

HOUSE BILL 700

C5

9lr0319

By: **Delegates Hecht, Barkley, Beidle, Bobo, Boteler, Bronrott, Carr, G. Clagett, DeBoy, Haynes, Howard, Lee, Mizeur, Stein, and Waldstreicher**

Introduced and read first time: February 9, 2009

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Renewable Energy Credits – Solar**
3 **Hot Water Systems**

4 FOR the purpose of providing that a person who owns and operates a certain solar hot
5 water system shall receive a certain renewable energy credit under certain
6 circumstances; authorizing a certain renewable energy credit to be transferred
7 and applied to a certain renewable portfolio standard under certain
8 circumstances; authorizing an electricity supplier to use certain renewable
9 energy credits to meet a certain renewable energy portfolio standard under
10 certain circumstances; requiring that the duration of a certain contract between
11 a certain electricity supplier and a person who owns a solar hot water system be
12 of a certain length of time; providing that a certain minimum required term of a
13 certain contract does not affect the ability of the parties to negotiate a price for
14 certain renewable energy credits that varies over time in certain manners;
15 requiring a certain electricity supplier that purchases certain renewable energy
16 credits to purchase the credits with a certain single initial payment under
17 certain circumstances; requiring the Public Service Commission to develop a
18 method for estimating certain annual energy savings from a certain solar hot
19 water system; requiring the Commission to allocate certain credits to a certain
20 electricity supplier in a certain manner under certain circumstances; requiring
21 the Commission to make a certain determination; defining a certain term; and
22 generally relating to renewable energy credits derived from solar hot water
23 systems.

24 BY repealing and reenacting, without amendments,
25 Article – Public Utility Companies
26 Section 7–701(a)
27 Annotated Code of Maryland
28 (2008 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Public Utility Companies
3 Section 7–709(a)
4 Annotated Code of Maryland
5 (2008 Replacement Volume and 2008 Supplement)

6 BY adding to
7 Article – Public Utility Companies
8 Section 7–701(k–1), 7–704(g), and 7–709(g)
9 Annotated Code of Maryland
10 (2008 Replacement Volume and 2008 Supplement)

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

13 **Article – Public Utility Companies**

14 7–701.

15 (a) In this subtitle the following words have the meanings indicated.

16 **(K–1) “SOLAR HOT WATER SYSTEM” MEANS A SYSTEM THAT:**

17 **(1) REDUCES OR DISPLACES THE USE OF ELECTRICITY, NATURAL**
18 **GAS, OR PROPANE BY USING SOLAR RADIATION TO HEAT WATER; AND**

19 **(2) IS EQUIPPED WITH A METERING SYSTEM THAT INDICATES THE**
20 **AMOUNT OF ENERGY SAVINGS IN KILOWATT–HOURS OF ELECTRICITY.**

21 7–704.

22 **(G) (1) A PERSON WHO OWNS AND OPERATES A SOLAR HOT WATER**
23 **SYSTEM SHALL RECEIVE A RENEWABLE ENERGY CREDIT EQUAL TO THE**
24 **AMOUNT OF ELECTRICITY USAGE AVOIDED DUE TO THE USE OF THE SOLAR HOT**
25 **WATER SYSTEM.**

26 **(2) A RENEWABLE ENERGY CREDIT CREATED UNDER THIS**
27 **SUBSECTION MAY BE TRANSFERRED AND MAY BE APPLIED TO THE PERCENTAGE**
28 **REQUIREMENTS OF THE RENEWABLE PORTFOLIO STANDARD FOR EITHER TIER**
29 **1 RENEWABLE SOURCES OR TIER 2 RENEWABLE SOURCES.**

30 7–709.

31 (a) An electricity supplier may use accumulated renewable energy credits to
32 meet the renewable energy portfolio standard, including credits created by a

1 renewable on-site generator OR A PERSON WHO OWNS A SOLAR HOT WATER
2 SYSTEM.

3 (G) (1) (I) IF AN ELECTRICITY SUPPLIER PURCHASES RENEWABLE
4 ENERGY CREDITS DIRECTLY FROM A PERSON WHO OWNS A SOLAR HOT WATER
5 SYSTEM, THE DURATION OF THE CONTRACT TERM FOR THE RENEWABLE
6 ENERGY CREDITS MAY NOT BE LESS THAN 7 YEARS.

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

11 (2) (I) AN ELECTRICITY SUPPLIER THAT PURCHASES
12 RENEWABLE ENERGY CREDITS FROM AN OWNER OF A SOLAR HOT WATER
13 SYSTEM SHALL PURCHASE THE CREDITS WITH A SINGLE INITIAL PAYMENT
14 REPRESENTING THE FULL ESTIMATED ENERGY SAVINGS FOR THE LIFE OF THE
15 CONTRACT.

16 (II) THE COMMISSION SHALL:

17 1. DEVELOP A METHOD FOR ESTIMATING ANNUAL
18 ENERGY SAVINGS FROM THE TYPE OF SYSTEM DESCRIBED IN SUBPARAGRAPH
19 (I) OF THIS PARAGRAPH AND ALLOCATING THE CREDITS TO THE ELECTRICITY
20 SUPPLIER IN A MANNER THAT IS CONSISTENT WITH THE DURATION OF THE
21 CONTRACT; AND

22 2. DETERMINE THE RATE FOR A PAYMENT MADE TO
23 AN OWNER OF A SOLAR HOT WATER SYSTEM UNDER SUBPARAGRAPH (I) OF THIS
24 PARAGRAPH.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2009.