

HOUSE BILL 441

M3, C5

2lr0127
CF SB 237

By: **The Speaker (By Request – Administration) and Delegates Hucker, Barnes, Barve, Bobo, Cardin, Frush, Hubbard, Jones, Mizeur, Ross, Stein, and Waldstreicher**

Introduced and read first time: February 1, 2012

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 26, 2012

CHAPTER _____

1 AN ACT concerning

2 **Maryland Offshore Wind Energy Act of 2012**

3 FOR the purpose of altering the Maryland renewable energy portfolio standard
4 program to include a certain amount of energy derived from offshore wind
5 energy; prohibiting the portion of the renewable energy portfolio standard that
6 represents offshore wind energy from applying to certain sales in excess of a
7 certain amount of industrial process load and certain sales in excess of a certain
8 amount of electricity sold to certain customers who are owners of agricultural
9 land; altering the definition of “renewable energy credit” for purposes of the
10 renewable energy portfolio standard program; requiring an electricity supplier
11 to exclude certain retail electricity sales before calculating the number of credits
12 required under the renewable portfolio standard; providing that certain
13 provisions concerning the transfer of renewable energy credits do not apply to
14 certain offshore wind renewable energy credits; authorizing a person to submit
15 to the Public Service Commission an application for approval of a proposed
16 offshore wind project after the effective date of certain regulations; ~~specifying~~
17 the application period and requiring the Commission to open a certain
18 application period and provide certain notice under certain circumstances;
19 authorizing the Commission to provide for additional application periods;
20 requiring the Commission to approve, conditionally approve, or deny an
21 application within a certain time; providing for the contents of an application;
22 requiring the Commission to use certain criteria to evaluate and compare
23 proposed offshore wind projects; prohibiting the Commission from approving an

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 offshore wind project unless certain criteria are met; requiring the Commission
2 to contract the services of independent consultants and experts when evaluating
3 and comparing proposed offshore wind projects and when calculating a proposed
4 offshore wind project's net benefits to the State; requiring the Commission to
5 apply the same net cost per megawatt-hour to residential and nonresidential
6 customers when calculating certain rate impacts; incorporating certain findings
7 and evidence associated with a certain Minority Business Enterprise Program;
8 requiring that approved applicants comply with the Minority Business
9 Enterprise Program; prohibiting the Commission from approving an application
10 until certain goals and procedures are established; requiring that an order
11 approving a proposed offshore wind project include certain information,
12 restrictions, and conditions; providing that a certain order vests the owner of a
13 qualified offshore wind project with a certain right; requiring a qualified
14 offshore wind project to deposit a certain amount into a certain fund at certain
15 times; requiring the Commission to determine the offshore wind energy
16 component of the renewable portfolio standard based on certain projections and
17 requiring electricity suppliers to purchase a certain number of offshore wind
18 renewable energy credits; requiring the Commission to adopt regulations
19 establishing a certain escrow account; requiring a certain overpayment to be
20 refunded to ratepayers, subject to certain reserve requirements, under certain
21 circumstances; requiring a qualified offshore wind project to sell certain energy,
22 capacity, and ancillary services into certain markets and distribute the proceeds
23 to electric companies to be refunded or credited to ratepayers; requiring the
24 Commission to adopt certain regulations regarding the creation of excess
25 offshore wind renewable energy credits; authorizing the Commission to extend
26 the term of an OREC pricing schedule for a certain amount of time under
27 certain circumstances; stating that an OREC transaction that takes place
28 during an extended OREC term is subject to certain provisions and regulations
29 applicable to the original OREC order; providing that certain provisions
30 regarding certain compliance fees do not apply to a shortfall from the offshore
31 wind renewable energy credit requirement; reducing a certain fee for industrial
32 process load under certain circumstances; providing that certain provisions
33 authorizing a delay of certain scheduled Tier 1 credits do not apply to offshore
34 wind renewable energy credits; exempting certain energy lines from a certain
35 prohibition on construction or installation in a beach erosion control district
36 under certain circumstances; providing that an application for a certificate of
37 public convenience and necessity to construct certain energy lines is subject to
38 certain review; prohibiting the Commission from approving an application for
39 the construction or installation of certain energy lines within a certain area;
40 requiring the Commission to provide certain notice to the Maryland Energy
41 Administration for certain purposes; authorizing the Commission to implement
42 a special assessment not to exceed a certain amount in certain fiscal years for
43 certain purposes; authorizing the Commission to implement a special
44 assessment in certain fiscal years to recover certain costs; establishing a
45 Maryland Offshore Wind Business Development Fund in the Department of
46 Business and Economic Development; authorizing the Fund to provide certain
47 financial and business development assistance to a certain business; stating the

1 purpose and administration of the Fund; establishing the Maryland Offshore
2 Wind Business Development Advisory Committee; requiring the Advisory
3 Committee to make certain recommendations regarding the use of money in the
4 Fund; requiring a certain transfer from a certain fund to the Fund; adding the
5 Fund to the list of exceptions to the requirement that the earnings of special
6 funds accrue to the General Fund; defining certain terms; making stylistic
7 changes; making the provisions of this Act severable; requiring the Commission
8 to open a certain evidentiary proceeding to evaluate a certain application; and
9 generally relating to the Maryland renewable energy portfolio standard
10 program, development of offshore wind energy projects, and qualified
11 submerged renewable energy lines.

12 BY repealing and reenacting, with amendments,
13 Article – Public Utilities
14 Section 7–208, 7–701, 7–703, 7–704(e), and 7–705(b) and (f)
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2011 Supplement)

17 BY adding to
18 Article – Public Utilities
19 Section 7–704.1 and 7–704.2
20 Annotated Code of Maryland
21 (2010 Replacement Volume and 2011 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – Public Utilities
24 Section 7–705(a)
25 Annotated Code of Maryland
26 (2010 Replacement Volume and 2011 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – Natural Resources
29 Section 8–1102
30 Annotated Code of Maryland
31 (2007 Replacement Volume and 2011 Supplement)

32 BY adding to
33 Article – Economic Development
34 Section 5–1401 through 5–1404 to be under the new subtitle “Subtitle 14.
35 Maryland Offshore Wind Business Development Fund”
36 Annotated Code of Maryland
37 (2008 Replacement Volume and 2011 Supplement)

38 BY repealing and reenacting, without amendments,
39 Article – State Finance and Procurement
40 Section 6–226(a)(2)(i)
41 Annotated Code of Maryland

1 (2009 Replacement Volume and 2011 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Article – State Finance and Procurement
 4 Section 6–226(a)(2)(ii)62. and 63.
 5 Annotated Code of Maryland
 6 (2009 Replacement Volume and 2011 Supplement)

7 BY adding to
 8 Article – State Finance and Procurement
 9 Section 6–226(a)(2)(ii)64.
 10 Annotated Code of Maryland
 11 (2009 Replacement Volume and 2011 Supplement)

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

14 **Article – Public Utilities**

15 7–701.

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

17 (b) “Administration” means the Maryland Energy Administration.

18 (c) “Fund” means the Maryland Strategic Energy Investment Fund
 19 established under § 9–20B–05 of the State Government Article.

20 (d) “Industrial process load” means the consumption of electricity by a
 21 manufacturing process at an establishment classified in the manufacturing sector
 22 under the North American Industry Classification System, Codes 31 through 33.

23 **(D–1) “OFFSHORE WIND ENERGY” MEANS ENERGY GENERATED BY A**
 24 **QUALIFIED OFFSHORE WIND PROJECT.**

25 (e) “Old growth timber” means timber from a forest:

26 (1) at least 5 acres in size with a preponderance of old trees, of which
 27 the oldest exceed at least half the projected maximum attainable age for the species;
 28 and

29 (2) that exhibits several of the following characteristics:

30 (i) shade–tolerant species are present in all age and size
 31 classes;

32 (ii) randomly distributed canopy gaps are present;

1 (iii) a high degree of structural diversity characterized by
2 multiple growth layers reflecting a broad spectrum of ages is present;

3 (iv) an accumulation of dead wood of varying sizes and stages of
4 decomposition accompanied by decadence in live dominant trees is present; and

5 (v) pit and mound topography can be observed.

6 **(E-1) “OREC” OR “OFFSHORE WIND RENEWABLE ENERGY CREDIT”**
7 **MEANS A RENEWABLE ENERGY CREDIT EQUAL TO THE GENERATION**
8 **ATTRIBUTES, ~~INCLUDING ENERGY, CAPACITY, ANCILLARY SERVICES, AND~~**
9 **~~ENVIRONMENTAL ATTRIBUTES,~~ OF 1 MEGAWATT-HOUR OF ELECTRICITY THAT**
10 **IS DERIVED FROM OFFSHORE WIND ENERGY.**

11 (f) “PJM region” means the control area administered by the PJM
12 Interconnection, ~~Inc.~~, as the area may change from time to time.

13 (g) “Poultry litter” means the fecal and urinary excretions of poultry,
14 including wood shavings, sawdust, straw, rice hulls, and other bedding material for
15 the disposition of manure.

