

HOUSE BILL 1510

C5, P1

0lr2870

By: **Delegates Bartlett and Haddaway**
Introduced and read first time: March 4, 2010
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy – Funding**

3 FOR the purpose of requiring an electric company to include a certain option on a
4 customer's monthly bill to add a certain voluntary charge to be paid to the
5 Maryland Strategic Energy Investment Fund to fund certain loans and grants
6 related to the creation of new solar energy resources in the State; requiring the
7 option to appear on the customer's bill in a certain manner and in a form
8 approved by the Maryland Energy Administration; requiring an electric
9 company to pay all money collected under this Act into the Fund; requiring
10 money paid into the Fund under this Act to be used for a certain purpose;
11 altering the name of the Solar Energy Grant Program to be the Solar and Wind
12 Energy Grant Program; altering the purpose of the program to include
13 providing grants for wind energy property; providing certain amounts of and
14 limitations on grants authorized under the Program for wind energy property;
15 defining certain terms; and generally relating to funding for renewable energy
16 in the State.

17 BY adding to
18 Article – Public Utility Companies
19 Section 7–305.1
20 Annotated Code of Maryland
21 (2008 Replacement Volume and 2009 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – State Government
24 Section 9–2007 and 9–20B–05(e) and (j) through (l)
25 Annotated Code of Maryland
26 (2009 Replacement Volume)

27 BY repealing and reenacting, without amendments,
28 Article – State Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 Section 9–20B–05(a)
 2 Annotated Code of Maryland
 3 (2009 Replacement Volume)

4 BY adding to
 5 Article – State Government
 6 Section 9–20B–05(j)
 7 Annotated Code of Maryland
 8 (2009 Replacement Volume)

9 BY repealing and reenacting, without amendments,
 10 Article – Tax – General
 11 Section 10–207(a)
 12 Annotated Code of Maryland
 13 (2004 Replacement Volume and 2009 Supplement)

14 BY repealing and reenacting, with amendments,
 15 Article – Tax – General
 16 Section 10–207(x)
 17 Annotated Code of Maryland
 18 (2004 Replacement Volume and 2009 Supplement)

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

21 **Article – Public Utility Companies**

22 **7–305.1.**

23 **(A) AN ELECTRIC COMPANY SHALL INCLUDE ON A CUSTOMER’S**
 24 **MONTHLY BILL AN OPTION FOR THE CUSTOMER TO VOLUNTARILY ADD A**
 25 **ONE–TIME CHARGE OF \$2 TO THE CUSTOMER’S BILL TO BE PAID TO THE**
 26 **MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER §**
 27 **9–20B–05 OF THE STATE GOVERNMENT ARTICLE TO FUND LOANS AND GRANTS**
 28 **TO SUPPORT THE CREATION OF NEW SOLAR ENERGY SOURCES IN THE STATE.**

29 **(B) THE OPTION UNDER SUBSECTION (A) OF THIS SECTION SHALL**
 30 **APPEAR ON A CUSTOMER’S BILL AS A SEPARATE LINE ITEM AND BE IN A FORM**
 31 **APPROVED BY THE ADMINISTRATION.**

32 **(C) AN ELECTRIC COMPANY SHALL PAY ALL MONEY COLLECTED UNDER**
 33 **THIS SECTION INTO THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND**
 34 **ESTABLISHED UNDER § 9–20B–05 OF THE STATE GOVERNMENT ARTICLE.**

35 **Article – State Government**

1 9–2007.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) “Installed electricity generation capacity” means the maximum
4 direct current power output in watts of the array of:

5 (I) photovoltaic modules rated under standard test conditions;

6 **AND**

7 (II) **WIND ENERGY PROPERTY.**

8 (3) “Photovoltaic property” means solar energy property with an
9 installed electricity generation capacity of [20] **25** kilowatts or less that uses a solar
10 photovoltaic process to generate electricity and that meets applicable performance and
11 quality standards and certification requirements in effect at the time of acquisition of
12 the property, as specified by the Maryland Energy Administration.

13 (4) “Program” means the Solar **AND WIND** Energy Grant Program.

14 (5) (i) “Solar energy property” means equipment that uses solar
15 energy:

16 1. to generate electricity;

17 2. to heat or cool a structure or provide hot water for use
18 in a structure; or

19 3. to provide solar process heat.

20 (ii) “Solar energy property” does not include a swimming pool,
21 hot tub, or any other energy storage medium that has a function other than storage.

