

SB0595/653891/1

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL 595
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Public Utility Companies” and substitute “Electricity”; in the same line, after “Renewable” insert “Energy”; in line 3, strike “Energy”; in the same line, strike “Photovoltaic Power” and substitute “Solar Energy”; strike beginning with “providing” in line 5 down through “facilities;” in line 7; in line 9, after “requiring” insert “the Public Service Commission to make a certain determination concerning dual metering for certain eligible customer-generators; providing”; in line 11, strike “Public Service”; in line 12, after “report” insert “to the General Assembly”; in line 13, after “program” insert “in the State”; strike beginning with “establishing” in line 13 down through “suppliers” in line 16 and substitute “altering a certain renewable portfolio standard by requiring that certain portions of electricity in the standard be derived from solar energy; extending the deadlines within the renewable energy portfolio standard for certain requirements; limiting the eligibility of certain energy for meeting the renewable energy portfolio standard in certain manners during certain periods; requiring certain credits to be offered for certain purposes in a certain manner”; in line 17, after “a” insert “certain”; in line 18, strike “required” and substitute “provided for”; in line 19, after “certain” insert “renewable energy portfolio”; in the same line, after “standard” insert “for energy”; in the same line, after “energy” insert “sources under certain circumstances”; in the same line, strike “a” and substitute “certain”; in line 20, strike “generator” and substitute “generators”; and in line 21, after “report;” insert “altering certain compliance fees to include fees for a shortfall from the requirement for solar energy within a certain time frame; authorizing an electricity supplier to request a delay in implementing certain requirements under certain circumstances; providing for the effect of a certain delay in certain requirements;”.

(Over)

On pages 1 and 2, strike beginning with “providing” in line 21 on page 1 down through “years;” in line 6 on page 2 and substitute “altering the use of a certain fund; requiring certain fees to be accounted for and used in a certain manner; requiring the Maryland Energy Administration to report each year on certain matters; requiring certain electricity suppliers to enter into certain contracts for not less than a certain term of years;”.

On page 2, in line 8, strike “Public Service”; in line 9, strike “with” and substitute “to have”; in the same line, strike “duties” and substitute “responsibilities”; in line 12, after “standards” insert “and procedures”; in line 15, after “a” insert “certain”; in the same line, after “report” insert “due on a certain date”; in the same line, strike “defining a certain term and”; in line 16, after “metering,” insert “the”; in line 17, strike “portfolio”; in the same line, strike “standards” and substitute “portfolio standard”; in the same line, strike “photovoltaic power generation” and substitute “increasing the use of solar energy in the State”; in line 20, after “7-701” insert “(h)(2) and (m)”; in the same line, strike “through” and substitute “(b) and (d), 7-704,”; in the same line, strike “7-707,” and substitute “7-706(c)(1), 7-707(f),”; in line 21, strike “7-712” and substitute “7-711”; strike in their entirety lines 24 through 28, inclusive; and in line 31, strike “7-714” and substitute “7-707(h)”.

AMENDMENT NO. 2

On page 3, strike beginning with “, **OF**” in line 28 down through “**FACILITY**” in line 30.

On pages 6 and 7, strike beginning with “**FOR**” in line 30 on page 6 down through “**FACILITY**” in line 2 on page 7.

On pages 7 and 8, strike in their entirety the lines beginning with line 5 on page 7 through line 3 on page 8, inclusive.

On page 8, strike beginning with “(1)” in line 4 down through “electricity.” in line 22.

On pages 8 through 10, strike in their entirety the lines beginning with line 25 on page 8 through line 7 on page 10, inclusive.

On page 10, strike beginning with the comma in line 11 down through “fertilizer” in line 15; and strike in its entirety line 17.

On pages 10 and 11, strike in their entirety the lines beginning with line 18 on page 10 through line 4 on page 11, inclusive.

On page 11, strike in their entirety lines 6 through 28, inclusive.