16 **(G-1) “QUALIFIED OFFSHORE WIND PROJECT” MEANS A WIND TURBINE**
17 **ELECTRICITY GENERATION FACILITY, INCLUDING THE ASSOCIATED**
18 **TRANSMISSION-RELATED INTERCONNECTION FACILITIES AND EQUIPMENT,**
19 **THAT:**

20 **(1) IS LOCATED ON THE OUTER CONTINENTAL SHELF OF THE**
21 **ATLANTIC OCEAN IN AN AREA THAT IS:**

22 **(I) DESIGNATED FOR LEASING BY THE UNITED STATES**
23 **DEPARTMENT OF THE INTERIOR AFTER COORDINATION AND CONSULTATION**
24 **WITH THE STATE IN ACCORDANCE WITH § 388(A) OF THE ENERGY POLICY ACT**
25 **OF 2005; AND**

26 **(II) BETWEEN 10 AND 30 MILES OFF THE COAST OF THE**
27 **STATE;**

28 **(2) INTERCONNECTS TO THE PJM INTERCONNECTION GRID AT A**
29 **POINT LOCATED ON THE DELMARVA PENINSULA; AND**

30 **(3) IS APPROVED BY THE COMMISSION UNDER § 7-704.1 OF THIS**
31 **SUBTITLE.**

1 (h) (1) “Qualifying biomass” means a nonhazardous, organic material that
2 is available on a renewable or recurring basis, and is:

3 (i) waste material that is segregated from inorganic waste
4 material and is derived from sources including:

5 1. except for old growth timber, any of the following
6 forest-related resources:

7 A. mill residue, except sawdust and wood shavings;

8 B. precommercial soft wood thinning;

9 C. slash;

10 D. brush; or

11 E. yard waste;

12 2. a pallet, crate, or dunnage;

13 3. agricultural and silvicultural sources, including tree
14 crops, vineyard materials, grain, legumes, sugar, and other crop by-products or
15 residues; or

16 4. gas produced from the anaerobic decomposition of
17 animal waste or poultry waste; or

18 (ii) a plant that is cultivated exclusively for purposes of being
19 used at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

20 (2) “Qualifying biomass” includes biomass listed in paragraph (1) of
21 this subsection that is used for co-firing, subject to § 7-704(d) of this subtitle.

22 (3) “Qualifying biomass” does not include:

23 (i) unsegregated solid waste or postconsumer wastepaper; or

24 (ii) an invasive exotic plant species.

25 (i) “Renewable energy credit” or “credit” means a credit equal to the
26 generation attributes of 1 megawatt-hour of electricity that is derived from a Tier 1
27 renewable source or a Tier 2 renewable source that is located:

28 (1) in the PJM region; [or]

1 (2) outside the area described in item (1) of this subsection but in a
2 control area that is adjacent to the PJM region, if the electricity is delivered into the
3 PJM region; OR

4 **(3) ON THE OUTER CONTINENTAL SHELF OF THE ATLANTIC**
5 **OCEAN IN AN AREA THAT IS:**

6 **(I) DESIGNATED FOR LEASING BY THE UNITED STATES**
7 **DEPARTMENT OF THE INTERIOR AFTER COORDINATION AND CONSULTATION**
8 **WITH THE STATE IN ACCORDANCE WITH § 388(A) OF THE ENERGY POLICY ACT;**
9 **AND**

10 **(II) BETWEEN 10 AND 30 MILES OFF THE COAST OF THE**
11 **STATE.**

12 (j) “Renewable energy portfolio standard” or “standard” means the
13 percentage of electricity sales at retail in the State that is to be derived from Tier 1
14 renewable sources and Tier 2 renewable sources in accordance with § 7-703(b) of this
15 subtitle.

16 (k) “Renewable on-site generator” means a person who generates electricity
17 on site from a Tier 1 renewable source or a Tier 2 renewable source for the person’s
18 own use.

19 (k-1) (1) “Solar water heating system” means a system that:

20 (i) is comprised of glazed liquid-type flat-plate or tubular solar
21 collectors as defined and certified to the OG-100 standard of the Solar Ratings and
22 Certification Corporation;

23 (ii) generates energy using solar radiation for the purpose of
24 heating water; and

25 (iii) does not feed electricity back to the electric grid.

26 (2) “Solar water heating system” does not include a system that
27 generates energy using solar radiation for the sole purpose of heating a hot tub or
28 swimming pool.

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

31 (1) solar energy, including energy from photovoltaic technologies and
32 solar water heating systems;

33 (2) wind;

1 (3) qualifying biomass;

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

4 (5) geothermal;

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

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

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

12 (9) poultry litter-to-energy;

13 (10) waste-to-energy; and

14 (11) refuse-derived fuel.

15 (m) "Tier 2 renewable source" means hydroelectric power other than pump
16 storage generation.

17 7-703.

18 (a) (1) (i) The Commission shall implement a renewable energy
19 portfolio standard that, except as provided under [paragraph (2)] **PARAGRAPHS (2)**
20 **AND (3)** of this subsection, applies to all retail electricity sales in the State by
21 electricity suppliers.

22 (ii) If the standard becomes applicable to electricity sold to a
23 customer after the start of a calendar year, the standard does not apply to electricity
24 sold to the customer during that portion of the year before the standard became
25 applicable.

26 (2) A renewable energy portfolio standard may not apply to electricity
27 sales at retail by any electricity supplier:

28 (i) in excess of 300,000,000 kilowatt-hours of industrial process
29 load to a single customer in a year;

30 (ii) to residential customers in a region of the State in which
31 electricity prices for residential customers are subject to a freeze or cap contained in a

1 settlement agreement entered into under § 7–505 of this title until the freeze or cap
2 has expired; or

3 (iii) to a customer served by an electric cooperative under an
4 electricity supplier purchase agreement that existed on October 1, 2004, until the
5 expiration of the agreement.

6 **(3) THE PORTION OF A RENEWABLE ENERGY PORTFOLIO**
7 **STANDARD THAT REPRESENTS OFFSHORE WIND ENERGY MAY NOT APPLY TO**
8 **ELECTRICITY SALES AT RETAIL BY ANY ELECTRICITY SUPPLIER IN EXCESS OF:**

9 **(I) 75,000,000 KILOWATT-HOURS OF INDUSTRIAL PROCESS**
10 **LOAD TO A SINGLE CUSTOMER IN A YEAR; AND**

11 **(II) 3,000 KILOWATT-HOURS OF ELECTRICITY IN A MONTH**
12 **TO A CUSTOMER WHO IS AN OWNER OF AGRICULTURAL LAND AND FILES AN**
13 **INTERNAL REVENUE SERVICE FORM 1040, SCHEDULE F.**

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

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

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

19 (3) in 2008, 2.005% from Tier 1 renewable sources, including at least
20 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

21 (4) in 2009, 2.01% from Tier 1 renewable sources, including at least
22 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

23 (5) in 2010, 3.025% from Tier 1 renewable sources, including at least
24 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

25 (6) in 2011, 5.0% from Tier 1 renewable sources, including at least
26 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

27 (7) in 2012, 6.5% from Tier 1 renewable sources, including at least
28 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

29 (8) in 2013, 8.2% from Tier 1 renewable sources, including at least
30 0.2% derived from solar energy, and 2.5% from Tier 2 renewable sources;

31 (9) in 2014, 10.3% from Tier 1 renewable sources, including at least
32 0.3% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

3 (11) in 2016, 12.7% from Tier 1 renewable sources, including at least
4 0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

5 (12) in 2017[.]:

6 (I) 13.1% from Tier 1 renewable sources, including:

7 1. at least 0.55% derived from solar energy[.]; AND

8 2. AN AMOUNT SET BY THE COMMISSION UNDER §
9 7-704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE
10 WIND ENERGY; and

11 (II) 2.5% from Tier 2 renewable sources;

12 (13) in 2018[.]:

13 (I) 15.8% from Tier 1 renewable sources, including:

14 1. at least 0.9% derived from solar energy[.]; AND

15 2. AN AMOUNT SET BY THE COMMISSION UNDER §
16 7-704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE
17 WIND ENERGY; and

18 (II) 2.5% from Tier 2 renewable sources;

19 (14) in 2019, 17.4% from Tier 1 renewable sources, including:

20 (I) at least 1.2% derived from solar energy[, and 0% from Tier 2
21 renewable sources]; AND

22 (II) AN AMOUNT SET BY THE COMMISSION UNDER §
23 7-704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE
24 WIND ENERGY;

25 (15) in 2020, 18% from Tier 1 renewable sources, including:

26 (I) at least 1.5% derived from solar energy[, and 0% from Tier 2
27 renewable sources]; AND

1 ~~[(2)]~~ **(3)** (i) A customer may independently acquire renewable
2 energy credits to satisfy the standards applicable to the customer's load, including
3 credits created by a renewable on-site generator.

4 (ii) Credits that a customer transfers to its electricity supplier to
5 meet the standard and that the electricity supplier relies on in submitting its
6 compliance report may not be resold or retransferred by the customer or by the
7 electricity supplier.

8 ~~[(3)]~~ **(4)** A renewable on-site generator may retain or transfer at its
9 sole option any credits created by the renewable on-site generator, including credits
10 for the portion of its on-site generation from a Tier 1 renewable source or a Tier 2
11 renewable source that displaces the purchase of electricity by the renewable on-site
12 generator from the grid.

13 ~~[(4)]~~ **(5)** A customer that satisfies the standard applicable to the
14 customer's load under this subsection may not be required to contribute to a
15 compliance fee recovered under § 7-706 of this subtitle.

16 ~~[(5)]~~ **(6)** The Commission shall adopt regulations governing the
17 application and transfer of credits under this subsection consistent with federal law.

18 **7-704.1.**

19 **(A) (1) ~~A~~ AFTER THE EFFECTIVE DATE OF COMMISSION**
20 **REGULATIONS IMPLEMENTING THIS SECTION AND § 7-704.2 OF THIS SUBTITLE,**
21 **A PERSON MAY SUBMIT AN APPLICATION TO THE COMMISSION FOR APPROVAL**
22 **OF A PROPOSED OFFSHORE WIND PROJECT.**

23 ~~**(2) (i) THE INITIAL APPLICATION PERIOD FOR THE APPROVAL**~~
24 ~~**OF PROPOSED OFFSHORE WIND PROJECTS SHALL BEGIN ON THE LATER OF:**~~

25 ~~**1. JULY 1, 2013; OR**~~

26 ~~**2. 180 DAYS AFTER THE UNITED STATES**~~
27 ~~**DEPARTMENT OF THE INTERIOR ISSUES WIND ENERGY LEASES IN THE AREA OF**~~
28 ~~**THE OUTER CONTINENTAL SHELF OF THE ATLANTIC OCEAN THAT IS**~~
29 ~~**DESIGNATED FOR LEASING BY THE UNITED STATES DEPARTMENT OF THE**~~
30 ~~**INTERIOR AFTER COORDINATION AND CONSULTATION WITH THE STATE IN**~~
31 ~~**ACCORDANCE WITH § 388(A) OF THE ENERGY POLICY ACT OF 2005.**~~

32 ~~**(2) (i) ON RECEIPT OF THE APPLICATION FOR APPROVAL OF A**~~
33 ~~**QUALIFIED OFFSHORE WIND PROJECT, THE COMMISSION SHALL:**~~

1 **1. OPEN AN APPLICATION PERIOD DURING WHICH**
2 **OTHER INTERESTED PERSONS MAY SUBMIT APPLICATIONS FOR APPROVAL OF**
3 **QUALIFIED OFFSHORE WIND PROJECTS; AND**

4 **2. PROVIDE NOTICE THAT THE COMMISSION IS**
5 **ACCEPTING APPLICATIONS FOR APPROVAL OF QUALIFIED OFFSHORE WIND**
6 **PROJECTS.**

7 **(II) THE COMMISSION SHALL SET THE CLOSING DATE FOR**
8 **THE APPLICATION PERIOD, WHICH MAY NOT BE LESS THAN 90 DAYS AFTER THE**
9 **NOTICE PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

10 **(3) THE COMMISSION, AT ITS DISCRETION, MAY PROVIDE FOR**
11 **ADDITIONAL APPLICATION PERIODS.**

12 **(B) UNLESS EXTENDED ON MUTUAL CONSENT OF THE PARTIES, THE**
13 **COMMISSION SHALL APPROVE, CONDITIONALLY APPROVE, OR DENY AN**
14 **APPLICATION WITHIN 180 DAYS FROM THE CLOSE OF THE APPLICATION**
15 **PERIOD.**

16 **(C) AN APPLICATION SHALL INCLUDE:**

17 **(1) A DETAILED DESCRIPTION AND FINANCIAL ANALYSIS OF THE**
18 **OFFSHORE WIND PROJECT;**

19 **(2) THE PROPOSED METHOD OF FINANCING THE OFFSHORE WIND**
20 **PROJECT, INCLUDING DOCUMENTATION DEMONSTRATING THAT THE**
21 **APPLICANT HAS APPLIED FOR ALL CURRENT ELIGIBLE STATE AND FEDERAL**
22 **GRANTS, REBATES, TAX CREDITS, LOAN GUARANTEES, OR OTHER PROGRAMS**
23 **AVAILABLE TO OFFSET THE COST OF THE PROJECT OR PROVIDE TAX**
24 **ADVANTAGES;**

25 **(3) A COST-BENEFIT ANALYSIS, WHICH SHALL INCLUDE AT A**
26 **MINIMUM:**

27 **(I) A DETAILED INPUT-OUTPUT ANALYSIS OF THE IMPACT**
28 **OF THE OFFSHORE WIND PROJECT ON INCOME, EMPLOYMENT, WAGES, AND**
29 **TAXES IN THE STATE WITH PARTICULAR EMPHASIS ON IN-STATE**
30 **MANUFACTURING EMPLOYMENT;**

31 **~~(II) AN ASSESSMENT OF JOBS TO BE CREATED BY THE~~**
32 **~~OFFSHORE WIND PROJECT, INCLUDING THE LOCATION, DETAILED~~**
33 **~~INFORMATION CONCERNING ASSUMED EMPLOYMENT IMPACTS IN THE STATE,~~**
34 **~~INCLUDING EXPECTED DURATION, TYPE, AND OF EMPLOYMENT~~**

1 OPPORTUNITIES, SALARY OF EACH POSITION, WITH JOB TOTALS EXPRESSED AS
 2 FULL-TIME EQUIVALENTS AND OTHER SUPPORTING EVIDENCE OF
 3 EMPLOYMENT IMPACTS;

4 (III) AN ANALYSIS OF THE ANTICIPATED ENVIRONMENTAL
 5 BENEFITS, HEALTH BENEFITS, AND ENVIRONMENTAL IMPACTS OF THE
 6 OFFSHORE WIND PROJECT TO THE CITIZENS OF THE STATE; ~~AND~~

7 (IV) AN ANALYSIS OF ANY IMPACT ON RESIDENTIAL,
 8 COMMERCIAL, AND INDUSTRIAL RATEPAYERS OVER THE LIFE OF THE
 9 OFFSHORE WIND PROJECT;

10 (V) AN ANALYSIS OF ANY LONG-TERM EFFECT ON ENERGY
 11 AND CAPACITY MARKETS AS A RESULT OF THE PROPOSED OFFSHORE WIND
 12 PROJECT; AND

13 (VI) OTHER BENEFITS, SUCH AS INCREASED IN-STATE
 14 CONSTRUCTION, OPERATIONS, MAINTENANCE, AND EQUIPMENT PURCHASE;

15 (4) A PROPOSED OREC PRICING SCHEDULE FOR THE OFFSHORE
 16 WIND PROJECT, WHICH SHALL SET A PRICE OF THE GENERATION ATTRIBUTES,
 17 INCLUDING THE ENERGY, CAPACITY, ANCILLARY SERVICES, AND
 18 ENVIRONMENTAL ATTRIBUTES;

19 (5) A DECOMMISSIONING PLAN FOR THE PROJECT, INCLUDING
 20 PROVISIONS FOR DECOMMISSIONING AS REQUIRED BY THE UNITED STATES
 21 DEPARTMENT OF THE INTERIOR;

22 (6) A COMMITMENT TO:

23 (I) ABIDE BY THE REQUIREMENTS SET FORTH IN
 24 SUBSECTION (E)(3) OF THIS SECTION; AND

25 (II) DEPOSIT AT LEAST \$6,000,000, IN THE MANNER
 26 REQUIRED UNDER SUBSECTION (G) OF THIS SECTION, INTO THE MARYLAND
 27 OFFSHORE WIND BUSINESS DEVELOPMENT FUND ESTABLISHED UNDER §
 28 5-1403 OF THE ECONOMIC DEVELOPMENT ARTICLE;

29 ~~(6)~~ (7) A DESCRIPTION OF THE APPLICANT'S;

30 ~~(I)~~ PLAN FOR CORPORATE DIVERSITY; AND

31 ~~(II)~~ PLAN FOR ENGAGING SMALL BUSINESSES, AS DEFINED
 32 IN § 14-501 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; ~~AND~~

~~(7)~~ (8) A COMMITMENT THAT THE APPLICANT WILL:

(I) USE BEST EFFORTS TO APPLY FOR ALL ELIGIBLE STATE AND FEDERAL GRANTS, REBATES, TAX CREDITS, LOAN GUARANTEES, OR OTHER SIMILAR BENEFITS AS THOSE BENEFITS BECOME AVAILABLE; AND

(II) PASS ALONG TO RATEPAYERS, WITHOUT THE NEED FOR ANY SUBSEQUENT COMMISSION APPROVAL, 80% OF THE VALUE OF ANY STATE OR FEDERAL GRANTS, REBATES, TAX CREDITS, LOAN GUARANTEES, OR OTHER SIMILAR BENEFITS RECEIVED BY THE PROJECT AND NOT INCLUDED IN THE APPLICATION; AND

(9) ANY OTHER INFORMATION THE COMMISSION REQUIRES.

(D) (1) THE COMMISSION SHALL USE THE FOLLOWING CRITERIA TO EVALUATE AND COMPARE PROPOSED OFFSHORE WIND PROJECTS:

(I) LOWEST COST IMPACT ON RATE PAYERS OF THE PRICE SET UNDER A PROPOSED OREC PRICING SCHEDULE;

~~(II) LONG TERM RELIABILITY OF MARYLAND'S ELECTRICITY SUPPLY;~~

~~(III) POTENTIAL REDUCTIONS IN TRANSMISSION CONGESTION PRICES WITHIN MARYLAND;~~

~~(IV)~~ (III) POTENTIAL REDUCTIONS CHANGES IN CAPACITY PRICES WITHIN MARYLAND;

~~(V)~~ (IV) POTENTIAL REDUCTIONS IN LOCATIONAL MARGINAL PRICES WITHIN MARYLAND PRICING;

(V) POTENTIAL LONG-TERM CHANGES IN CAPACITY PRICES WITHIN MARYLAND FROM THE OFFSHORE WIND PROJECT AS IT COMPARES TO CONVENTIONAL ENERGY SOURCES;

~~(VI) ANTICIPATED CLIMATE BENEFITS, HEALTH BENEFITS, AND ENVIRONMENTAL IMPACTS TO THE CITIZENS OF THE STATE;~~

~~(VII) ESTIMATED ABILITY TO ASSIST IN MEETING THE STATE'S RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703 OF THIS SUBTITLE;~~