22 (6) “Solar water heating property” means solar energy property that:

23 (i) when installed in connection with a structure, uses solar
24 energy for the purpose of providing hot water for use within the structure; and

25 (ii) meets applicable performance and quality standards and
26 certification requirements in effect at the time of acquisition of the property, as
27 specified by the Maryland Energy Administration.

28 (7) **“WIND ENERGY PROPERTY” MEANS EQUIPMENT THAT:**

29 (I) **GENERATES ELECTRICITY FROM WIND;**

1 **(II) HAS AN INSTALLED ELECTRICITY GENERATION**
2 **CAPACITY OF 25 KILOWATTS OR LESS; AND**

3 **(III) MEETS APPLICABLE PERFORMANCE AND QUALITY**
4 **STANDARDS AND CERTIFICATION REQUIREMENTS IN EFFECT AT THE TIME OF**
5 **ACQUISITION OF THE PROPERTY, AS SPECIFIED BY THE MARYLAND ENERGY**
6 **ADMINISTRATION.**

7 (b) There is a Solar **AND WIND** Energy Grant Program in the
8 Administration.

9 (c) The purpose of the Program is to provide grants to individuals, local
10 governments, and businesses for a portion of the costs of acquiring and installing
11 photovoltaic property, [and] solar water heating property, **AND WIND ENERGY**
12 **PROPERTY.**

13 (d) The Administration shall:

14 (1) administer the Program;

15 (2) establish application procedures for the Program; and

16 (3) award grants from the Program.

17 (e) A grant awarded under the Program may not exceed:

18 (1) for photovoltaic property, the lesser of \$2,500 per kilowatt of
19 installed electricity generation capacity or \$10,000; [and]

20 (2) for solar water heating property, the lesser of \$3,000 or 30% of the
21 total installed cost of the solar water heating property; **AND**

22 **(3) FOR WIND ENERGY PROPERTY, THE LESSER OF \$10,000 OR \$1**
23 **PER KILOWATT-HOUR OF INSTALLED ELECTRICITY GENERATION CAPACITY**
24 **DURING THE WIND ENERGY PROPERTY'S FIRST YEAR OF OPERATION.**

25 (f) Subject to the limitations in subsection (e) of this section, the
26 Administration may adjust the grant amounts under the Program to reflect market
27 conditions and the prevailing prices of photovoltaic property, [and] solar water
28 heating property, **AND WIND ENERGY PROPERTY.**

29 9-20B-05.

30 (a) There is a Maryland Strategic Energy Investment Fund.

31 (e) The Fund consists of:

1 (1) all of the proceeds from the sale of allowances under § 2–1002(g) of
2 the Environment Article;

3 (2) money appropriated in the State budget to the Program;

4 (3) repayments and prepayments of principal and interest on loans
5 made from the Fund;

6 (4) interest and investment earnings on the Fund;

7 (5) compliance fees paid under § 7–705 of the Public Utility
8 Companies Article; [and]

9 **(6) MONEY PAID UNDER § 7–305.1 OF THE PUBLIC UTILITY**
10 **COMPANIES ARTICLE; AND**

11 **[(6)] (7)** money received from any public or private source for the
12 benefit of the Fund.

13 **(J) MONEY PAID INTO THE FUND UNDER § 7–305.1 OF THE PUBLIC**
14 **UTILITY COMPANIES ARTICLE SHALL BE ACCOUNTED FOR SEPARATELY WITHIN**
15 **THE FUND AND MAY BE USED ONLY TO MAKE LOANS AND GRANTS TO SUPPORT**
16 **THE CREATION OF NEW SOLAR ENERGY SOURCES IN THE STATE.**

17 **[(j)] (K)** (1) The Treasurer shall invest the money of the Fund in the
18 same manner as other State money may be invested.

19 (2) Any investment earnings of the Fund shall be paid into an
20 administrative expense account within the Fund.

21 (3) Any repayment of principal and interest on loans made from the
22 Fund shall be paid into the Fund.

23 (4) Balances in the Fund shall be held for the benefit of the Program,
24 shall be expended solely for the purposes of the Program, and may not be used for the
25 general obligations of government.

26 **[(k)] (L)** Expenditures from the Fund shall be made by:

27 (1) an appropriation in the annual State budget; or

28 (2) a budget amendment in accordance with § 7–209 of the State
29 Finance and Procurement Article.

30 **[(l)] (M)** An expenditure by budget amendment may be made under
31 subsection (k) of this section only after:

