

SENATE BILL 309

M3
SB 409/07 – EHE

8lr1163
CF HB 712

By: **Senators Pinsky, Brochin, Currie, Forehand, Frosh, Garagiola, Gladden, Jones, Kelley, King, Lenett, Madaleno, Muse, Peters, Pugh, Raskin, Robey, Rosapepe, and ~~Stone Stone~~, and Harrington**

Introduced and read first time: January 28, 2008

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 20, 2008

CHAPTER _____

1 AN ACT concerning

2 **Global Warming Solutions – Reductions in Greenhouse Gases**

3 FOR the purpose of ~~authorizing a certain fee and certain fines to be paid into the~~
4 ~~Maryland Clean Air Fund~~; expanding the permissible uses of the Maryland
5 Clean Air Fund; ~~prohibiting all~~ altering the circumstances under which certain
6 moneys in the Maryland Clean Air Fund from reverting or being transferred to
7 must be deposited to the General Fund; ~~stating the intent of the General~~
8 ~~Assembly~~; requiring the Department of the Environment to develop plans,
9 adopt regulations, and implement certain programs to require certain
10 ~~reductions in~~ reduce greenhouse gas emissions to a certain level by a certain
11 ~~years~~ year; requiring the Department to publish certain proposed lists of certain
12 greenhouse gas reduction measures and to adopt regulations in order to
13 ~~implement report~~ provide certain reports to the Governor and the General
14 ~~Assembly on the status of implementing these measures~~ on or before certain
15 dates; requiring the Department to develop and publish a certain plan in
16 accordance with certain requirements on or before a certain date; prohibiting
17 the Department from proceeding with the implementation of certain greenhouse
18 gas emissions reduction measures before the General Assembly receives certain
19 reports and passes certain legislation; providing for the construction of certain
20 provisions; requiring the Department to consult with the Public Service
21 Commission, the Maryland Energy Administration, and the Power Plant
22 Research Program on greenhouse gas reduction measures that relate to energy
23 matters; requiring the Department to publish and implement certain
24 greenhouse gas emissions reduction measures in accordance with certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 requirements; ~~requiring the Department to prepare and publish a certain plan;~~
2 ~~requiring the Department to adopt the plan by regulation in accordance with~~
3 ~~certain requirements;~~ requiring the Department to adopt methodologies for the
4 quantification of voluntary greenhouse gas emissions reductions; requiring the
5 Department to adopt regulations that enable the State to monitor and verify
6 voluntary greenhouse gas emissions reductions; providing that any provision of
7 federal law that conflicts with certain provisions of this Act shall prevail to the
8 extent that the federal law is stricter than the provisions of this Act; ~~requiring~~
9 authorizing the Department to adopt regulations, in accordance with certain
10 requirements, that establish a cap and trade system for sources that emit
11 greenhouse gas emissions; requiring the State, to the extent practicable, to
12 engage other states that have certain cap and trade systems for the purpose of
13 establishing a regional cap and trade system; requiring the Department to take
14 certain actions if a federal law is enacted that creates a national cap and trade
15 system for the reduction of greenhouse gas emissions; ~~authorizing~~ requiring the
16 Department to adopt regulations that establish certain offset allowances;
17 requiring certain sources to include greenhouse gas emissions in certain
18 statements submitted to the Department; ~~the Department to adopt regulations,~~
19 ~~in accordance with certain requirements, to require the reporting and~~
20 ~~verification of greenhouse gas emissions and to monitor and enforce compliance~~
21 requiring the Department to adopt certain regulations related to greenhouse
22 gas emissions; providing that certain proceeds should be used to implement the
23 provisions of this Act; ~~authorizing the Department to establish a Greenhouse~~
24 ~~Gas Emissions Fee under certain circumstances;~~ authorizing the Department to
25 ~~exempt certain de minimus sources of greenhouse gas emissions from paying~~
26 ~~the fee;~~ providing for the administration and collection of the fee; requiring the
27 fees to be deposited in the Maryland Clean Air Fund; ~~creating the Office of~~
28 ~~Climate Change within the Department;~~ requiring the Office to administer the
29 ~~provisions of this Act;~~ authorizing requiring the Department to create certain
30 committees; authorizing the Governor to alter certain deadlines under certain
31 circumstances; authorizing the Governor to extend the date under which a
32 specified mandate has to be achieved under certain circumstances; requiring the
33 Department to include certain stakeholders in advisory workgroups; requiring
34 the Department to conduct a certain study; requiring certain fees revenues to be
35 deposited in a certain fund under certain circumstances; requiring the
36 Department of the Environment, prior to the implementation of certain
37 provisions of this Act, to make and forward a certain determination; making
38 certain provisions of this Act contingent on a certain determination and report
39 by the Department of the Environment; providing for the termination of certain
40 provisions of this Act if a certain determination is not received by a certain date;
41 declaring the legislative intent and findings of the General Assembly as they
42 relate to global warming solutions; defining certain terms; making the
43 provisions of this Act severable; and generally relating to the reduction of
44 greenhouse gas emissions.

45 BY repealing and reenacting, with amendments,
46 Article – Environment
47 Section 2–107

1 Annotated Code of Maryland
 2 (2007 Replacement Volume and 2007 Supplement)

3 BY adding to
 4 Article – Environment
 5 Section 2–1201 through ~~2–1210~~ 2–1209 to be under the new subtitle “Subtitle
 6 12. Greenhouse Gas Emissions Reductions”
 7 Annotated Code of Maryland
 8 (2007 Replacement Volume and 2007 Supplement)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 10 MARYLAND, That the Laws of Maryland read as follows:

11 **Article – Environment**

12 2–107.

13 (a) There is a Maryland Clean Air Fund.

14 (b) ~~(1)~~ All application fees, permit fees, renewal fees, and funds collected
 15 by the Department under this title or Title 6, Subtitle 4 of this article, including any
 16 civil or administrative penalty or any fine imposed by a court under these provisions,
 17 shall be paid into the Maryland Clean Air Fund.

18 ~~(2) A GREENHOUSE GAS EMISSIONS FEE COLLECTED UNDER §~~
 19 ~~2-1208 2-1207 OF THIS TITLE SHALL BE PAID INTO THE MARYLAND CLEAN AIR~~
 20 ~~FUND.~~

21 (c) (1) Subject to the appropriation process in the annual operating
 22 budget, the Department shall use the Maryland Clean Air Fund for:

23 (i) Activities conducted under this title that are related to
 24 identifying, monitoring, and regulating air pollution in this State, including program
 25 development of these activities as provided in the State budget; [and]

26 (ii) Providing grants to local governments to supplement
 27 funding for programs conducted by local governments that are consistent with this
 28 title and the State program;

29 (III) **REDUCING GREENHOUSE GAS EMISSIONS IN THE**
 30 **STATE;**

31 (IV) **REDUCING ENERGY BILLS FOR LOW-INCOME**
 32 **HOUSEHOLDS;**

33 (V) **IMPLEMENTING THE PROVISIONS OF SUBTITLE 12 OF**
 34 **THIS TITLE;**

1 (VI) FUNDING ~~THE~~ AN OFFICE OF CLIMATE CHANGE; AND

2 (VII) PROVIDING GRANTS FOR INVESTMENTS IN CLEAN
3 ENERGY AND RENEWABLE NEW TECHNOLOGIES.

4 (2) Subject to Title 10, Subtitle 1 of the State Government Article
5 (Administrative Procedure Act – Regulations), the Department shall adopt rules and
6 regulations for the management and use of the money in the Fund.

7 (3) At the end of the fiscal year, the Department shall prepare an
8 annual report on the Maryland Clean Air Fund that includes an accounting of all
9 financial receipts and expenditures to and from the Fund and shall:

10 (i) Provide a copy of the report to the General Assembly, as
11 provided under § 2–1246 of the State Government Article; and

12 (ii) Upon request, make the report available to permit holders
13 under this title.