1 ~~(VIII) SITING AND PROJECT FEASIBILITY;~~

2 ~~(IX)~~ (VI) THE EXTENT TO WHICH THE COST-BENEFIT
3 ANALYSIS SUBMITTED UNDER SUBSECTION (C)(3) OF THIS SECTION
4 DEMONSTRATES POSITIVE NET ECONOMIC, ENVIRONMENTAL, AND HEALTH
5 BENEFITS TO THE STATE;

6 ~~(X) THE EXTENT TO WHICH AN APPLICANT'S PLAN FOR~~
7 ~~CORPORATE DIVERSITY INCLUDES OUTREACH TO AND INCLUSION OF MINORITY~~
8 ~~BUSINESS ENTERPRISES AS DEFINED UNDER TITLE 14, SUBTITLE 3 OF THE~~
9 ~~STATE FINANCE AND PROCUREMENT ARTICLE IN THE DEVELOPMENT AND~~
10 ~~GENERATION OF OFFSHORE WIND ENERGY;~~

11 ~~(XI)~~ (VII) THE EXTENT TO WHICH AN APPLICANT'S PLAN
12 FOR ENGAGING SMALL BUSINESSES MEETS THE GOALS SPECIFIED IN TITLE 14,
13 SUBTITLE 5 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; ~~AND~~

14 (VIII) THE EXTENT TO WHICH AN APPLICANT'S PLAN
15 PROVIDES FOR THE USE OF SKILLED LABOR, PARTICULARLY WITH REGARD TO
16 THE CONSTRUCTION AND MANUFACTURING COMPONENTS OF THE PROJECT,
17 THROUGH OUTREACH, HIRING, OR REFERRAL SYSTEMS THAT ARE AFFILIATED
18 WITH REGISTERED APPRENTICESHIP PROGRAMS AS DEFINED UNDER TITLE 11,
19 SUBTITLE 4 OF THE LABOR AND EMPLOYMENT ARTICLE;

20 (IX) THE EXTENT TO WHICH AN APPLICANT'S PLAN
21 PROVIDES FOR THE USE OF AN AGREEMENT DESIGNED TO ENSURE THE USE OF
22 SKILLED LABOR AND TO PROMOTE THE PROMPT, EFFICIENT, AND SAFE
23 COMPLETION OF THE PROJECT, PARTICULARLY WITH REGARD TO THE
24 CONSTRUCTION, MANUFACTURING, AND MAINTENANCE OF THE PROJECT;

25 (X) THE EXTENT TO WHICH AN APPLICANT'S PLAN
26 PROVIDES FOR COMPENSATION TO ITS EMPLOYEES AND SUBCONTRACTORS
27 CONSISTENT WITH WAGES OUTLINED UNDER §§ 17-201 THROUGH 17-228 OF
28 THE STATE FINANCE AND PROCUREMENT ARTICLE;

29 (XI) SITING AND PROJECT FEASIBILITY;

30 (XII) ESTIMATED ABILITY TO ASSIST IN MEETING THE
31 STATE'S RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703 OF THIS
32 SUBTITLE; AND

33 ~~(XII)~~ (XIII) ANY OTHER CRITERIA THAT THE COMMISSION
34 DETERMINES TO BE APPROPRIATE.

1 **(2) IN EVALUATING AND COMPARING APPLICANTS' PROPOSED**
2 **OFFSHORE WIND PROJECTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE**
3 **COMMISSION SHALL CONTRACT THE SERVICES OF INDEPENDENT CONSULTANTS**
4 **AND EXPERTS.**

5 **(E) (1) THE COMMISSION MAY NOT APPROVE AN APPLICANT'S**
6 **PROPOSED OFFSHORE WIND PROJECT UNLESS:**

7 **(I) THE PROPOSED OFFSHORE WIND PROJECT**
8 **DEMONSTRATES POSITIVE NET ECONOMIC, ENVIRONMENTAL, AND HEALTH**
9 **BENEFITS TO THE STATE, BASED ON THE CRITERIA SPECIFIED IN SUBSECTION**
10 **(C)(3) OF THIS SECTION;**

11 **(II) THE PROJECTED NET RATE IMPACT FOR AN AVERAGE**
12 **RESIDENTIAL CUSTOMER, BASED ON ANNUAL CONSUMPTION OF 12,000**
13 **KILOWATT-HOURS, COMBINED WITH THE PROJECTED NET RATE IMPACT OF**
14 **OTHER QUALIFIED OFFSHORE WIND PROJECTS, DOES NOT EXCEED ~~2~~ \$1.50 PER**
15 **MONTH IN 2012 DOLLARS, OVER THE DURATION OF THE PROPOSED OREC**
16 **PRICING SCHEDULE;**

17 **(III) THE PROJECTED NET ~~AVERAGE~~ RATE IMPACT FOR ~~A ALL~~**
18 **NONRESIDENTIAL ~~CUSTOMER~~ CUSTOMERS CONSIDERED AS A BLENDED**
19 **AVERAGE, COMBINED WITH THE PROJECTED NET RATE IMPACT OF OTHER**
20 **QUALIFIED OFFSHORE WIND PROJECTS, DOES NOT EXCEED ~~2.5% OF THE~~**
21 **~~NONRESIDENTIAL CUSTOMER'S TOTAL ANNUAL ELECTRIC BILL~~ 1.5% OF**
22 **NONRESIDENTIAL CUSTOMERS' TOTAL ANNUAL ELECTRIC BILLS, OVER THE**
23 **DURATION OF THE PROPOSED OREC PRICING SCHEDULE; AND**

24 **(IV) THE PRICE SET IN THE PROPOSED OREC PRICE**
25 **SCHEDULE DOES NOT EXCEED ~~\$200~~ \$190 PER MEGAWATT-HOUR IN 2012**
26 **DOLLARS.**

27 **(2) (I) WHEN CALCULATING THE NET BENEFITS TO THE STATE**
28 **UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE COMMISSION SHALL**
29 **CONTRACT THE SERVICES OF INDEPENDENT CONSULTANTS AND EXPERTS.**

30 **(II) WHEN CALCULATING THE PROJECTED NET AVERAGE**
31 **RATE IMPACTS UNDER PARAGRAPH (1)(II) AND (III) OF THIS SUBSECTION, THE**
32 **COMMISSION SHALL APPLY THE SAME NET OREC COST PER MEGAWATT-HOUR**
33 **TO RESIDENTIAL AND NONRESIDENTIAL CUSTOMERS.**

34 **(3) (I) THIS PARAGRAPH SHALL REMAIN IN EFFECT UNTIL**
35 **JUNE 30, 2016.**

1 (II) THE FINDINGS AND EVIDENCE RELIED ON BY THE
2 GENERAL ASSEMBLY FOR THE CONTINUATION OF THE MINORITY BUSINESS
3 ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE
4 AND PROCUREMENT ARTICLE, AS ENACTED BY CHAPTER 253 OF THE ACTS OF
5 2011 AND CHAPTER (H.B. 1370) OF THE ACTS OF 2012, ARE
6 INCORPORATED IN THIS PARAGRAPH.

7 (III) TO THE EXTENT PRACTICABLE AND PERMITTED BY THE
8 UNITED STATES CONSTITUTION, APPROVED APPLICANTS FOR A PROPOSED
9 OFFSHORE WIND PROJECT SHALL COMPLY WITH THE STATE'S MINORITY
10 BUSINESS ENTERPRISE PROGRAM.

11 (IV) 1. THE COMMISSION MAY NOT APPROVE AN
12 APPLICATION UNTIL THE DEPARTMENT OF BUSINESS AND ECONOMIC
13 DEVELOPMENT, IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF
14 MINORITY AFFAIRS, THE OFFICE OF THE ATTORNEY GENERAL, AND THE
15 APPLICANT, HAS ESTABLISHED A CLEAR PLAN FOR SETTING REASONABLE AND
16 APPROPRIATE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS AND
17 PROCEDURES FOR EACH PHASE OF THE QUALIFIED OFFSHORE WIND PROJECT.

18 2. TO THE EXTENT PRACTICABLE, THE GOALS AND
19 PROCEDURES SPECIFIED IN SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH
20 SHALL BE BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE
21 STATE FINANCE AND PROCUREMENT ARTICLE AND THE REGULATIONS
22 IMPLEMENTING THAT SUBTITLE.

23 (F) (1) AN ORDER ISSUED BY THE COMMISSION APPROVING A
24 PROPOSED OFFSHORE WIND PROJECT SHALL:

25 (I) SPECIFY THE ~~PRICE SET IN THE OREC PRICING~~
26 ~~SCHEDULE~~ OREC PRICE SCHEDULE, WHICH MAY NOT AUTHORIZE AN OREC
27 PRICE GREATER THAN \$190 PER MEGAWATT-HOUR IN 2012 DOLLARS;

28 (II) SPECIFY THE DURATION OF THE OREC PRICING
29 SCHEDULE, WHICH MAY NOT EXCEED 20 YEARS;

30 (III) SPECIFY THE AMOUNT OF ORECS THE OFFSHORE WIND
31 PROJECT MAY SELL EACH YEAR; AND

32 (IV) PROVIDE THAT:

33 1. A PAYMENT MAY NOT BE MADE FOR AN OREC
34 UNTIL ELECTRICITY SUPPLY IS GENERATED BY THE OFFSHORE WIND PROJECT;
35 AND

1 **2. RATEPAYERS AND THE STATE SHALL BE HELD**
2 **HARMLESS FOR ANY COST OVERRUNS ASSOCIATED WITH THE OFFSHORE WIND**
3 **PROJECT.**

4 **(2) AN ORDER APPROVING A PROPOSED OFFSHORE WIND**
5 **PROJECT VESTS THE OWNER OF THE QUALIFIED OFFSHORE WIND PROJECT**
6 **WITH THE RIGHT TO RECEIVE PAYMENTS FOR ORECS ACCORDING TO THE**
7 **TERMS IN THE ORDER.**