On pages 12 and 13, strike in their entirety the lines beginning with line 1 on page 12 through line 15 on page 13, inclusive, and substitute:

“(1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2 renewable sources;

(2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2 renewable sources;

(3) in 2008, [2%] **2.005%** from Tier 1 renewable sources, **INCLUDING AT LEAST 0.005% DERIVED FROM SOLAR ENERGY**, and 2.5% from Tier 2 renewable sources;

(4) in 2009, [2%] **2.01%** from Tier 1 renewable sources, **INCLUDING AT LEAST 0.01% DERIVED FROM SOLAR ENERGY**, and 2.5% from Tier 2 renewable sources;

(5) in 2010, [3%] **3.025%** from Tier 1 renewable sources, **INCLUDING AT LEAST 0.025% DERIVED FROM SOLAR ENERGY**, and 2.5% from Tier 2 renewable sources;

(Over)

(6) in 2011, [3%] **3.04%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.04%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(7) in 2012, [4%] **4.06%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.06%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(8) in 2013, [4%] **4.1%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.1%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(9) in 2014, [5%] **5.15%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.15%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(10) in 2015, [5%] **5.25%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.25%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(11) in 2016, [6%] **6.35%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.35%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(12) in 2017, [6%] **6.55%** from Tier 1 renewable sources, INCLUDING AT LEAST **0.55%** DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources;

(13) in 2018, [7%] 7.9% from Tier 1 renewable sources, INCLUDING AT LEAST 0.9% DERIVED FROM SOLAR ENERGY, and 2.5% from Tier 2 renewable sources; [and]

(14) in 2019 [and later, 7.5%], 8.7% from Tier 1 renewable sources, INCLUDING AT LEAST 1.2% DERIVED FROM SOLAR ENERGY, and 0% from Tier 2 renewable sources;

(15) IN 2020, 9% FROM TIER 1 RENEWABLE SOURCES, INCLUDING AT LEAST 1.5% DERIVED FROM SOLAR ENERGY, AND 0% FROM TIER 2 RENEWABLE SOURCES;

(16) IN 2021, 9.35% FROM TIER 1 RENEWABLE SOURCES, INCLUDING AT LEAST 1.85% DERIVED FROM SOLAR ENERGY, AND 0% FROM TIER 2 RENEWABLE SOURCES; AND

(17) IN 2022 AND LATER, 9.5% FROM TIER 1 RENEWABLE SOURCES, INCLUDING AT LEAST 2% DERIVED FROM SOLAR ENERGY, AND 0% FROM TIER 2 RENEWABLE SOURCES.”.

On page 13, after line 31, insert:

“(2) (i) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, ENERGY FROM A TIER 1 RENEWABLE SOURCE UNDER § 7-701(L)(1) OF THIS SUBTITLE IS ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD ONLY IF THE SOURCE IS CONNECTED WITH THE ELECTRIC DISTRIBUTION GRID SERVING MARYLAND.

2. ON OR BEFORE DECEMBER 31, 2011, ENERGY FROM A TIER 1 RENEWABLE SOURCE UNDER § 7-701(L)(1) OF THIS SUBTITLE

(Over)

THAT IS NOT CONNECTED WITH THE ELECTRIC DISTRIBUTION GRID SERVING MARYLAND IS ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD ONLY IF OFFERS FOR SOLAR CREDITS FROM MARYLAND GRID SOURCES ARE NOT MADE TO THE ELECTRICITY SUPPLIER THAT WOULD SATISFY REQUIREMENTS UNDER THE STANDARD AND ONLY TO THE EXTENT THAT SUCH OFFERS ARE NOT MADE.

(II) IF THE OWNER OF A SOLAR GENERATING SYSTEM IN THIS STATE CHOOSES TO SELL SOLAR RENEWABLE ENERGY CREDITS FROM THAT SYSTEM, THE OWNER MUST FIRST OFFER THE CREDITS FOR SALE TO AN ELECTRICITY SUPPLIER OR ELECTRIC COMPANY THAT SHALL APPLY THEM TOWARD COMPLIANCE WITH THE RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703 OF THIS SUBTITLE.”.

On page 14, in lines 1 and 5, strike “(2)” and “(3)”, respectively, and substitute “(3)” and “(4)”, respectively; in lines 1 and 28, in each instance, strike the bracket; in line 2, strike “7-701(L)(7)”; in line 3, after “portfolio” insert “STANDARD”; in line 12, after “standard” insert a comma; in the same line, after “service” insert “, IF THE MARYLAND ENERGY ADMINISTRATION AND THE MARYLAND DEPARTMENT OF AGRICULTURE DETERMINE THAT THERE IS A SUFFICIENT QUANTITY OF POULTRY LITTER AVAILABLE FOR THE ECONOMIC VIABILITY OF ANY EXISTING AND OPERATING ENTITY THAT IS SITED ON THE DELMARVA PENINSULA AND THAT, AS OF JULY 1, 2004, PROCESSED AND PASTEURIZED CHICKEN LITTER AS FERTILIZER”; and in line 28, strike “7-701(L)(3)”.