14 (4) (I) ~~When~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF
15 THIS PARAGRAPH, WHEN the Fund equals or exceeds a maximum limit of ~~\$750,000~~
16 \$2,000,000, additional moneys received for the Fund by the Department shall be
17 deposited to the General Fund. ~~MONIES IN THE FUND MAY NOT REVERT OR BE~~
18 ~~TRANSFERRED TO THE GENERAL FUND OF THE STATE.~~

19 (II) IF THE SECRETARY MAKES A DETERMINATION THAT
20 ADDITIONAL MONEY IS NECESSARY TO IMPLEMENT THE REQUIREMENTS OF
21 SUBTITLE 12 OF THIS TITLE, ADDITIONAL MONEY MAY BE ~~RETURNED~~ RETAINED
22 IN THE FUND UP TO A MAXIMUM LIMIT OF \$5,000,000 SOLELY FOR PURPOSES
23 OF IMPLEMENTING SUBTITLE 12 OF THIS TITLE.

24 SUBTITLE 12. GREENHOUSE GAS EMISSIONS REDUCTIONS.

25 2–1201.

26 THE GENERAL ASSEMBLY FINDS THAT:

27 (1) GREENHOUSE GASES ARE AIR POLLUTANTS THAT THREATEN
28 TO ENDANGER THE PUBLIC HEALTH AND WELFARE OF THE PEOPLE OF
29 MARYLAND;

30 (2) GLOBAL WARMING POSES A SERIOUS THREAT TO THE STATE'S
31 FUTURE HEALTH, WELL-BEING, AND PROSPERITY;

1 (3) WITH 3,100 MILES OF TIDALLY INFLUENCED SHORELINE,
2 MARYLAND IS VULNERABLE TO THE THREAT POSED BY GLOBAL WARMING AND
3 SUSCEPTIBLE TO RISING SEA LEVELS AND FLOODING, WHICH WOULD HAVE
4 DETRIMENTAL AND COSTLY EFFECTS;

5 (4) THE STATE HAS THE ~~TECHNOLOGY AND~~ INGENUITY TO
6 REDUCE THE THREAT OF GLOBAL WARMING AND MAKE GLOBAL WARMING
7 SOLUTIONS A PART OF THE STATE'S FUTURE BY ACHIEVING A MANDATED 25%
8 REDUCTION IN GREENHOUSE GAS EMISSIONS FROM 2006 LEVELS BY 2020 AND
9 BY PREPARING A PLAN INCLUDING REGULATORY AND OTHER PROGRAMS
10 SUFFICIENT TO MEET A TARGET OF A ~~MANDATED~~ 90% REDUCTION IN
11 GREENHOUSE GAS EMISSIONS FROM 2006 LEVELS BY 2050;

12 (5) IN ADDITION TO ACHIEVING THE MANDATED ~~REDUCTIONS~~
13 REDUCTION IN § 2-1203 OF THIS SUBTITLE, IT IS IN THE BEST INTERESTS OF
14 THE STATE TO ACT EARLY AND AGGRESSIVELY TO ACHIEVE THE COMMISSION
15 ON CLIMATE CHANGE'S RECOMMENDED GOALS OF REDUCING GREENHOUSE
16 GAS EMISSIONS BY 10% FROM 2006 LEVELS BY 2012 AND BY 15% FROM 2006
17 LEVELS BY 2015;

18 (6) WHILE REDUCTIONS OF HARMFUL GREENHOUSE GAS
19 EMISSIONS ARE ONE PART OF THE SOLUTION, THE STATE SHOULD FOCUS ON
20 DEVELOPING AND UTILIZING CLEAN ENERGIES THAT PROVIDE GREATER
21 ENERGY EFFICIENCY AND CONSERVATION SUCH AS RENEWABLE ENERGY FROM
22 WIND, SOLAR, GEOTHERMAL, AND BIOENERGY SOURCES; AND

23 (7) IT IS NECESSARY TO PROTECT THE PUBLIC HEALTH,
24 ECONOMIC WELL-BEING, AND NATURAL TREASURES OF THE STATE BY
25 REDUCING HARMFUL AIR POLLUTANTS SUCH AS GREENHOUSE GAS EMISSIONS
26 BY USING PRACTICAL SOLUTIONS THAT ARE ALREADY AT THE STATE'S
27 DISPOSAL.

28 **2-1202.**

29 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
30 INDICATED.

31 (B) "ALLOWANCE" MEANS 1 TON OF CARBON DIOXIDE EQUIVALENT
32 THAT MAY BE EMITTED DURING 1 CALENDAR YEAR.

33 ~~(B)~~ (C) "ALTERNATIVE COMPLIANCE MECHANISM" MEANS AN ACTION
34 UNDERTAKEN BY A GREENHOUSE GAS ~~EMISSIONS~~ SOURCE THAT ACHIEVES THE
35 EQUIVALENT REDUCTION OF GREENHOUSE GAS EMISSIONS OVER THE SAME
36 PERIOD AS A DIRECT EMISSIONS REDUCTION.

~~(C) “CARBON ALLOWANCE” MEANS 1 TON OF CARBON DIOXIDE EQUIVALENT THAT MAY BE EMITTED DURING 1 CALENDAR YEAR.~~

(D) “CARBON DIOXIDE EQUIVALENT” MEANS THE MEASUREMENT OF A GIVEN WEIGHT OF A GREENHOUSE GAS THAT HAS THE SAME GLOBAL WARMING POTENTIAL, MEASURED OVER A SPECIFIED TIMESCALE, AS A GIVEN WEIGHT OF CARBON DIOXIDE.

(E) “COST-EFFECTIVE” MEANS THE COST PER UNIT OF REDUCING EMISSIONS OF GREENHOUSE GASES ADJUSTED FOR ITS GLOBAL WARMING POTENTIAL WHERE THE BENEFITS OF THE ACTION EXCEED ITS COSTS, AS CALCULATED ON A LIFE-CYCLE COST BASIS.

(F) “DIRECT EMISSIONS REDUCTION” MEANS A GREENHOUSE GAS EMISSIONS REDUCTION ACTION MADE BY A GREENHOUSE GAS EMISSIONS SOURCE AT THAT SOURCE.

(G) “GREENHOUSE GAS” INCLUDES CARBON DIOXIDE, METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS, PERFLUOROCARBONS, AND SULFUR HEXAFLUORIDE.

(H) “GREENHOUSE GAS SOURCE” MEANS A SOURCE OR CATEGORY OF SOURCES OF GREENHOUSE GAS EMISSIONS THAT HAVE EMISSIONS OF GREENHOUSE GASES THAT ARE SUBJECT TO THE PROVISIONS OF THIS SUBTITLE, AS DETERMINED BY THE DEPARTMENT.

~~(H)~~ (I) “LEAKAGE” MEANS A REDUCTION IN EMISSIONS OF GREENHOUSE GASES WITHIN THE STATE THAT IS OFFSET BY AN INCREASE IN EMISSIONS OF GREENHOUSE GASES OUTSIDE THE STATE.

~~(H)~~ (J) “MARKET-BASED COMPLIANCE MECHANISM” INCLUDES:

(1) A CAP AND TRADE SYSTEM THAT SETS DECLINING ANNUAL EMISSIONS LIMITS AND ALLOWS EMISSIONS TRADING WITHIN A SYSTEM THAT IS GOVERNED BY RULES AND PROTOCOLS ESTABLISHED BY THE DEPARTMENT; OR

(2) NONTRADING POLICIES AND MEASURES, INCLUDING:

(I) LABELING REQUIREMENTS;

(II) LIABILITY MEASURES;

(III) PRODUCER RESPONSIBILITY REQUIREMENTS; OR

(IV) PROGRAMS COMMONLY KNOWN AS FEEBATES.

1 ~~(J) "SOURCE" MEANS A SOURCE OR CATEGORY OF SOURCES OF~~
2 ~~GREENHOUSE GAS EMISSIONS THAT HAVE EMISSIONS OF GREENHOUSE GASES~~
3 ~~THAT ARE SUBJECT TO THE PROVISIONS OF THIS SUBTITLE, AS DETERMINED BY~~
4 ~~THE DEPARTMENT.~~

5 (K) "STATEWIDE GREENHOUSE GAS EMISSIONS" MEANS THE TOTAL
6 ANNUAL EMISSIONS OF GREENHOUSE GASES IN THE STATE, MEASURED IN TONS
7 OF CARBON DIOXIDE EQUIVALENTS, INCLUDING ALL EMISSIONS OF
8 GREENHOUSE GASES FROM THE GENERATION OF ELECTRICITY DELIVERED TO
9 AND CONSUMED IN THE STATE, ACCOUNTING FOR TRANSMISSION AND
10 DISTRIBUTION LINE LOSSES, WHETHER THE ELECTRICITY IS GENERATED
11 IN-STATE OR IMPORTED.