8 **(G) (1) WITHIN 60 DAYS AFTER THE COMMISSION APPROVES THE**
9 **APPLICATION OF A PROPOSED OFFSHORE WIND PROJECT, THE QUALIFIED**
10 **OFFSHORE WIND PROJECT SHALL DEPOSIT \$2,000,000 INTO THE MARYLAND**
11 **OFFSHORE WIND BUSINESS DEVELOPMENT FUND ESTABLISHED UNDER §**
12 **5-1403 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

13 **(2) WITHIN 1 YEAR AFTER THE INITIAL DEPOSIT UNDER**
14 **PARAGRAPH (1) OF THIS SUBSECTION, THE QUALIFIED OFFSHORE WIND**
15 **PROJECT SHALL DEPOSIT AN ADDITIONAL \$2,000,000 INTO THE MARYLAND**
16 **OFFSHORE WIND BUSINESS DEVELOPMENT FUND.**

17 **(3) WITHIN 2 YEARS AFTER THE INITIAL DEPOSIT UNDER**
18 **PARAGRAPH (1) OF THIS SUBSECTION, THE QUALIFIED OFFSHORE WIND**
19 **PROJECT SHALL DEPOSIT AN ADDITIONAL \$2,000,000 INTO THE MARYLAND**
20 **OFFSHORE WIND BUSINESS DEVELOPMENT FUND.**

21 **7-704.2.**

22 **(A) THE COMMISSION SHALL DETERMINE THE OFFSHORE WIND**
23 **ENERGY COMPONENT OF THE RENEWABLE ENERGY PORTFOLIO STANDARD**
24 **UNDER § 7-703(B)(12) THROUGH (17) OF THIS SUBTITLE BASED ON THE**
25 **PROJECTED ANNUAL CREATION OF ORECS BY QUALIFIED OFFSHORE WIND**
26 **PROJECTS.**

27 **(B) THE COMMISSION SHALL ADOPT REGULATIONS ESTABLISHING AN**
28 **ESCROW ACCOUNT UNDER COMMISSION SUPERVISION AND DEFINING RULES**
29 **THAT FACILITATE AND ENSURE THE SECURE AND TRANSPARENT TRANSFER OF**
30 **REVENUES AND ORECS AMONG THE PARTIES.**

31 **(C) (1) EACH ELECTRICITY SUPPLIER SHALL PURCHASE FROM THE**
32 **ESCROW ACCOUNT ESTABLISHED UNDER THIS SECTION THE NUMBER OF**
33 **ORECS REQUIRED TO SATISFY THE OFFSHORE WIND ENERGY COMPONENT OF**
34 **THE RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703(B)(12)**
35 **THROUGH (17) OF THIS SUBTITLE.**

1 (2) SUBJECT TO ANY ESCROW ACCOUNT RESERVE REQUIREMENT
2 ESTABLISHED BY THE COMMISSION, IF THERE ARE INSUFFICIENT ORECS
3 AVAILABLE TO SATISFY THE SUPPLIERS' OREC OBLIGATION, THE
4 OVERPAYMENT SHALL BE DISTRIBUTED TO ELECTRIC COMPANIES TO BE
5 REFUNDED OR CREDITED TO EACH RATEPAYER BASED ON THE RATEPAYER'S
6 CONSUMPTION OF ELECTRICITY SUPPLY THAT IS SUBJECT TO THE RENEWABLE
7 ENERGY PORTFOLIO STANDARD.

8 (3) FOR EACH OREC FOR WHICH A QUALIFIED OFFSHORE WIND
9 PROJECT RECEIVES PAYMENT, A QUALIFIED OFFSHORE WIND PROJECT SHALL:

10 (I) SELL ALL ENERGY, CAPACITY, AND ANCILLARY
11 SERVICES ASSOCIATED WITH THE CREATION OF ORECS INTO THE MARKETS
12 OPERATED BY PJM INTERCONNECTION,~~INC.~~; AND

13 (II) DISTRIBUTE THE PROCEEDS RECEIVED FROM THE
14 SALES TO PJM INTERCONNECTION,~~INC.~~, UNDER SUBPARAGRAPH (I) OF THIS
15 PARAGRAPH, TO ELECTRIC COMPANIES TO BE REFUNDED OR CREDITED TO
16 EACH RATEPAYER BASED ON THE RATEPAYER'S CONSUMPTION OF ELECTRICITY
17 SUPPLY THAT IS SUBJECT TO THE RENEWABLE ENERGY PORTFOLIO STANDARD.

18 (4) NOTWITHSTANDING § 7-709 OF THIS SUBTITLE, THE
19 COMMISSION SHALL ADOPT REGULATIONS REGARDING THE TRANSFER AND
20 EXPIRATION OF ORECS CREATED BY A QUALIFIED OFFSHORE WIND PROJECT
21 IN EXCESS OF THE OREC PRICING SCHEDULE.

22 (D) (1) IF, WITHIN 2 YEARS BEFORE THE EXPIRATION OF AN OREC
23 TERM, A QUALIFIED OFFSHORE WIND PROJECT IS ANTICIPATED TO RECEIVE
24 PJM REVENUES GREATER THAN THE PROJECT OPERATING COSTS FOR THE 5
25 YEARS IMMEDIATELY FOLLOWING THE EXPIRATION OF THE TERM OF THE
26 OREC PRICING SCHEDULE, THE COMMISSION MAY EXTEND THE TERM OF THE
27 OREC PRICING SCHEDULE FOR AN ADDITIONAL 5 YEARS AT AN OREC PRICE
28 THAT EQUALS 50% OF THE SUM OF:

29 (I) ANTICIPATED MARKET REVENUES GENERATED BY THE
30 PROJECT DURING THE ADDITIONAL 5-YEAR PERIOD; AND

31 (II) ANTICIPATED PROJECT OPERATING COSTS DURING THE
32 ADDITIONAL 5-YEAR PERIOD.

33 (2) IF, WITHIN 2 YEARS BEFORE THE EXPIRATION OF AN
34 ADDITIONAL 5-YEAR TERM EXTENDED UNDER PARAGRAPH (1) OF THIS
35 SUBSECTION, A QUALIFIED OFFSHORE WIND PROJECT IS ANTICIPATED TO

1 RECEIVE PJM REVENUES GREATER THAN THE PROJECT OPERATING COSTS FOR
2 THE 5 YEARS IMMEDIATELY FOLLOWING THE EXPIRATION OF THE ADDITIONAL
3 5-YEAR TERM, THE COMMISSION MAY EXTEND THE TERM OF THE OREC
4 PRICING SCHEDULE FOR AN ADDITIONAL 5 YEARS AT AN OREC PRICE THAT
5 EQUALS 50% OF THE SUM OF:

6 (I) ANTICIPATED MARKET REVENUES GENERATED BY THE
7 PROJECT DURING THE ADDITIONAL 5-YEAR PERIOD; AND

8 (II) ANTICIPATED PROJECT OPERATING COSTS DURING THE
9 ADDITIONAL 5-YEAR PERIOD.

10 (3) EXCEPT AS PROVIDED IN PARAGRAPHS (1) AND (2) OF THIS
11 SUBSECTION, AN OREC TRANSACTION THAT TAKES PLACE DURING AN
12 ADDITIONAL 5-YEAR TERM IS SUBJECT TO THE PROVISIONS AND REGULATIONS
13 APPLICABLE TO THE ORIGINAL OREC ORDER.

14 (E) ON OR BEFORE JULY 1, 2013, THE COMMISSION SHALL ADOPT
15 REGULATIONS TO CARRY OUT THIS SECTION AND § 7-704.1 OF THIS SUBTITLE.

16 7-705.

17 (a) Each electricity supplier shall submit a report to the Commission each
18 year in a form and by a date specified by the Commission that:

19 (1) demonstrates that the electricity supplier has complied with the
20 applicable renewable energy portfolio standard under § 7-703 of this subtitle and
21 includes the submission of the required amount of renewable energy credits; or

22 (2) demonstrates the amount of electricity sales by which the
23 electricity supplier failed to meet the applicable renewable energy portfolio standard.

24 (b) (1) THIS SUBSECTION DOES NOT APPLY TO A SHORTFALL FROM
25 THE REQUIRED TIER 1 RENEWABLE SOURCES THAT IS TO BE DERIVED FROM
26 OFFSHORE WIND ENERGY.

27 (2) If an electricity supplier fails to comply with the renewable energy
28 portfolio standard for the applicable year, the electricity supplier shall pay into the
29 Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the
30 State Government Article:

31 [(1)] (I) except as provided in [item (2)] ITEM (II) of this
32 [subsection] PARAGRAPH, a compliance fee of:

1 [(i)] 1. 4 cents for each kilowatt-hour of shortfall from
2 required Tier 1 renewable sources other than the shortfall from the required Tier 1
3 renewable sources that is to be derived from solar energy;

4 [(ii)] 2. the following amounts for each kilowatt-hour of
5 shortfall from required Tier 1 renewable sources that is to be derived from solar
6 energy:

7 [1.] A. 45 cents in 2008;

8 [2.] B. 40 cents in 2009 through 2014;

9 [3.] C. 35 cents in 2015 and 2016;

10 [4.] D. 20 cents in 2017 and 2018;

11 [5.] E. 15 cents in 2019 and 2020;

12 [6.] F. 10 cents in 2021 and 2022; and

13 [7.] G. 5 cents in 2023 and later; and

14 [(iii)] 3. 1.5 cents for each kilowatt-hour of shortfall from
15 required Tier 2 renewable sources; or

16 [(2)] (II) for industrial process load:

17 [(i)] 1. for each kilowatt-hour of shortfall from required Tier
18 1 renewable sources, a compliance fee of:

19 [1.] A. 0.8 cents in 2006, 2007, and 2008;

20 [2.] B. 0.5 cents in 2009 and 2010;

21 [3.] C. 0.4 cents in 2011 and 2012;

22 [4.] D. 0.3 cents in 2013 and 2014;

23 [5.] E. 0.25 cents in 2015 and 2016; and

24 [6.] F. **EXCEPT AS PROVIDED IN PARAGRAPH (3) OF**
25 **THIS SUBSECTION**, 0.2 cents in 2017 and later; and

26 [(ii)] 2. nothing for any shortfall from required Tier 2
27 renewable sources.