On page 15, in line 27, strike the first bracket; in the same line, strike “],”; and in the same line, strike “, OR TIER 3”.

On page 16, in line 4, strike the first bracket; in the same line, strike “],”; and in the same line, strike “, OR TIER 3”.

On page 17, strike beginning with “FOR” in line 2 down through “SOURCES” in line 3; in line 8, after “sources” insert “OTHER THAN THE SHORTFALL FROM THE REQUIRED TIER 1 RENEWABLE SOURCES THAT IS TO BE DERIVED FROM SOLAR ENERGY”; in the same line, strike “and”; after line 8, insert:

“(II) THE FOLLOWING AMOUNTS FOR EACH KILOWATT-HOUR OF SHORTFALL FROM REQUIRED TIER 1 RENEWABLE SOURCES THAT IS TO BE DERIVED FROM SOLAR ENERGY:

- 1. 45 CENTS IN 2008;**
- 2. 40 CENTS IN 2009 AND 2010;**
- 3. 35 CENTS IN 2011 AND 2012;**
- 4. 30 CENTS IN 2013 AND 2014;**
- 5. 25 CENTS IN 2015 AND 2016;**
- 6. 20 CENTS IN 2017 AND 2018;**
- 7. 15 CENTS IN 2019 AND 2020;**
- 8. 10 CENTS IN 2021 AND 2022; AND**
- 9. 5 CENTS IN 2023 AND LATER; AND”;**

in line 9, strike “(ii)” and substitute “(III)”; and in lines 12 and 13, strike “AND TIER 3”.

(Over)

On pages 17 and 18, strike in their entirety the lines beginning with line 22 on page 17 through line 14 on page 18, inclusive.

On page 18, in lines 15 and 18, in each instance, strike the bracket; in lines 15 and 18, strike “(D)” and “(E)”, respectively; in line 22, strike “(F)” and substitute “(E)”; strike beginning with “TIER” in line 22 down through “STANDARD” in line 23; in line 23, strike “UNDER” and substitute “OF”; in the same line, strike “TITLE” and substitute “SUBTITLE”; in line 24, strike “COSTS” and substitute “COST”; in line 26, strike “3” and substitute “1”; in the same line, after “CREDITS” insert “DERIVED FROM SOLAR ENERGY”; and in the same line, strike “ONE” and substitute “1”.

On page 19, in line 6, after “PERCENTAGES” insert “FOR SOLAR ENERGY”; in line 7, strike “IN TIER 3”; in lines 9, 22, and 31, in each instance, strike “TIER 3” and substitute “SOLAR ENERGY”; and in line 25, strike “TIER 3” and substitute “SOLAR”.

On page 20, in line 2, strike “TIER 3” and substitute “SOLAR”; and strike in their entirety lines 7 through 28, inclusive.

On page 21, strike in their entirety lines 1 through 15, inclusive.

On pages 21 and 22, strike in their entirety the lines beginning with line 17 on page 21 through line 2 on page 22, inclusive.

On page 22, in line 3, after “(1)” insert “(I)”; strike beginning with “IN” in line 3 down through “SUBSECTION” in line 4 and substitute “SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH”; in line 5, strike “AND TIER 3”; strike in their entirety lines 6 through 13, inclusive, and substitute:

“(II) COMPLIANCE FEES PAID UNDER § 7-705(B)(1)(II) OF THIS SUBTITLE SHALL BE ACCOUNTED FOR SEPARATELY WITHIN THE FUND AND MAY

BE USED ONLY TO MAKE LOANS AND GRANTS TO SUPPORT THE CREATION OF NEW SOLAR ENERGY SOURCES IN THE STATE.”;

in lines 14, 16, and 20, in each instance, strike the bracket; in lines 14, 16, and 20, strike “(3)”, “(4)”, and “(5)”, respectively; strike in their entirety lines 25 through 27, inclusive; and after line 27, insert:

“(H) (1) ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON THE STATUS OF THE FUND.