12 **2-1203.**

13 (A) THE DEPARTMENT SHALL DEVELOP PLANS, ADOPT REGULATIONS,
14 AND IMPLEMENT PROGRAMS TO REDUCE GREENHOUSE GAS EMISSIONS BY A
15 MINIMUM OF:

16 ~~(1) 25% FROM 2006 LEVELS BY 2020; AND~~

17 ~~(2) 90% FROM 2006 LEVELS BY 2050.~~

18 (B) (1) ON OR BEFORE SEPTEMBER 1, 2008, THE DEPARTMENT
19 SHALL PREPARE AND PUBLISH AND MAKE AVAILABLE TO THE PUBLIC A
20 PROPOSED LIST OF PHASE I IMMEDIATE ACTION GREENHOUSE GAS EMISSIONS
21 REDUCTION MEASURES.

22 (2) ON OR BEFORE DECEMBER 1, 2008, THE DEPARTMENT SHALL
23 SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §
24 2-1246 OF THE STATE GOVERNMENT ARTICLE, WHICH OUTLINES THE PLAN
25 FOR IMPLEMENTATION OF THE PHASE I IMMEDIATE ACTION GREENHOUSE GAS
26 EMISSIONS REDUCTION MEASURES.

27 (3) ON (1) SUBJECT TO SUBPARAGRAPH (II) OF THIS
28 PARAGRAPH, ON OR AFTER MAY 1, 2009, THE DEPARTMENT SHALL IMPLEMENT
29 THE PHASE I IMMEDIATE ACTION GREENHOUSE GAS EMISSIONS REDUCTION
30 MEASURES.

31 (II) 1. THE DEPARTMENT MAY NOT BEGIN
32 IMPLEMENTING THE PHASE I IMMEDIATE ACTION GREENHOUSE GAS EMISSIONS
33 REDUCTION MEASURES UNTIL THE GENERAL ASSEMBLY:

1 **A. RECEIVES THE REPORT REQUIRED UNDER**
 2 **PARAGRAPH (2) OF THIS SUBSECTION; AND**

3 **B. ENACTS LEGISLATION SPECIFICALLY**
 4 **AUTHORIZING THE IMPLEMENTATION OF THE MEASURES.**

5 **2. THIS PARAGRAPH DOES NOT LIMIT THE**
 6 **AUTHORITY OF THE DEPARTMENT TO IMPLEMENT PROGRAMS OR ADOPT**
 7 **REGULATIONS FOR:**

8 **A. THE REGIONAL GREENHOUSE GAS INITIATIVE**
 9 **UNDER § 2-1002 OF THIS TITLE;**

10 **B. THE LOW EMISSIONS VEHICLE PROGRAM UNDER**
 11 **§ 2-1102 OF THIS TITLE; OR**

12 **C. ANY OTHER PROGRAM INVOLVING VOLUNTARY**
 13 **MEASURES TO REDUCE GREENHOUSE GAS EMISSIONS.**

14 ~~(2)~~ (4) **ON OR BEFORE SEPTEMBER 1, 2009, THE DEPARTMENT**
 15 **SHALL ~~ADOPT REGULATIONS TO IMPLEMENT~~ REPORT TO THE GOVERNOR AND**
 16 **GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE**
 17 **GOVERNMENT ARTICLE, ON THE STATUS OF IMPLEMENTING THE PHASE I**
 18 **IMMEDIATE ACTION GREENHOUSE GAS EMISSIONS REDUCTION MEASURES**
 19 **ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

20 (c) (1) **ON OR BEFORE JUNE 1, 2009, THE DEPARTMENT SHALL**
 21 **PREPARE AND PUBLISH A PROPOSED LIST OF PHASE II INTERMEDIATE**
 22 **GREENHOUSE GAS EMISSIONS REDUCTION MEASURES.**

23 (2) **ON OR BEFORE DECEMBER 1, 2009, THE DEPARTMENT SHALL**
 24 **SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**
 25 **2-1246 OF THE STATE GOVERNMENT ARTICLE, WHICH OUTLINES THE PLAN**
 26 **FOR IMPLEMENTATION OF THE PHASE II INTERMEDIATE ACTION GREENHOUSE**
 27 **GAS EMISSIONS REDUCTION MEASURES.**

28 (3) (i) **ON SUBJECT TO SUBPARAGRAPH (II) OF THIS**
 29 **PARAGRAPH, ON OR AFTER MAY 1, 2010, THE DEPARTMENT SHALL IMPLEMENT**
 30 **THE PHASE II INTERMEDIATE ACTION GREENHOUSE GAS EMISSIONS**
 31 **REDUCTION MEASURES.**

32 (ii) 1. **THE DEPARTMENT MAY NOT BEGIN**
 33 **IMPLEMENTING THE PHASE II INTERMEDIATE ACTION GREENHOUSE GAS**
 34 **EMISSIONS REDUCTION MEASURES UNTIL THE GENERAL ASSEMBLY:**

1 **A. RECEIVES THE REPORT REQUIRED UNDER**
 2 **PARAGRAPH (2) OF THIS SUBSECTION; AND**

3 **B. ENACTS LEGISLATION SPECIFICALLY**
 4 **AUTHORIZING THE IMPLEMENTATION OF THE MEASURES.**

5 **2. THIS PARAGRAPH DOES NOT LIMIT THE**
 6 **AUTHORITY OF THE DEPARTMENT TO IMPLEMENT PROGRAMS OR ADOPT**
 7 **REGULATIONS FOR:**

8 **A. THE REGIONAL GREENHOUSE GAS INITIATIVE**
 9 **UNDER § 2-1002 OF THIS TITLE;**

10 **B. THE LOW EMISSIONS VEHICLE PROGRAM UNDER**
 11 **§ 2-1102 OF THIS TITLE; OR**

12 **C. ANY OTHER PROGRAM INVOLVING VOLUNTARY**
 13 **MEASURES TO REDUCE GREENHOUSE GAS EMISSIONS.**

14 ~~(2)~~ (4) **ON OR BEFORE JUNE 1, 2010, THE DEPARTMENT SHALL**
 15 **ADOPT REGULATIONS TO IMPLEMENT REPORT TO THE GOVERNOR AND**
 16 **GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE**
 17 **GOVERNMENT ARTICLE, ON THE STATUS OF IMPLEMENTING THE PHASE II**
 18 **INTERMEDIATE GREENHOUSE GAS EMISSIONS REDUCTION MEASURES**
 19 **ESTABLISHED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

20 (D) (1) **ON OR BEFORE JANUARY 1, 2010, THE DEPARTMENT SHALL**
 21 **PREPARE AND PUBLISH:**

22 (I) **AN INVENTORY OF STATEWIDE GREENHOUSE GAS**
 23 **EMISSIONS;**

24 (II) **A PROPOSED LIST OF PHASE III GREENHOUSE GAS**
 25 **EMISSIONS REDUCTION MEASURES; AND**

26 ~~(H)~~ (III) **A PROPOSED FINAL PLAN FOR ACHIEVING THE**
 27 **REQUIRED REDUCTIONS IN GREENHOUSE GAS EMISSIONS ESTABLISHED UNDER**
 28 **SUBSECTION (A) OF THIS SECTION.**

29 **(2) ON OR BEFORE DECEMBER 1, 2010, THE DEPARTMENT SHALL**
 30 **SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH §**
 31 **2-1246 OF THE STATE GOVERNMENT ARTICLE, WHICH OUTLINES THE PLAN**
 32 **FOR IMPLEMENTATION OF THE PHASE III GREENHOUSE GAS EMISSIONS**