1 **(3) FOR INDUSTRIAL PROCESS LOAD, THE COMPLIANCE FEE FOR**
2 **EACH KILOWATT-HOUR OF SHORTFALL FROM REQUIRED TIER 1 RENEWABLE**
3 **SOURCES IS:**

4 **(I) 0.1 CENTS IN ANY YEAR DURING WHICH SUPPLIERS ARE**
5 **REQUIRED TO PURCHASE ORECS UNDER § 7-704.2 OF THIS SUBTITLE; AND**

6 **(II) 0.0 CENTS FOR THE YEAR FOLLOWING ANY YEAR**
7 **DURING WHICH, AFTER FINAL CALCULATIONS, THE NET OREC PRICE PER**
8 **MEGAWATT-HOUR EXCEEDED \$1.65 IN 2012 DOLLARS.**

9 (f) (1) Except as provided in subsection (e) of this section, and
10 notwithstanding the requirements of § 7-703(b) of this subtitle, if the actual or
11 projected dollar-for-dollar cost incurred or to be incurred by an electricity supplier
12 solely for the purchase of Tier 1 renewable energy credits other than solar credits **OR**
13 **ORECS** in any 1 year is greater than or equal to, or is anticipated to be greater than
14 or equal to, the greater of the applicable Tier 1 percentage or 10% of the electricity
15 supplier's total annual electricity sales revenues in Maryland, the electricity supplier
16 may request that the Commission:

17 (i) delay by 1 year each of the scheduled percentages for Tier 1
18 credits under § 7-703(b) of this subtitle that would apply to the electricity supplier;
19 and

20 (ii) allow the renewable energy portfolio standard for Tier 1 for
21 that year to continue to apply to the electricity supplier for the following year.

22 (2) In making its determination under paragraph (1) of this
23 subsection, the Commission shall consider the actual or projected dollar-for-dollar
24 compliance costs of other electricity suppliers.

25 (3) If an electricity supplier makes a request under paragraph (1) of
26 this subsection based on projected costs, the electricity supplier shall provide verifiable
27 evidence of the projections to the Commission at the time of the request.

28 (4) If the Commission allows a delay under paragraph (1) of this
29 subsection:

30 (i) the renewable energy portfolio standard for Tier 1 applicable
31 to the electricity supplier under the delay continues for each subsequent consecutive
32 year that the actual or projected dollar-for-dollar costs incurred, or to be incurred, by
33 the electricity supplier solely for the purchase of Tier 1 credits other than solar credits
34 **OR ORECS** is greater than or equal to, or is anticipated to be greater than or equal
35 to, the greater of the applicable Tier 1 percentage or 10% of the electricity supplier's
36 total annual retail electricity sales revenues in Maryland; and

1 (ii) the renewable energy portfolio standard for Tier 1 applicable
2 to the electricity supplier under the delay is increased to the next scheduled
3 percentage increase under § 7-703(b) of this subtitle for each year in which the actual
4 or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity
5 supplier solely for the purchase of Tier 1 credits other than solar credits **OR ORECS**
6 is less than, or is anticipated to be less than, the greater of the applicable Tier 1
7 percentage or 10% of the electricity supplier's total annual retail electricity sales
8 revenues in Maryland.

9 **Article – Natural Resources**

10 8-1102.

11 (a) (1) **[For] EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (2)**
12 **AND (3) OF THIS SUBSECTION, FOR** the purposes of maintaining the Atlantic Coast
13 beaches of the State and the Beach Erosion Control District, the integrity and
14 continuity of the dunal system and assuring adequate maintenance of the beaches,
15 Beach Erosion Control District, and dunal system, to provide for shore erosion and
16 sediment control and storm protection, and to minimize structural interference with
17 the littoral drift of sand and any anchoring vegetation, any land clearing, construction
18 activity, or the construction or placement of permanent structures within the Beach
19 Erosion Control District is prohibited.

20 (2) This prohibition does not apply to any project or activity approved
21 by the Department and the appropriate soil conservation district specifically for storm
22 control; beach erosion and sediment control; maintenance projects designed to benefit
23 the Beach Erosion Control District; the widening of the boardwalk in Ocean City up to
24 an additional 40 feet to the east between South Second Street and the south side of
25 Worcester Street and from the south side of Somerset Street to the southerly terminus
26 of the steel and concrete bulkhead at 4th Street, and an additional 80 feet to the east
27 between the south side of Worcester Street and the south side of Somerset Street to
28 include associated appurtenances and construction of one restroom facility in an
29 easterly direction between South Second Street and the southerly terminus of the steel
30 and concrete bulkhead at 4th Street for the purpose of public health, safety, and
31 welfare; and a planned public utility pipeline carrying treated sewage effluent from a
32 unit not exceeding 14 million gallons per day, if, in addition to the approvals required
33 by all other applicable federal and local laws and regulations, it is approved by the
34 Board of Public Works as essential to the public health, safety, and welfare of the
35 citizens of Worcester County, after having received the permission of the Secretaries of
36 the Environment and Natural Resources, and the Director of Planning, including a
37 guarantee that in any contract under this provision a person will not make any
38 significant permanent environmental disruption to the area, and the construction area
39 for the purpose of laying a single pipe with a diameter not exceeding 36 inches is
40 limited to a single 100 foot wide area perpendicular eastward from the west crest of
41 the natural dune line on Assateague Island and in Ocean City, and if the Secretaries
42 of the Environment and Natural Resources and the Director of Planning find that

1 there is no economically and environmentally feasible alternative, and that there is
 2 insufficient capacity at the existing Ocean City wastewater treatment facility and
 3 discharge pipe.

4 **(3) (I) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,**
 5 **THIS PROHIBITION DOES NOT APPLY TO THE CONSTRUCTION AND**
 6 **INSTALLATION OF A QUALIFIED SUBMERGED RENEWABLE ENERGY LINE, AS**
 7 **DEFINED IN TITLE 7, SUBTITLE 2 OF THE PUBLIC UTILITIES ARTICLE, IF THE**
 8 **PROJECT DOES NOT RESULT IN ANY SIGNIFICANT PERMANENT**
 9 **ENVIRONMENTAL DAMAGE TO THE BEACH EROSION CONTROL DISTRICT, AS**
 10 **DETERMINED BY THE DEPARTMENT.**

11 **(II) AN APPLICATION FOR A CERTIFICATE OF PUBLIC**
 12 **CONVENIENCE AND NECESSITY TO CONSTRUCT A QUALIFIED SUBMERGED**
 13 **RENEWABLE ENERGY LINE, AS DEFINED IN TITLE 7, SUBTITLE 2 OF THE PUBLIC**
 14 **UTILITIES ARTICLE, IS SUBJECT TO REVIEW BY THE DEPARTMENT AND THE**
 15 **DEPARTMENT OF THE ENVIRONMENT, AS PROVIDED IN § 3-306 OF THIS**
 16 **ARTICLE.**

17 **(III) ~~A~~ THE PUBLIC SERVICE COMMISSION MAY NOT**
 18 **APPROVE AN APPLICATION FOR A QUALIFIED SUBMERGED RENEWABLE ENERGY**
 19 **LINE ~~MAY NOT~~ TO BE CONSTRUCTED OR INSTALLED WITHIN THE ASSATEAGUE**
 20 **NATIONAL SEASHORE PARK OR THE ASSATEAGUE STATE PARK.**

21 (b) The Secretary of the Environment, the Secretary of Natural Resources,
 22 and the Director of Planning, with the approval of the Board of Public Works, shall
 23 jointly adopt regulations in accordance with Title 10, Subtitle 1 of the State
 24 Government Article for the purpose of implementing the provisions of this section.

25 **Article – Economic Development**

26 **SUBTITLE 14. MARYLAND OFFSHORE WIND BUSINESS DEVELOPMENT FUND.**

27 **5-1401.**

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

30 **(B) “ADVISORY COMMITTEE” MEANS THE MARYLAND OFFSHORE WIND**
 31 **BUSINESS DEVELOPMENT ADVISORY COMMITTEE ESTABLISHED UNDER §**
 32 **5-1402 OF THIS SUBTITLE.**

33 **(C) “EMERGING BUSINESS” MEANS A BUSINESS THAT IS AT LEAST 51%**
 34 **OWNED AND CONTROLLED BY AN INDIVIDUAL OR INDIVIDUALS WHO ARE**
 35 **CERTIFIED TO HAVE A PERSONAL NET WORTH, AS DEFINED IN § 14-301 OF THE**

1 STATE FINANCE AND PROCUREMENT ARTICLE, THAT DOES NOT EXCEED
2 \$6,500,000 AS ADJUSTED ANNUALLY FOR INFLATION ACCORDING TO THE
3 CONSUMER PRICE INDEX.