(2) THE REPORT SHALL INCLUDE:

(I) ALL AMOUNTS RECEIVED BY AND DISBURSED FROM THE FUND;

(II) ALL AMOUNTS USED BY THE ADMINISTRATION AND THE COMMISSION FOR ADMINISTRATIVE PURPOSES;

(III) THE EVALUATION CRITERIA USED BY THE ADMINISTRATION IN MAKING LOANS AND GRANTS FROM THE FUND AND IN SELECTING RECIPIENTS OF THOSE LOANS AND GRANTS;

(IV) THE NUMBER AND AMOUNTS OF LOANS AND GRANTS MADE IN THE PRECEDING CALENDAR YEAR;

(V) THE STATUS OF LOANS PENDING AS OF THE END OF THE PRECEDING CALENDAR YEAR;

(Over)

(VI) THE ALLOCATION OF DISBURSEMENTS FOR DEVELOPMENT OF NEW SOLAR AND OTHER TIER 1 RENEWABLE SOURCES;

(VII) THE PROJECTED RECEIPTS OF THE FUND IN THE CURRENT CALENDAR YEAR; AND

(VIII) PLANS FOR THE USE OF RESOURCES OF THE FUND IN THE CURRENT CALENDAR YEAR.”.

On pages 22 and 23, strike in their entirety the lines beginning with line 28 on page 22 through line 25 on page 23, inclusive.

On page 24, in line 2, after “(1)” insert “(I)”; in line 3, strike “**TIER 3**” and substitute “SOLAR”; in line 4, after “**THE**” insert “SOLAR COMPONENT OF THE”; in the same line, strike “**3**” and substitute “1”; in lines 5 and 6, strike “**TIER 3**” and substitute “SOLAR”; after line 6, insert:

“(II) THE MINIMUM REQUIRED TERM UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT AFFECT THE ABILITY OF THE PARTIES TO NEGOTIATE A PRICE FOR A SOLAR RENEWABLE ENERGY CREDIT THAT VARIES OVER TIME IN ANY MANNER.”;

in line 7, strike “**TIER 3**” and substitute “SOLAR”; strike in their entirety lines 13 through 15, inclusive; in line 16, strike “2.” and substitute “1.”; in line 18, strike “**TIER 3 RENEWABLE ENERGY**”; in lines 19 and 20, strike “A MINIMUM 15-YEAR PRODUCTION PERIOD” and substitute “THE DURATION OF THE CONTRACT; AND

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

On page 25, in line 17, strike the first bracket; in the same line, strike “[,]”; in the same line, strike “, AND TIER 3”; strike in their entirety lines 18 through 23, inclusive, and substitute:

“7-711.

(A) The Commission has the same power and authority with respect to an electricity supplier under this subtitle that the Commission has with respect to any public service company under this article for the purposes of investigating and examining the electricity supplier to determine compliance with this subtitle and with other applicable law.”;

in line 24, strike “**THE**” and substitute “**(B) (1) BEGINNING JANUARY 1, 2008, THE**”; in lines 25 and 26, strike “: (1)”; in lines 26 and 27, strike “**RENEWABLE ENERGY PORTFOLIO**”; in line 27, strike “**FOR**” and substitute “**OF**”; in the same line, strike “**3**” and substitute “**1**”; and in the same line, strike the semicolon and substitute “**THAT ARE TO BE DERIVED FROM SOLAR ENERGY.**”.

On page 26, strike in their entirety lines 1 through 8, inclusive, and substitute:

(2) THE INDIVIDUAL DESIGNATED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:

(I) DEVELOP THE PROGRAM FOR THE REQUIREMENTS FOR TIER 1 RENEWABLE SOURCES DERIVED FROM SOLAR ENERGY;

(Over)

(II) PROVIDE EDUCATION AND OUTREACH TO PROMOTE THE USE OF SOLAR ENERGY; AND

(III) MAKE POLICY RECOMMENDATIONS TO THE COMMISSION REGARDING IMPROVING THE STATE'S USE OF SOLAR ENERGY, INCLUDING THE DEVELOPMENT OF CLEAR, SIMPLE, AND STRAIGHTFORWARD FORMS, REQUIREMENTS, AND PROCEDURES TO FACILITATE PARTICIPATION BY HOMEOWNERS AND SMALL BUSINESSES IN DEPLOYMENT OF SOLAR GENERATION IN THE STATE."

On page 27, in line 3, after "of" insert "Section 1 of"; in line 19, strike "provisions"; and in line 28, after "renewable" insert "energy".

On page 28, in line 4, strike "provisions" and substitute "standard"; in line 5, after "That" insert "Sections 1 and 4 of"; and after line 6, insert:

"SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in Section 6 of this Act, this Act shall take effect July 1, 2007."