.” and substitute “6.”.