4 (D) "FUND" MEANS THE MARYLAND OFFSHORE WIND BUSINESS
5 DEVELOPMENT FUND ESTABLISHED UNDER § 5-1403 OF THIS SUBTITLE.

6 (E) "MINORITY" MEANS AN INDIVIDUAL WHO IS A MEMBER OF ANY OF
7 THE GROUPS DEFINED IN § 14-301 OF THE STATE FINANCE AND
8 PROCUREMENT ARTICLE.

9 5-1402.

10 (A) THERE IS A MARYLAND OFFSHORE WIND BUSINESS
11 DEVELOPMENT ADVISORY COMMITTEE.

12 (B) THE ADVISORY COMMITTEE SHALL MAKE RECOMMENDATIONS TO
13 THE DEPARTMENT ON THE MOST EFFECTIVE MANNER TO USE MONEY IN THE
14 FUND CONSISTENT WITH THE PURPOSE OF THE FUND.

15 (C) THE ADVISORY COMMITTEE CONSISTS OF THE FOLLOWING
16 MEMBERS:

17 (1) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY
18 THE PRESIDENT OF THE SENATE;

19 (2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY
20 THE SPEAKER OF THE HOUSE;

21 (3) THE SECRETARY OR THE SECRETARY'S DESIGNEE;

22 (4) THE SPECIAL SECRETARY OF THE GOVERNOR'S OFFICE OF
23 MINORITY AFFAIRS OR THE SPECIAL SECRETARY'S DESIGNEE;

24 (5) THE DIRECTOR OF THE MARYLAND ENERGY
25 ADMINISTRATION, OR THE DIRECTOR'S DESIGNEE; AND

26 (6) THE FOLLOWING 11 MEMBERS APPOINTED BY THE
27 GOVERNOR:

28 (I) ONE REPRESENTATIVE OF A PUBLIC INSTITUTION OF
29 HIGHER EDUCATION IN THE STATE;

1 (II) ONE REPRESENTATIVE OF A HISTORICALLY BLACK OR
2 AFRICAN AMERICAN UNIVERSITY IN THE STATE;

3 (III) ONE REPRESENTATIVE OF THE STATE'S COMMUNITY
4 COLLEGES;

5 (IV) ONE REPRESENTATIVE OF THE SMALL BUSINESS
6 DEVELOPMENT CORPORATION;

7 (V) ONE REPRESENTATIVE OF THE MARYLAND BUSINESS
8 COALITION FOR OFFSHORE WIND;

9 (VI) ONE REPRESENTATIVE OF A BUSINESS INCUBATOR IN
10 THE STATE WITH EXPERIENCE IN PROVIDING SERVICES TO MINORITY BUSINESS
11 ENTERPRISES AS DEFINED BY TITLE 14, SUBTITLE 3 OF THE STATE FINANCE
12 AND PROCUREMENT ARTICLE, OR TO EMERGING BUSINESSES, INCLUDING
13 EMERGING BUSINESSES OWNED BY MINORITIES;

14 (VII) ONE INDIVIDUAL WITH EXPERIENCE IN PROVIDING
15 BUSINESS FINANCING TO MINORITY BUSINESS ENTERPRISES AS DEFINED BY
16 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE,
17 OR TO EMERGING BUSINESSES, INCLUDING EMERGING BUSINESSES OWNED BY
18 MINORITIES;

19 (VIII) ONE REPRESENTATIVE OF AN OFFSHORE WIND
20 DEVELOPER;

21 (IX) ONE REPRESENTATIVE OF AN ORIGINAL EQUIPMENT
22 MANUFACTURER;

23 (X) ONE INDIVIDUAL WHO IS A MINORITY BUSINESS
24 ADVOCATE; AND

25 (XI) ONE INDIVIDUAL WITH EXPERIENCE IN OFFSHORE WIND
26 SUPPLY CHAIN ISSUES.

27 (D) THE GOVERNOR SHALL APPOINT THE CHAIR OF THE ADVISORY
28 COMMITTEE.

29 (E) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE ADVISORY
30 COMMITTEE.

31 (F) A MEMBER OF THE ADVISORY COMMITTEE:

1 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER; BUT

2 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
3 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE
4 BUDGET.

5 (G) (1) ON OR BEFORE DECEMBER 31, 2012, THE ADVISORY
6 COMMITTEE SHALL PROVIDE WRITTEN RECOMMENDATIONS TO THE
7 DEPARTMENT REGARDING THE MOST EFFECTIVE USE OF MONEY IN THE FUND
8 IN ORDER TO MAXIMIZE OPPORTUNITIES FOR EMERGING BUSINESSES IN THE
9 STATE, INCLUDING MINORITY-OWNED EMERGING BUSINESSES, TO
10 PARTICIPATE IN THE OFFSHORE WIND INDUSTRY.

11 (2) IN MAKING A RECOMMENDATION UNDER PARAGRAPH (1) OF
12 THIS SUBSECTION, THE ADVISORY COMMITTEE SHALL CONSIDER
13 OPPORTUNITIES TO MAXIMIZE LEVERAGING OPPORTUNITIES, MENTORING AND
14 PROTEGE MODELS, INNOVATION CLUSTERS, EXISTING INCUBATOR AND
15 BUSINESS DEVELOPMENT PROGRAMS, AND THE APPROPRIATE ROLE OF
16 PARTNERSHIPS WITH THE STATE'S UNIVERSITIES AND COMMUNITY COLLEGES.

17 (3) ON OR BEFORE DECEMBER 31, 2014, THE ADVISORY
18 COMMITTEE SHALL PROVIDE UPDATED RECOMMENDATIONS TO THE
19 DEPARTMENT.

20 (H) ON COMPLETION AND SUBMISSION OF THE WRITTEN
21 RECOMMENDATIONS REQUIRED UNDER SUBSECTION (G) OF THIS SECTION, THE
22 ADVISORY COMMITTEE SHALL TERMINATE ITS OPERATION AND CEASE TO
23 MEET.

24 5-1403.

25 (A) THERE IS A MARYLAND OFFSHORE WIND BUSINESS
26 DEVELOPMENT FUND IN THE DEPARTMENT.

27 (B) THE PURPOSES OF THE FUND ARE TO:

28 (1) PROVIDE FINANCIAL AND BUSINESS DEVELOPMENT
29 ASSISTANCE TO EMERGING BUSINESSES IN THE STATE, INCLUDING
30 MINORITY-OWNED EMERGING BUSINESSES, TO PREPARE THOSE BUSINESSES TO
31 PARTICIPATE IN THE EMERGING OFFSHORE WIND INDUSTRY; AND

32 (2) ENCOURAGE EMERGING BUSINESSES IN THE STATE,
33 INCLUDING MINORITY-OWNED BUSINESSES, TO PARTICIPATE IN THE EMERGING
34 OFFSHORE WIND INDUSTRY.

1 **(C) THE DEPARTMENT MAY USE THE FUND TO:**

2 **(1) PROVIDE FINANCIAL AND BUSINESS DEVELOPMENT**
3 **ASSISTANCE TO EMERGING BUSINESSES IN THE STATE, INCLUDING**
4 **MINORITY-OWNED EMERGING BUSINESSES;**

5 **(2) CARRY OUT THE PURPOSES OF THE FUND; AND**

6 **(3) PAY THE COSTS OF IMPLEMENTING THIS SUBTITLE.**

7 **(D) THE SECRETARY SHALL MANAGE AND SUPERVISE THE FUND.**

8 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
9 **SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**
10 **PROCUREMENT ARTICLE.**

11 **(2) THE STATE TREASURER SHALL HOLD THE FUND**
12 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

13 **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**
14 **FUND IN THE SAME MANNER AS OTHER STATE MONEY.**

15 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**
16 **CREDITED TO THE FUND.**

17 **(G) THE FUND CONSISTS OF:**

18 **(1) MONEY APPROPRIATED BY THE STATE TO THE FUND;**

19 **(2) MONEY PAID TO THE FUND BY A QUALIFIED OFFSHORE WIND**
20 **PROJECT UNDER § 7-704.1(G) OF THE PUBLIC UTILITIES ARTICLE;**

21 **(3) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL**
22 **PROGRAMS OR PRIVATE CONTRIBUTIONS;**

23 **(4) REPAYMENT OF PRINCIPAL OR PAYMENT OF INTEREST ON A**
24 **LOAN MADE FROM THE FUND;**

25 **(5) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL**
26 **BY THE DEPARTMENT OF COLLATERAL RELATED TO FINANCING THAT THE**
27 **DEPARTMENT PROVIDES UNDER THIS SUBTITLE;**

28 **(6) INVESTMENT EARNINGS OF THE FUND; AND**

1 **(7) ANY OTHER MONEY MADE AVAILABLE TO THE DEPARTMENT**
2 **FOR THE FUND.**

3 **(H) (1) IN FISCAL YEARS 2013 AND 2014, \$1,500,000 SHALL BE**
4 **TRANSFERRED FROM THE STRATEGIC ENERGY INVESTMENT FUND TO THE**
5 **FUND.**

6 **(2) IN FISCAL YEAR 2015, \$1,000,000 SHALL BE TRANSFERRED**
7 **FROM THE STRATEGIC ENERGY INVESTMENT FUND TO THE FUND.**

8 **5-1404.**

9 **(A) WHEN DETERMINING HOW MOST EFFECTIVELY TO USE THE MONEY**
10 **IN THE FUND, THE DEPARTMENT SHALL CONSIDER THE RECOMMENDATION OF**
11 **THE ADVISORY COMMITTEE.**