1 REDUCTION MEASURES AND THE FINAL PLAN REQUIRED UNDER PARAGRAPH
2 (1) OF THIS SUBSECTION.

3 (3) (I) ~~ON~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS
4 PARAGRAPH, ON OR AFTER MAY 1, 2011, THE DEPARTMENT SHALL IMPLEMENT
5 THE PHASE III GREENHOUSE GAS EMISSIONS REDUCTION MEASURES AND THE
6 FINAL PLAN REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

7 (II) 1. THE DEPARTMENT MAY NOT BEGIN
8 IMPLEMENTING THE PHASE III GREENHOUSE GAS EMISSIONS REDUCTION
9 MEASURES UNTIL THE GENERAL ASSEMBLY:

10 A. RECEIVES THE REPORT REQUIRED UNDER
11 PARAGRAPH (2) OF THIS SUBSECTION; AND

12 B. ENACTS LEGISLATION SPECIFICALLY
13 AUTHORIZING THE IMPLEMENTATION OF THE MEASURES.

14 2. THIS PARAGRAPH DOES NOT LIMIT THE
15 AUTHORITY OF THE DEPARTMENT TO IMPLEMENT PROGRAMS OR ADOPT
16 REGULATIONS FOR:

17 A. THE REGIONAL GREENHOUSE GAS INITIATIVE
18 UNDER § 2-1002 OF THIS TITLE;

19 B. THE LOW EMISSIONS VEHICLE PROGRAM UNDER
20 § 2-1102 OF THIS TITLE; OR

21 C. ANY OTHER PROGRAM INVOLVING VOLUNTARY
22 MEASURES TO REDUCE GREENHOUSE GAS EMISSIONS.

23 ~~(2)~~ (4) ON OR BEFORE JUNE 1, ~~2011~~ 2012, THE DEPARTMENT
24 SHALL ADOPT REGULATIONS TO IMPLEMENT THE PHASE III GREENHOUSE GAS
25 EMISSIONS REDUCTION MEASURES AND FINAL PLAN ESTABLISHED UNDER
26 PARAGRAPH (1) OF THIS SUBSECTION.

27 (E) (1) BY JUNE 1, 2012, THE DEPARTMENT SHALL DEVELOP AND
28 PUBLISH A PLAN TO REDUCE GREENHOUSE GAS EMISSIONS BY 90% FROM 2006
29 LEVELS BY 2050, THAT SHALL INCLUDE:

30 (I) REGULATORY AND OTHER PROGRAMS;

31 (II) RESEARCH, DEVELOPMENT, AND TECHNOLOGICAL
32 ADVANCEMENT INITIATIVES; AND

1 **(III) A SCHEDULE FOR ADOPTING AND IMPLEMENTING THE**
2 **ELEMENTS OF THE PLAN.**

3 **(2) THE PLAN REQUIRED UNDER PARAGRAPH (1) OF THIS**
4 **SUBSECTION SHALL:**

5 **(I) BE PUBLISHED AND UPDATED BY NOVEMBER 1 OF**
6 **EVERY FOURTH YEAR;**

7 **(II) INCLUDE A SUMMARY OF THE STATE OF THE SCIENCE**
8 **REGARDING GLOBAL WARMING; AND**

9 **(III) BE SUBMITTED TO THE GENERAL ASSEMBLY IN**
10 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.**

11 **~~(E)~~ (F) WITH RESPECT TO IN DEVELOPING PLANS, IMPLEMENTING**
12 **PROGRAMS, AND ADOPTING REGULATIONS IN ACCORDANCE WITH SUBSECTION**
13 **(D) OF THIS SECTION, THE DEPARTMENT SHALL:**

14 **(1) ENSURE THAT ACTIVITIES UNDERTAKEN TO COMPLY WITH**
15 **THE REGULATIONS DO NOT DISPROPORTIONATELY IMPACT LOW-INCOME,**
16 **LOW- TO MODERATE- INCOME, OR MINORITY COMMUNITIES OR ANY OTHER**
17 **PARTICULAR CLASS OF RATEPAYERS;**

18 **(2) ENSURE THAT THE PLANS, REGULATIONS, AND PROGRAMS**
19 **IMPLEMENTED IN ACCORDANCE WITH THIS SECTION ARE CONSISTENT WITH,**
20 **AND DO NOT DUPLICATE, OTHER GREENHOUSE GAS EMISSION REDUCTION**
21 **PROGRAMS REQUIRED BY LAW, INCLUDING THE HEALTHY AIR ACT, THE CLEAN**
22 **CARS ACT, OR OTHER REQUIREMENTS OF FEDERAL LAW RELATED TO**
23 **GREENHOUSE GAS EMISSION REDUCTIONS;**

24 **~~(2)~~ (3) ENSURE THAT A GREENHOUSE GAS SOURCE THAT**
25 **VOLUNTARILY REDUCES ITS GREENHOUSE GAS EMISSIONS BEFORE THE**
26 **IMPLEMENTATION OF THIS SUBTITLE SHALL RECEIVE APPROPRIATE CREDIT**
27 **FOR ITS EARLY VOLUNTARY REDUCTIONS;**

28 **~~(3)~~ (4) ENSURE THAT ACTIVITIES UNDERTAKEN UNDER THE**
29 **REGULATIONS DO NOT INTERFERE WITH THE STATE'S EFFORTS TO ACHIEVE**
30 **AND MAINTAIN FEDERAL AND STATE AMBIENT AIR QUALITY STANDARDS;**

31 **~~(4)~~ (5) CONSIDER THE COST-EFFECTIVENESS OF THE ACTIONS**
32 **UNDERTAKEN TO COMPLY WITH THE REGULATIONS;**

1 ~~(5)~~ (6) **CONSIDER OVERALL SOCIETAL BENEFITS, INCLUDING**
2 **REDUCTIONS IN OTHER AIR POLLUTANTS, DIVERSIFICATION OF ENERGY**
3 **SOURCES, AND OTHER POTENTIAL BENEFITS TO THE STATE’S ECONOMY,**
4 **ENVIRONMENT, AND PUBLIC HEALTH;**

5 ~~(6)~~ (7) **ENSURE THAT MEASURES TAKEN IN ACCORDANCE WITH**
6 **THIS SUBTITLE ARE DESIGNED TO MINIMIZE LEAKAGE;**

7 ~~(7)~~ (8) **CONSIDER THE SIGNIFICANCE OF THE CONTRIBUTION**
8 **OF EACH GREENHOUSE GAS SOURCE TO THE STATEWIDE EMISSIONS OF**
9 **GREENHOUSE GASES;**

10 ~~(8)~~ (9) **ENSURE THAT THE GREENHOUSE GAS EMISSIONS**
11 **REDUCTION MEASURES ARE ENFORCEABLE BY THE STATE;**

12 ~~(9)~~ ~~(10)~~ ~~ENSURE THAT GREENHOUSE GAS EMISSIONS~~
13 ~~REDUCTIONS REQUIRED UNDER THIS SECTION ARE IN ADDITION TO ANY~~
14 ~~GREENHOUSE GAS EMISSIONS REDUCTIONS OTHERWISE REQUIRED BY LAW;~~

15 ~~(10)~~ ~~(11)~~ (10) **RELY ON THE BEST AVAILABLE ECONOMIC AND**
16 **SCIENTIFIC INFORMATION IN THE ASSESSMENT OF EXISTING AND PROJECTED**
17 **TECHNOLOGICAL CAPABILITIES;**

18 ~~(11)~~ ~~(12)~~ (11) **CONSULT WITH THE PUBLIC SERVICE**
19 **COMMISSION TO ENSURE ELECTRIC RELIABILITY AND EVALUATE HOW THE**
20 **REGULATIONS AFFECT ELECTRICITY AND NATURAL GAS PROVIDERS IN ORDER**
21 **TO MINIMIZE DUPLICATIVE OR INCONSISTENT REGULATORY REQUIREMENTS;**
22 **AND**

23 ~~(12)~~ ~~(13)~~ (12) **CONSULT WITH OTHER STATES, THE FEDERAL**
24 **GOVERNMENT, AND, TO THE EXTENT PRACTICABLE, OTHER NATIONS TO**
25 **IDENTIFY THE MOST EFFECTIVE STRATEGIES AND METHODS TO REDUCE**
26 **GREENHOUSE GASES, MANAGE THE GREENHOUSE GAS CONTROL PROGRAM, AND**
27 **FACILITATE THE DEVELOPMENT OF INTEGRATED AND COST-EFFECTIVE**
28 **REGIONAL, NATIONAL, AND INTERNATIONAL GREENHOUSE GAS EMISSIONS**
29 **REDUCTION PROGRAMS.**

