

HOUSE BILL 1121

C5

11r2859
CF SB 690

By: **Delegate McHale**

Introduced and read first time: February 11, 2011

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 3, 2011

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy Portfolio – Waste-to-Energy, Refuse-Derived Fuel, and**
3 **Small Hydroelectric Power Plants**

4 FOR the purpose of expanding the definition of a Tier 1 renewable source to include
5 waste-to-energy and refuse-derived fuel; altering the definition of a Tier 2
6 renewable source to exclude waste-to-energy; providing that a Tier 1 source
7 using waste-to-energy, refuse-derived fuel, or certain small hydroelectric
8 power plants is eligible for inclusion in meeting a certain standard only if the
9 source is connected with the distribution grid serving Maryland; and generally
10 relating to waste-to-energy, refuse-derived fuel, small hydroelectric power
11 plants, and Tier 1 renewable sources applied to the renewable energy portfolio
12 standard.

13 BY repealing and reenacting, with amendments,
14 Article – Public Utilities
15 Section 7-701(l) and (m) and 7-704(a) and (f)
16 Annotated Code of Maryland
17 (2010 Replacement Volume)

18 BY repealing and reenacting, without amendments,
19 Article – Public Utilities
20 Section 7-703(b)(6) through (17)
21 Annotated Code of Maryland
22 (2010 Replacement Volume)

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.



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

Article – Public Utilities

7–701.

(l) “Tier 1 renewable source” means one or more of the following types of
energy sources:

(1) solar;

(2) wind;

(3) qualifying biomass;

(4) methane from the anaerobic decomposition of organic materials in
a landfill or wastewater treatment plant;

(5) geothermal;

(6) ocean, including energy from waves, tides, currents, and thermal
differences;

(7) a fuel cell that produces electricity from a Tier 1 renewable source
under item (3) or (4) of this subsection;

(8) a small hydroelectric power plant of less than 30 megawatts in
capacity that is licensed or exempt from licensing by the Federal Energy Regulatory
Commission; [and]

(9) poultry litter-to-energy; ~~AND~~

(10) WASTE-TO-ENERGY; AND

(11) REFUSE-DERIVED FUEL.

(m) “Tier 2 renewable source” means [one or more of the following types of
energy sources:

(1)] hydroelectric power other than pump storage generation[; and

(2) waste-to-energy].

7–703.

(b) The renewable energy portfolio standard shall be as follows:

(6) in 2011, 5.0% from Tier 1 renewable sources, including at least 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(7) in 2012, 6.5% from Tier 1 renewable sources, including at least 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(8) in 2013, 8.2% from Tier 1 renewable sources, including at least 0.2% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(9) in 2014, 10.3% from Tier 1 renewable sources, including at least 0.3% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(10) in 2015, 10.5% from Tier 1 renewable sources, including at least 0.4% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(11) in 2016, 12.7% from Tier 1 renewable sources, including at least 0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(12) in 2017, 13.1% 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, 15.8% from Tier 1 renewable sources, including at least 0.9% derived from solar energy, and 2.5% from Tier 2 renewable sources;

(14) in 2019, 17.4% from Tier 1 renewable sources, including at least 1.2% derived from solar energy, and 0% from Tier 2 renewable sources;

(15) in 2020, 18% from Tier 1 renewable sources, including at least 1.5% derived from solar energy, and 0% from Tier 2 renewable sources;

(16) in 2021, 18.7% 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, 20% from Tier 1 renewable sources, including at least 2% derived from solar energy, and 0% from Tier 2 renewable sources.

7-704.

(a) (1) Energy from a Tier 1 renewable source:

(i) is eligible for inclusion in meeting the renewable energy portfolio standard regardless of when the generating system or facility was placed in service; and

1 (ii) may be applied to the percentage requirements of the
2 standard for either Tier 1 renewable sources or Tier 2 renewable sources.

3 (2) (i) 1. Except as provided in subsubparagraph 2 of this
4 subparagraph, energy from a Tier 1 renewable source under § 7-701(l)(1), (8), [or] (9),
5 (10), OR (11) of this subtitle is eligible for inclusion in meeting the renewable energy
6 portfolio standard only if the source is connected with the electric distribution grid
7 serving Maryland.

8 2. On or before December 31, 2011, energy from a Tier 1
9 renewable source under § 7-701(l)(1) of this subtitle that is not connected with the
10 electric distribution grid serving Maryland is eligible for inclusion in meeting the
11 renewable energy portfolio standard only if offers for solar credits from Maryland grid
12 sources are not made to the electricity supplier that would satisfy requirements under
13 the standard and only to the extent that such offers are not made.

14 (ii) If the owner of a solar generating system in this State
15 chooses to sell solar renewable energy credits from that system, the owner must first
16 offer the credits for sale to an electricity supplier or electric company that shall apply
17 them toward compliance with the renewable energy portfolio standard under § 7-703
18 of this subtitle.

19 (3) Energy from a Tier 1 renewable source under § 7-701(l)(8) of this
20 subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it
21 is generated at a dam that existed as of January 1, 2004, even if a system or facility
22 that is capable of generating electricity did not exist on that date.

23 (4) Energy from a Tier 2 renewable source under § 7-701(m)[(1) or (2)]
24 of this subtitle is eligible for inclusion in meeting the renewable energy portfolio
25 standard through 2018 if it is generated at a system or facility that existed and was
26 operational as of January 1, 2004, even if the facility or system was not capable of
27 generating electricity on that date.

28 (f) (1) In order to create a renewable energy credit, a Tier 1 renewable
29 source or Tier 2 renewable source must substantially comply with all applicable
30 environmental and administrative requirements, including air quality, water quality,
31 solid waste, and right-to-know provisions, permit conditions, and administrative
32 orders.

33 (2) (i) This paragraph applies to Tier [2] 1 renewable sources that
34 incinerate solid waste.

35 (ii) At least 80% of the solid waste incinerated at a Tier [2] 1
36 renewable source facility shall be collected from:

37 1. for areas in Maryland, jurisdictions that achieve the
38 recycling rates required under § 9-505 of the Environment Article; and

1 2. for other states, jurisdictions for which the electricity
2 supplier demonstrates recycling substantially comparable to that required under §
3 9-505 of the Environment Article, in accordance with regulations of the Commission.

4 (iii) An electricity supplier may report credits received under
5 this paragraph based on compliance by the facility with the percentage requirement of
6 subparagraph (ii) of this paragraph during the year immediately preceding the year in
7 which the electricity supplier receives the credit to apply to the standard.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.