12 **(B) IN CARRYING OUT THIS SUBTITLE, AND CONSISTENT WITH THE**
13 **PURPOSES OF THE FUND, THE DEPARTMENT MAY CONTRACT WITH:**

14 **(1) EXPERTS IN THE AREA OF OFFSHORE WIND ENERGY; AND**

15 **(2) ENTITIES EXPERIENCED IN ASSISTING EMERGING**
16 **BUSINESSES, INCLUDING MINORITY-OWNED EMERGING BUSINESSES, IN**
17 **ACCESSING MARKET OPPORTUNITIES.**

18 **(C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
19 **SUBSECTION, DIVISION II OF THE STATE FINANCE AND PROCUREMENT**
20 **ARTICLE DOES NOT APPLY TO A SERVICE THAT THE DEPARTMENT OBTAINS**
21 **UNDER THIS SECTION.**

22 **(2) THE DEPARTMENT IS SUBJECT TO TITLE 12, SUBTITLE 4 OF**
23 **THE STATE FINANCE AND PROCUREMENT ARTICLE FOR SERVICES UNDER THIS**
24 **SECTION.**

25 **Article – State Finance and Procurement**

26 **6-226.**

27 **(a) (2) (i) Notwithstanding any other provision of law, and unless**
28 **inconsistent with a federal law, grant agreement, or other federal requirement or with**
29 **the terms of a gift or settlement agreement, net interest on all State money allocated**
30 **by the State Treasurer under this section to special funds or accounts, and otherwise**
31 **entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue**
32 **to the General Fund of the State.**

1 (ii) The provisions of subparagraph (i) of this paragraph do not
2 apply to the following funds:

3 62. Veterans Trust Fund; [and]

4 63. Transportation Trust Fund; AND

5 64. MARYLAND OFFSHORE WIND BUSINESS
6 DEVELOPMENT FUND.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
8 read as follows:

9 **Article – Public Utilities**

10 7–208.

11 (A) **(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
12 **MEANINGS INDICATED:**

13 ~~(1)~~ **(2) “QUALIFIED OFFSHORE WIND PROJECT” HAS THE**
14 **MEANING STATED IN § 7–701 OF THIS TITLE.**

15 ~~(2)~~ **(3) “QUALIFIED SUBMERGED RENEWABLE ENERGY LINE”**
16 **MEANS A LINE:**

17 **(I) CARRYING ELECTRICITY SUPPLY AND CONNECTING A**
18 **QUALIFIED OFFSHORE WIND PROJECT TO THE TRANSMISSION SYSTEM; AND**

19 **(II) IN WHICH THE PORTIONS OF THE LINE CROSSING ANY**
20 **SUBMERGED LANDS OR ANY PART OF A BEACH EROSION CONTROL DISTRICT**
21 **ARE BURIED OR SUBMERGED.**

22 **[(a)] (A–1) This section applies to any person:**

23 (1) constructing a generating station and its associated overhead
24 transmission lines designed to carry a voltage in excess of 69,000 volts; [or]

25 (2) exercising the right of condemnation in connection with the
26 construction; **OR**

27 **(3) CONSTRUCTING A QUALIFIED SUBMERGED RENEWABLE**
28 **ENERGY LINE.**

1 (b) (1) To obtain the certificate of public convenience and necessity
2 required under § 7–207 of this subtitle for construction under this section, a person
3 shall file an application with the Commission at least 2 years before construction of
4 the facility will commence.

5 (2) The Commission may waive the 2–year requirement on a showing
6 of good cause.

7 (c) The applicant shall:

8 (1) include in an application under this section the information that
9 the Commission requests initially; and

10 (2) furnish any additional information that the Commission requests
11 subsequently.

12 (d) (1) On the receipt of an application under this section, together with
13 any additional information requested under subsection (c)(2) of this section, the
14 Commission shall provide notice to:

15 (i) all interested persons;

16 (ii) the Department of Agriculture;

17 (iii) the Department of Business and Economic Development;

18 (iv) the Department of the Environment;

19 (v) the Department of Natural Resources;

20 (vi) the Department of Transportation; [and]

21 (vii) the Department of Planning; **AND**

22 **(VIII) THE MARYLAND ENERGY ADMINISTRATION.**

23 (2) The Commission shall hold a public hearing on the application as
24 required by § 7–207 of this subtitle, after:

25 (i) the receipt of any additional information requested under
26 subsection (c)(2) of this section that the Commission considers necessary; and

27 (ii) any publication of notice the Commission considers to be
28 proper.

29 (3) (i) At the public hearing, the Commission shall ensure
30 presentation of the information and recommendations of the State units specified in

1 paragraph (1) of this subsection and shall allow the official representative of each unit
2 to sit during hearing of all parties.

3 (ii) Based on the evidence relating to the unit's areas of concern,
4 the Commission shall allow each unit 15 days after the conclusion of the hearing to
5 modify or affirm the unit's initial recommendations.

6 (e) Within 90 days after the conclusion of the hearing on an application
7 under this section, the Commission shall:

8 (1) (i) grant a certificate of public convenience and necessity
9 unconditionally;

10 (ii) grant the certificate, subject to conditions the Commission
11 determines to be appropriate; or

12 (iii) deny the certificate; and

13 (2) notify all interested parties of its decision.

14 (f) (1) The Commission shall include in each certificate it issues under
15 subsection (e) of this section:

16 (i) the requirements of the federal and State environmental
17 laws and standards that are identified by the Department of the Environment; and

18 (ii) the methods and conditions that the Commission determines
19 are appropriate to comply with those environmental laws and standards.

20 (2) The Commission may not adopt any method or condition under
21 paragraph (1)(ii) of this subsection that the Department of the Environment
22 determines is inconsistent with federal and State environmental laws and standards.

23 (g) (1) A decision of the Commission regarding the issuance of a
24 certificate requires the vote of a majority of the members of the Commission.

25 (2) If a majority of the members of the Commission fails to reach
26 agreement on the conditions to be attached to a conditional certificate, the certificate
27 shall be denied.

28 (h) The grant of a certificate by the Commission to any person under
29 subsection (e) of this section constitutes:

30 (1) authority for the person to dredge and construct bulkheads in the
31 waters or private wetlands of the State and to appropriate or use the waters; and

1 (2) registration and a permit to construct, as required under Title 2,
2 Subtitle 4 of the Environment Article.

3 SECTION 3. AND BE IT FURTHER ENACTED, That:

4 (a) (1) On receipt of an application for approval of a qualified offshore
5 wind project under § 7-704.1(a)(2) of the Public Utilities Article, as enacted by this
6 Act, the sum of the lesser of \$3,000,000 and the balance available in the Maryland
7 Strategic Energy Investment Fund for development of renewable and clean energy
8 programs under § 9-20B-05 of the State Government Article shall be transferred from
9 the Fund to the Public Service Commission in order to contract services of
10 independent consultants and experts necessary to carry out this Act.

11 (2) The sum transferred under paragraph (1) of this subsection is in
12 addition to any amounts transferred from the Maryland Offshore Wind Business
13 Development Fund under § 5-1403(h) of the Economic Development Article, as
14 enacted by this Act, from money derived from the Exelon-Constellation merger
15 approved by the Public Service Commission in Case No. 9721, Order 84698 on
16 February 17, 2012.

17 (b) (1) Subject to subsection (a) of this section, and, notwithstanding any
18 other provision of law, ~~for fiscal years 2013 through 2016 only,~~ the Public Service
19 Commission may implement a special assessment using the assessment process
20 authorized under § 2-110 of the Public Utilities Article in order to contract the
21 services of independent consultants and experts as necessary to carry out the
22 provisions of this Act.

23 (2) The cumulative special assessment may not exceed \$3,000,000 ~~less~~
24 all amounts transferred to the Commission under subsection (a) of this section,
25 provided that:

26 ~~(i)~~ (i) the assessment shall be imposed only on those electric
27 companies and electricity suppliers otherwise subject to the assessment under § 2-110
28 of the Public Utilities Article; and

29 ~~(ii)~~ (ii) the limit imposed under § 2-110(c)(12) of the Public Utilities
30 Article does not apply to any assessment made under this section.

31 SECTION 4. AND BE IT FURTHER ENACTED, That:

32 (a) Notwithstanding any other provision of law, for any fiscal year during
33 which an OREC obligation exists to meet a renewable portfolio standard derived from
34 offshore wind energy set by the Commission under § 7-703(b)(12) through (17) of the
35 Public Utilities Article, as enacted by this Act, the Public Service Commission may
36 implement a special assessment using the assessment process authorized under §
37 2-110 of the Public Utilities Article in order to employ staff and recover
38 administrative costs necessary to carry out the provisions of this Act.

1 (b) (1) The cumulative special assessment shall be imposed only on those
2 electric companies and electricity suppliers otherwise subject to the assessment under
3 § 2-110 of the Public Utilities Article.

4 (2) The limit imposed under § 2-110(c)(12) of the Public Utilities
5 Article does not apply to any assessment made under this section.

6 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this
7 Act or the application thereof to any person or circumstance is held invalid for any
8 reason in a court of competent jurisdiction, the invalidity does not affect other
9 provisions or any other application of this Act which can be given effect without the
10 invalid provision or application, and for this purpose the provisions of this Act are
11 declared severable.

12 SECTION 6. AND BE IT FURTHER ENACTED, That on receipt of all
13 applications submitted under § 7-704.1 of the Public Utilities Article, as enacted by
14 this Act, the Commission shall promptly open an evidentiary proceeding to allow open
15 and transparent evaluation of applications to the maximum extent possible consistent
16 with applicable confidentiality laws.

17 SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That this Act shall take
18 effect June 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.