30 ~~(F)~~ (G) **THE PHASE I, PHASE II, AND PHASE III EMISSIONS**
31 **REDUCTION MEASURES DEVELOPED UNDER THIS SECTION SHALL INCLUDE:**

32 (1) **DIRECT EMISSIONS REDUCTION MEASURES;**

33 (2) **ALTERNATIVE COMPLIANCE MECHANISMS; AND**

1 (3) **POTENTIAL INCENTIVES FOR GREENHOUSE GAS SOURCES**
2 **THAT THE DEPARTMENT DETERMINES ARE NECESSARY OR DESIRABLE TO**
3 **FACILITATE THE ACHIEVEMENT OF THE REQUIRED REDUCTIONS IN**
4 **GREENHOUSE GAS EMISSIONS ESTABLISHED UNDER SUBSECTION (A) OF THIS**
5 **SECTION THROUGH THE MAXIMUM TECHNOLOGICALLY FEASIBLE AND**
6 **COST-EFFECTIVE MEANS.**

7 ~~(G)~~ **(H) THE DEPARTMENT SHALL CONSULT WITH THE PUBLIC**
8 **SERVICE COMMISSION, THE MARYLAND ENERGY ADMINISTRATION, AND THE**
9 **POWER PLANT RESEARCH PROGRAM WITHIN THE DEPARTMENT OF NATURAL**
10 **RESOURCES ON THE PHASE I, PHASE II, AND PHASE III GREENHOUSE GAS**
11 **EMISSIONS REDUCTION MEASURES THAT RELATE TO ENERGY-RELATED**
12 **MATTERS, INCLUDING:**

13 (1) ~~ELECTRICAL~~ **ELECTRICITY GENERATION;**

14 (2) **LOAD-BASED STANDARDS OR REQUIREMENTS;**

15 (3) **PROVIDING RELIABLE AND AFFORDABLE ~~ELECTRICAL~~**
16 **ELECTRICITY SERVICE; AND**

17 (4) **STATEWIDE FUEL SUPPLIES.**

18 ~~(H)~~ **(I) IN PUBLISHING AND IMPLEMENTING THE PHASE I, PHASE II,**
19 **AND PHASE III EMISSIONS REDUCTION MEASURES REQUIRED UNDER THIS**
20 **SECTION, THE DEPARTMENT SHALL:**

21 (1) **CONSIDER ALL RELEVANT INFORMATION RELATING TO**
22 **GREENHOUSE GAS EMISSIONS REDUCTION PROGRAMS IN OTHER STATES,**
23 **LOCALITIES, AND NATIONS, INCLUDING THE UNITED STATES, CANADA, AND**
24 **THE EUROPEAN UNION;**

25 (2) **EVALUATE THE POTENTIAL COSTS, ECONOMIC BENEFITS, AND**
26 **OTHER BENEFITS TO THE STATE'S ECONOMY, ENVIRONMENT, AND PUBLIC**
27 **HEALTH;**

28 (3) **USE THE BEST AVAILABLE ECONOMIC MODELS, EMISSIONS**
29 **ESTIMATION TECHNIQUES, AND OTHER SCIENTIFIC METHODS;**

30 (4) **TAKE INTO ACCOUNT THE RELATIVE CONTRIBUTION OF EACH**
31 **GREENHOUSE GAS SOURCE TO STATEWIDE GREENHOUSE GAS EMISSIONS AND**
32 **THE POTENTIAL ADVERSE EFFECTS ON SMALL BUSINESSES;**

1 (5) ~~RECOMMEND~~ ESTABLISH A THRESHOLD OF GREENHOUSE
2 GAS EMISSIONS BELOW WHICH EMISSIONS REDUCTION REQUIREMENTS DO NOT
3 APPLY; AND

4 (6) IDENTIFY OPPORTUNITIES FOR ALTERNATIVE COMPLIANCE
5 MECHANISMS FOR EMISSIONS REDUCTION MEASURES FROM VERIFIABLE AND
6 ENFORCEABLE VOLUNTARY ACTIONS, INCLUDING CARBON SEQUESTRATION
7 PROJECTS AND BEST MANAGEMENT PRACTICES.

8 ~~(H)~~ (J) (1) THE DEPARTMENT SHALL ADOPT METHODOLOGIES FOR THE
9 QUANTIFICATION OF VOLUNTARY GREENHOUSE GAS EMISSIONS REDUCTIONS.

10 (2) THE DEPARTMENT SHALL ADOPT REGULATIONS THAT
11 ENABLE THE STATE TO MONITOR AND VERIFY VOLUNTARY GREENHOUSE GAS
12 EMISSIONS REDUCTIONS.

13 (K) ANY PROVISION OF FEDERAL LAW THAT CONFLICTS WITH A
14 PROVISION OF THIS SECTION SHALL PREVAIL OVER THE PROVISION OF THIS
15 SECTION TO THE EXTENT IT IS STRICTER THAN THE PROVISION OF THIS
16 SECTION.

17 **2-1204.**

18 (A) (1) ON OR BEFORE JUNE 1, 2011, THE DEPARTMENT ~~SHALL~~ MAY
19 ADOPT REGULATIONS THAT ESTABLISH A CAP AND TRADE SYSTEM FOR
20 GREENHOUSE GAS SOURCES THAT EMIT GREENHOUSE GAS EMISSIONS.

21 (2) A SYSTEM ADOPTED IN ACCORDANCE WITH PARAGRAPH (1)
22 OF THIS SUBSECTION SHALL:

23 (I) ~~BE EFFECTIVE BEGINNING JANUARY 1, 2012;~~

24 ~~(H)~~ BE DESIGNED TO ACHIEVE REDUCTIONS IN
25 GREENHOUSE GAS EMISSIONS IN THE AGGREGATE FROM GREENHOUSE GAS
26 SOURCES IN THE STATE THROUGH THE MAXIMUM TECHNOLOGICALLY FEASIBLE
27 AND COST-EFFECTIVE MEANS;

28 ~~(H)~~ (II) DISTRIBUTE ALLOWANCES OR A PORTION OF
29 ALLOWANCES VIA PUBLIC AUCTION; AND

30 ~~(IV)~~ (III) BE COMPLEMENTARY WITH NOT DUPLICATE THE
31 STATE'S ONGOING PARTICIPATION IN THE REGIONAL GREENHOUSE GAS
32 INITIATIVE (RGGI); AND

1 **(IV) USE A MINIMUM OF A 5-YEAR AVERAGE ON ANNUAL**
2 **EMISSIONS DATA TO ESTABLISH CAPS FOR ANY STATIONARY GREENHOUSE GAS**
3 **SOURCE COVERED BY THE CAP AND TRADE PROGRAM.**

4 **(3) REVENUE GENERATED AS A RESULT OF THE AUCTION SHALL**
5 **BE DEPOSITED INTO THE MARYLAND CLEAN AIR FUND UNDER § 2-107 OF THIS**
6 **TITLE AND SHALL BE USED FOR PROGRAMS TO:**

7 **(I) REDUCE GREENHOUSE GAS EMISSIONS IN THE STATE,**
8 **INCLUDING TRANSIT SYSTEM IMPROVEMENTS AND OTHER MEASURES TO**
9 **REDUCE VEHICLE MILES TRAVELED; AND**

10 **(II) REDUCE ENERGY BILLS FOR LOW-INCOME**
11 **HOUSEHOLDS.**

12 **(B) BEFORE THE DEPARTMENT ADOPTS REGULATIONS FOR A CAP AND**
13 **TRADE SYSTEM, BEYOND PARTICIPATION IN THE REGIONAL GREENHOUSE GAS**
14 **INITIATIVE, THE DEPARTMENT SHALL:**

15 **(1) CONSIDER THE POTENTIAL FOR DIRECT, INDIRECT, AND**
16 **CUMULATIVE EMISSIONS IMPACTS FROM THESE MECHANISMS, INCLUDING**
17 **LOCALIZED IMPACTS IN COMMUNITIES THAT ARE ALREADY ADVERSELY**
18 **AFFECTED BY AIR POLLUTION;**

19 **(2) DESIGN THE MECHANISMS TO PREVENT AN INCREASE IN THE**
20 **EMISSIONS OF TOXIC AIR CONTAMINANTS OR OTHER AIR POLLUTANTS THAT**
21 **ARE REGULATED UNDER THIS TITLE; ~~AND~~**

22 **(3) MAXIMIZE ADDITIONAL ENVIRONMENTAL AND ECONOMIC**
23 **BENEFITS FOR THE STATE, AS FEASIBLE AND APPROPRIATE; ~~AND~~**

24 **(4) (I) MAKE EVERY REASONABLE EFFORT TO MINIMIZE**
25 **LEAKAGE THROUGH A CONSUMPTION BASED CAP AND TRADE OR OTHER**
26 **PROGRAM; AND**

27 **(II) CONDUCT A STUDY OF OTHER STATE EFFORTS,**
28 **INCLUDING CALIFORNIA, TO DETERMINE WHETHER EFFECTIVE PROGRAMS TO**
29 **CONTROL LEAKAGE EXIST, AND IF SO, DETERMINE THEIR APPLICABILITY IN**
30 **MARYLAND; AND**

31 **(5) ENSURE ELECTRIC RELIABILITY.**

32 **(C) TO THE EXTENT PRACTICABLE, THE STATE SHALL ENGAGE OTHER**
33 **STATES THAT HAVE EFFECTIVE, ESTABLISHED CAP AND TRADE SYSTEMS FOR**
34 **THE REDUCTION OF GREENHOUSE GAS EMISSIONS FOR THE PURPOSE OF**

1 ESTABLISHING A REGIONAL CAP AND TRADE SYSTEM FOR THE REDUCTION OF
2 GREENHOUSE GAS EMISSIONS.

3 (D) IF A FEDERAL LAW IS ENACTED THAT CREATES A NATIONAL CAP
4 AND TRADE SYSTEM FOR THE REDUCTION OF GREENHOUSE GAS EMISSIONS,
5 THE DEPARTMENT SHALL:

6 (1) REPEAL THE REGULATIONS REQUIRED TO BE ADOPTED
7 UNDER SUBSECTION (A) OF THIS SECTION; AND

8 (2) COMPLY WITH THE FEDERAL LAW TO PARTICIPATE IN THE
9 NATIONAL CAP AND TRADE SYSTEM.

10 **2-1205.**

11 (A) (1) ON OR BEFORE JANUARY 1, 2012, THE DEPARTMENT ~~MAY~~
12 SHALL ADOPT REGULATIONS THAT ESTABLISH OFFSET ALLOWANCES THROUGH
13 ALTERNATIVE COMPLIANCE MECHANISMS, INCLUDING CARBON
14 SEQUESTRATION PROJECTS.

15 (2) OFFSET ALLOWANCES ADOPTED IN ACCORDANCE WITH
16 PARAGRAPH (1) OF THIS SUBSECTION SHALL~~‡~~

17 ~~(I) BE EFFECTIVE BEGINNING JANUARY 1, 2013; AND~~

18 ~~(H) BE~~ BE DESIGNED TO ACHIEVE REDUCTIONS IN
19 GREENHOUSE GAS EMISSIONS IN THE AGGREGATE FROM GREENHOUSE GAS
20 SOURCES IN THE STATE THROUGH THE MAXIMUM TECHNOLOGICALLY FEASIBLE
21 AND COST-EFFECTIVE MEANS.

22 (B) OFFSET ALLOWANCES ESTABLISHED UNDER THIS SECTION MAY
23 NOT BE:

24 (1) USED BY A GREENHOUSE GAS SOURCE TO MEET THE
25 REQUIREMENTS OF ANY OTHER STATE, LOCAL, OR FEDERAL LAW, REGULATION,
26 OR ORDER; OR

27 (2) AWARDED TO A GREENHOUSE GAS SOURCE IF THE SOURCE
28 HAS RECEIVED CREDITS OR ALLOWANCES FOR THE SAME PROJECT UNDER ANY
29 OTHER MANDATORY OR VOLUNTARY GREENHOUSE GAS EMISSIONS REDUCTION
30 PROGRAM.

31 (C) AN OFFSET ALLOWANCE ESTABLISHED UNDER THIS SECTION SHALL
32 BE REAL, PERMANENT, QUANTIFIABLE, VERIFIABLE, AND ENFORCEABLE BY THE
33 STATE.

1 (D) ANY ALTERNATIVE COMPLIANCE MECHANISMS ESTABLISHED
2 UNDER THIS SECTION, SUCH AS CARBON SEQUESTRATION PROJECTS, MUST BE
3 EXECUTED WITHIN THE STATE.

4 2-1206.

5 (A) (1) ~~ON OR BEFORE JUNE 1, 2009, THE DEPARTMENT SHALL~~
6 ~~ADOPT REGULATIONS TO REQUIRE THE REPORTING AND VERIFICATION OF~~
7 ~~STATEWIDE GREENHOUSE GAS EMISSIONS AND TO MONITOR AND ENFORCE~~
8 ~~COMPLIANCE WITH THE PROVISIONS UNDER THIS SUBTITLE BEGINNING IN~~
9 ~~CALENDAR YEAR 2008, A SOURCE, AS DEFINED UNDER § 2-101 OF THIS TITLE,~~
10 ~~THAT IS REQUIRED TO SUBMIT CERTIFIED ANNUAL EMISSION STATEMENTS TO~~
11 ~~THE DEPARTMENT UNDER COMAR 26.11.01.05-1 OR COMAR 26.11.02.19D.,~~
12 ~~SHALL INCLUDE GREENHOUSE GAS EMISSIONS IN THE ANNUAL CERTIFIED~~
13 ~~EMISSION STATEMENT.~~

14 (2) THE DEPARTMENT SHALL ESTABLISH A GREENHOUSE GAS
15 EMISSIONS THRESHOLD FOR GREENHOUSE GAS SOURCES BELOW WHICH THE
16 REQUIREMENTS IN PARAGRAPH (1) OF THIS SUBSECTION DO NOT APPLY.

17 (B) ~~THE REGULATIONS REQUIRED UNDER SUBSECTION (A) OF THIS~~
18 ~~SECTION SHALL~~ ON OR BEFORE JUNE 1, 2009, THE DEPARTMENT SHALL ADOPT
19 REGULATIONS THAT:

20 (1) REQUIRE ~~REAL-TIME~~:

21 (I) REAL-TIME CONTINUOUS AND PUBLICLY AVAILABLE
22 MONITORING TO THE EXTENT THIS TECHNOLOGY IS AVAILABLE, AS
23 DETERMINED BY THE DEPARTMENT; AND ~~ANNUAL~~

24 (II) ANNUAL REPORTING OF GREENHOUSE GAS EMISSIONS
25 FROM GREENHOUSE GAS SOURCES BEGINNING WITH THE SOURCES THAT
26 CONTRIBUTE THE MOST TO STATEWIDE EMISSIONS;

27 (2) REQUIRE ELECTRIC COMPANIES, AS DEFINED IN § 1-101 OF
28 THE PUBLIC UTILITY COMPANIES ARTICLE, TO ACCOUNT FOR GREENHOUSE
29 GAS EMISSIONS FROM ALL ELECTRICITY CONSUMED IN THE STATE, INCLUDING
30 TRANSMISSION AND DISTRIBUTION LINE LOSSES FROM ELECTRICITY
31 GENERATED WITHIN THE STATE AND IMPORTED FROM OUTSIDE THE STATE;

32 (3) ENSURE RIGOROUS AND CONSISTENT ACCOUNTING OF
33 EMISSIONS;

1 (4) PROVIDE REPORTING TOOLS AND FORMATS TO ENSURE
2 COLLECTION OF NECESSARY INFORMATION; AND

3 (5) ENSURE THAT THE GREENHOUSE GAS ~~EMISSIONS~~ SOURCES
4 MAINTAIN COMPREHENSIVE RECORDS OF THE REPORTED GREENHOUSE GAS
5 EMISSIONS.

6 (c) (1) THE DEPARTMENT SHALL REVIEW AND UPDATE ITS
7 EMISSIONS REPORTING REQUIREMENTS AS NECESSARY.

8 (2) WITH RESPECT TO THE REVIEW OF REPORTING
9 REQUIREMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE
10 DEPARTMENT SHALL REVIEW EXISTING AND PROPOSED OTHER STATE,
11 FEDERAL, AND INTERNATIONAL GREENHOUSE GAS EMISSIONS REPORTING
12 PROGRAMS AND MAKE REASONABLE EFFORTS TO PROMOTE CONSISTENCY AND
13 STREAMLINE REPORTING REQUIREMENTS.

14 ~~2-1207.~~

15 ~~(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
16 ~~SUBSECTION, AUCTION AUCTION PROCEEDS RECEIVED BY THE DEPARTMENT~~
17 ~~FROM THE REGIONAL GREENHOUSE GAS INITIATIVE OR FROM ANY OTHER~~
18 ~~SALE OF GREENHOUSE GAS ALLOWANCES BY THE DEPARTMENT SHALL BE USED~~
19 ~~TO IMPLEMENT THE REQUIREMENTS OF THIS SUBTITLE.~~

20 ~~(2) IF, IN THE DEPARTMENT'S DISCRETION, AUCTION PROCEEDS~~
21 ~~FROM THE REGIONAL GREENHOUSE GAS INITIATIVE ARE INADEQUATE TO~~
22 ~~FUND THE NECESSARY ADMINISTRATIVE AND TECHNICAL COSTS OF~~
23 ~~IMPLEMENTING THIS SUBTITLE, THE DEPARTMENT MAY ESTABLISH A~~
24 ~~GREENHOUSE GAS EMISSIONS FEE OF NO MORE THAN 4 CENTS PER TON OF~~
25 ~~CARBON DIOXIDE EQUIVALENT EMITTED TO BE PAID BY A GREENHOUSE GAS~~
26 ~~SOURCE OF GREENHOUSE GAS EMISSIONS IN THE STATE.~~

27 ~~(3) DE MINIMIS SOURCES OF GREENHOUSE GAS EMISSIONS, AS~~
28 ~~DETERMINED BY THE DEPARTMENT, MAY BE EXEMPTED FROM THE FEE THAT~~
29 ~~MAY BE ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.~~

30 ~~(B) THE STATE CENTRAL COLLECTION UNIT MAY COLLECT~~
31 ~~DELINQUENT ACCOUNTS UNDER THIS SECTION IN ACCORDANCE WITH § 3-302~~
32 ~~OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

33 ~~(C) THE DEPARTMENT SHALL COLLECT AND DEPOSIT THE FEES IN THE~~
34 ~~MARYLAND CLEAN AIR FUND ESTABLISHED UNDER § 2-107 OF THIS TITLE.~~

35 ~~2-1208.~~

1 ~~(A) IN THIS SECTION, "OFFICE" MEANS THE OFFICE OF CLIMATE~~
2 ~~CHANGE.~~

3 ~~(B) THERE IS AN OFFICE OF CLIMATE CHANGE IN THE DEPARTMENT.~~

4 ~~(C) THE SECRETARY SHALL APPOINT A DIRECTOR AND SUFFICIENT~~
5 ~~STAFF TO PERFORM THE FUNCTIONS OF THE OFFICE.~~

6 ~~(D) THE SECRETARY MAY ADOPT REGULATIONS TO CARRY OUT THE~~
7 ~~PROVISIONS OF THIS SECTION.~~

8 ~~(E) THE OFFICE SHALL:~~

9 ~~(1) ADMINISTER THE PROVISIONS UNDER THIS SUBTITLE;~~

10 ~~(2) COORDINATE THE EFFORTS OF THE STATE TO FACILITATE~~
11 ~~THE IMPLEMENTATION OF THE PROVISIONS OF THIS SUBTITLE, INCLUDING:~~

12 ~~(I) ACTING AS LIAISON BETWEEN THE DEPARTMENT AND~~
13 ~~OTHER STATE AGENCIES;~~

14 ~~(II) ACTING AS LIAISON ON BEHALF OF THE STATE WITH~~
15 ~~OTHER STATES, LOCALITIES, AND NATIONS IN ORDER TO CONSULT REGARDING~~
16 ~~GREENHOUSE GAS EMISSIONS REDUCTIONS, IN ACCORDANCE WITH THE~~
17 ~~PROVISIONS OF THIS SUBTITLE; AND~~

18 ~~(III) PROVIDING PUBLIC RELATIONS AND COMMUNICATIONS~~
19 ~~REGARDING GREENHOUSE GAS EMISSIONS REDUCTION ACTIVITIES;~~

20 ~~(3) RESEARCH AND EVALUATE CURRENT METHODS AND~~
21 ~~TECHNOLOGIES THAT IMPROVE THE EFFICIENCY AND EFFICACY OF~~
22 ~~GREENHOUSE GAS EMISSIONS REDUCTION PROGRAMS;~~

23 ~~(4) WORK WITH INDUSTRY SECTORS, BUSINESS GROUPS,~~
24 ~~NONPROFIT ORGANIZATIONS, ACADEMIC INSTITUTIONS, AND OTHER~~
25 ~~STAKEHOLDERS TO DETERMINE BEST AVAILABLE INFORMATION, TECHNOLOGY,~~
26 ~~AND PROCESSES FOR IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE;~~

27 ~~(5) RESEARCH AND DEVELOP THE PROTOCOLS FOR A CAP AND~~
28 ~~TRADE SYSTEM THAT WILL RESULT IN THE SAME OR MORE GREENHOUSE GAS~~
29 ~~EMISSIONS REDUCTIONS OVER THE SAME TIME PERIOD AS THE DIRECT~~
30 ~~COMPLIANCE BY A SOURCE;~~

1 ~~(6) ENSURE THAT THE GREENHOUSE GAS EMISSIONS REDUCTION~~
 2 ~~ACTIVITIES ADOPTED UNDER THIS SUBTITLE HELP DIRECT PUBLIC AND~~
 3 ~~PRIVATE INVESTMENT TOWARD INVESTMENT IN RENEWABLE ENERGY SUCH AS~~
 4 ~~WIND, SOLAR, GEOTHERMAL, AND BIOENERGY;~~

5 ~~(7) PROMOTE GLOBAL WARMING SOLUTIONS BY DIRECTING~~
 6 ~~FOCUS ON GREATER ENERGY EFFICIENCY AND CONSERVATION THROUGHOUT~~
 7 ~~THE STATE AND THE DEVELOPMENT AND USE OF CLEAN ENERGIES AND AN~~
 8 ~~INCREASED MARKET FOR RENEWABLE NEW TECHNOLOGIES; AND~~

9 ~~(8) PROMOTE EMPLOYMENT OPPORTUNITIES IN GREEN~~
 10 ~~BUSINESS AND CLEAN ENERGY INDUSTRIES IN THE STATE.~~

11 ~~2-1209, 2-1208.~~

12 (A) THE DEPARTMENT ~~MAY~~ SHALL CREATE AND APPOINT ADVISORY
 13 COMMITTEES AS IT DETERMINES NECESSARY, INCLUDING COMMITTEES TO
 14 FOCUS ON ENVIRONMENTAL JUSTICE AND ECONOMIC AND TECHNOLOGY
 15 ISSUES.

16 (B) (1) ~~IF~~ WHEN THE DEPARTMENT CREATES AN ADVISORY
 17 COMMITTEE UNDER SUBSECTION (A) OF THIS SECTION, IT SHALL INCLUDE
 18 STAKEHOLDERS FROM THE APPLICABLE COMMUNITIES AND INDUSTRY
 19 SECTORS.

20 (2) STAKEHOLDERS THAT MAY BE INCLUDED IN ACCORDANCE
 21 WITH PARAGRAPH (1) OF THIS SUBSECTION, AS DETERMINED BY THE
 22 DEPARTMENT, ARE:

23 (I) NONPROFIT ORGANIZATIONS THAT REPRESENT THE
 24 COMMUNITIES OR INTERESTS OF THE PARTIES;

25 (II) LOCAL COMMUNITY GROUPS OR AFFILIATIONS;

26 (III) LABOR UNIONS FROM AFFECTED INDUSTRIES;

27 ~~(III)~~ (IV) INDUSTRY AND BUSINESS REPRESENTATIVES;

28 AND

29 ~~(IV)~~ (V) LOCAL GOVERNMENTS THAT HAVE THE
 30 AFFECTED COMMUNITIES IN THEIR JURISDICTIONS.

31 ~~2-1210, 2-1209.~~

1 (A) (1) IN THE EVENT OF EXTRAORDINARY CIRCUMSTANCES OR
2 CATASTROPHIC EVENTS, THE GOVERNOR MAY ADJUST THE APPLICABLE
3 DEADLINES FOR REGULATIONS THAT ARE ADOPTED IN ACCORDANCE WITH THIS
4 SUBTITLE TO THE EARLIEST FEASIBLE DATE AFTER THAT DEADLINE.

5 (2) A DEADLINE ADJUSTMENT UNDER PARAGRAPH (1) OF THIS
6 SUBSECTION MAY NOT EXCEED 1 CALENDAR YEAR.

7 (B) IF THE GOVERNOR DECLARES AN ENERGY EMERGENCY IN
8 ACCORDANCE WITH § 14-304 OF THE PUBLIC SAFETY ARTICLE, THE
9 GOVERNOR MAY ADJUST THE DEADLINES FOR INDIVIDUAL REGULATIONS
10 UNDER THIS SUBTITLE, BUT THE ADJUSTMENT PERIOD MAY NOT EXCEED 1
11 CALENDAR YEAR.

12 (C) (1) THE GOVERNOR MAY ADJUST THE DEADLINES FOR THE
13 ADOPTION OF INDIVIDUAL REGULATIONS UNDER THIS SUBTITLE IF THE
14 GOVERNOR DETERMINES THE IMPLEMENTATION OF THE PHASE I, II, OR III
15 EMISSIONS REDUCTION MEASURES WOULD:

16 (I) RESULT IN SIGNIFICANT INCREASES IN ELECTRIC
17 RATES FOR RESIDENTS AND BUSINESSES IN THE STATE, OR FOR A PARTICULAR
18 CLASS OF RATEPAYERS, THAT WOULD NOT BE OFFSET BY RATE RELIEF FUNDS
19 OR SAVINGS FROM ENERGY EFFICIENCY AND CONSERVATION MEASURES AND
20 SERVICES;

21 (II) RESULT IN THE LOSS OF A SIGNIFICANT NUMBER OF
22 MANUFACTURING JOBS IN THE STATE TO MARKETS THAT ARE NOT REQUIRED
23 TO ADHERE TO GREENHOUSE GAS EMISSIONS REDUCTION REQUIREMENTS;

24 (III) SIGNIFICANTLY AND ADVERSELY AFFECT THE
25 ADEQUACY OF THE ENERGY SUPPLY IN THE STATE; OR

26 (IV) CAUSE A SEVERE DISRUPTION OF THE STATE ECONOMY.

27 (2) A DEADLINE ADJUSTMENT UNDER PARAGRAPH (1) OF THIS
28 SUBSECTION MAY NOT EXCEED 1 CALENDAR YEAR.

29 ~~(C)~~ (D) WITHIN 5 CALENDAR DAYS AFTER INVOKING THE PROVISIONS
30 UNDER SUBSECTIONS (A) ~~AND (B)~~, (B), AND (C) OF THIS SECTION, THE
31 GOVERNOR SHALL SEND WRITTEN NOTICE TO THE JOINT COMMITTEE ON
32 ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW AND TO THE
33 GENERAL ASSEMBLY.

1 (E) (1) AFTER ADJUSTING THE DEADLINES FOR INDIVIDUAL
2 REGULATIONS UNDER SUBSECTION (A), (B), OR (C) OF THIS SECTION, THE
3 GOVERNOR MAY EXTEND THE DATE BY WHICH THE MANDATE UNDER §
4 2-1203(A) OF THIS SUBTITLE HAS TO BE ACHIEVED IF:

5 (I) THE GOVERNOR REQUIRES THE DEPARTMENT OR THE
6 PUBLIC SERVICE COMMISSION, AS APPROPRIATE, TO HOLD HEARINGS ON THE
7 IMPACT A SITUATION DESCRIBED UNDER SUBSECTION (A), (B), OR (C) OF THIS
8 SECTION HAS HAD OR WOULD HAVE ON ACHIEVING THE MANDATE UNDER §
9 2-1203(A) OF THIS SUBTITLE; AND

10 (II) BASED ON RECOMMENDATIONS OF THE DEPARTMENT
11 OR THE PUBLIC SERVICE COMMISSION, AS APPROPRIATE, THE GOVERNOR
12 DETERMINES THAT EXTENDING THE DATE BY WHICH THE MANDATE UNDER §
13 2-1203(A) HAS TO BE ACHIEVED IS NECESSARY TO PROTECT THE OVERALL
14 INTERESTS OF THE STATE.

15 (2) IF THE GOVERNOR EXTENDS THE DATE BY WHICH THE
16 MANDATE UNDER § 2-1203(A) OF THE SUBTITLE HAS TO BE ACHIEVED, THE
17 DEPARTMENT MAY ESTABLISH A NEW DATE BY REGULATION.

18 SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of this
19 Act or the application thereof to any person or circumstance is held invalid for any
20 reason in a court of competent jurisdiction, the invalidity does not affect other
21 provisions or any other application of this Act which can be given effect without the
22 invalid provision or application, and for this purpose the provisions of this Act are
23 declared severable.

24 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of the
25 Environment, before adopting new regulations to implement new programs to reduce
26 greenhouse gas emissions, shall include labor unions, business groups, and
27 environmental advocacy stakeholders in advisory workgroups to the extent these
28 stakeholders are willing to participate.

29 SECTION 4. AND BE IT FURTHER ENACTED, That the Department of the
30 Environment shall conduct a study of the resources needed to fully implement the
31 requirements of this Act through 2050. The study shall be submitted to the Governor
32 and General Assembly, in accordance with § 2-1246 of the State Government Article,
33 before December 31, 2009. The study shall include an evaluation of the need for an
34 Office of Climate Change within State government to oversee and coordinate the broad
35 and institutionally diverse efforts to address climate change and issues associated
36 with the potential transition to a federal program.

37 SECTION 5. AND BE IT FURTHER ENACTED, That if Senate Bill 268 or
38 House Bill 368 of the Acts of the General Assembly of 2008 is enacted, the revenues
39 generated as a result of an auction conducted in accordance with § 2-1204 of the

1 Environment Article, as enacted by Section 1 of this Act, and any fees generated in
2 accordance with § 2-1207 of the Environment Article, as enacted by Section 1 of this
3 Act, shall be deposited into the Maryland Strategic Energy Investment Fund, instead
4 of the Maryland Clean Air Fund.

5 SECTION 6. AND BE IT FURTHER ENACTED, That, prior to implementation
6 of Sections 1 through 5 of this Act, the Department of the Environment shall:

7 (a) determine whether it has received adequate revenues to pay for the costs
8 of implementing the requirements of this Act from auction proceeds generated as a
9 result of the State’s participation in the Regional Greenhouse Gas Initiative or another
10 source; and

11 (b) forward the determination required under subsection (a) of this section to
12 the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

13 SECTION 7. AND BE IT FURTHER ENACTED, That Sections 1 through 5 of
14 this Act shall take effect contingent on, and as of the first day of the month after, the
15 receipt by the Department of Legislative Services of a determination by the
16 Department of the Environment that it has received adequate revenues, as provided
17 under Section 6 of this Act. If the determination of the Department of the
18 Environment that it has received adequate revenues is not received by the
19 Department of Legislative Services on or before December 31, 2008, Sections 1
20 through 5 of this Act, with no further action required by the General Assembly, shall
21 be null and void and of no further force and effect.

22 SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That, subject to Section 7 of
23 this Act, this Act shall take effect June 1, 2008.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.