

HOUSE BILL 1443

C5

2lr3220

By: **Delegate Stein**

Introduced and read first time: March 5, 2012

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Qualifying Thermal Biomass**
3 **Systems**

4 FOR the purpose of providing that energy from a certain qualifying thermal biomass
5 system is eligible for inclusion in meeting the renewable energy portfolio
6 standard; providing that a person that owns a qualifying thermal biomass
7 system shall receive a certain renewable energy credit; requiring the Public
8 Service Commission to adopt certain procedures for the metering, verification,
9 and reporting of thermal energy output from qualifying thermal biomass
10 systems; providing that energy produced by a qualifying thermal biomass
11 system shall be eligible for inclusion in meeting the renewable energy portfolio
12 standard for certain compliance years; defining certain terms; altering a certain
13 definition; providing for the effective date and application of this Act; and
14 generally relating to the renewable energy portfolio standard and qualifying
15 thermal biomass systems.

16 BY repealing and reenacting, with amendments,
17 Article – Public Utilities
18 Section 7–701
19 Annotated Code of Maryland
20 (2010 Replacement Volume and 2011 Supplement)

21 BY adding to
22 Article – Public Utilities
23 Section 7–704(h)
24 Annotated Code of Maryland
25 (2010 Replacement Volume and 2011 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Public Utilities**

2 7–701.

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

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

5 (c) “Fund” means the Maryland Strategic Energy Investment Fund
6 established under § 9–20B–05 of the State Government Article.7 (d) “Industrial process load” means the consumption of electricity by a
8 manufacturing process at an establishment classified in the manufacturing sector
9 under the North American Industry Classification System, Codes 31 through 33.

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

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

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

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

17 (ii) randomly distributed canopy gaps are present;

18 (iii) a high degree of structural diversity characterized by
19 multiple growth layers reflecting a broad spectrum of ages is present;20 (iv) an accumulation of dead wood of varying sizes and stages of
21 decomposition accompanied by decadence in live dominant trees is present; and

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

23 (f) “PJM region” means the control area administered by the PJM
24 Interconnection, Inc., as the area may change from time to time.25 (g) “Poultry litter” means the fecal and urinary excretions of poultry,
26 including wood shavings, sawdust, straw, rice hulls, and other bedding material for
27 the disposition of manure.28 (h) (1) “Qualifying biomass” means a nonhazardous, organic material that
29 is available on a renewable or recurring basis, and is:

1 (i) waste material that is segregated from inorganic waste
2 material and is derived from sources including:

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

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

6 B. precommercial soft wood thinning;

7 C. slash;

8 D. brush; or

9 E. yard waste;

10 2. a pallet, crate, or dunnage;

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

14 4. gas produced from the anaerobic decomposition of
15 animal waste or poultry waste; or

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

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

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

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

22 (ii) an invasive exotic plant species.

23 **(H-1) “QUALIFYING THERMAL BIOMASS SYSTEM” MEANS A SYSTEM THAT:**

24 **(1) USES QUALIFYING BIOMASS;**

25 **(2) PROVIDES ENERGY USED FOR:**

26 **(I) SPACE OR WATER HEATING OR COOLING;**

27 **(II) COMBINED HEAT AND POWER;**

1 (III) HUMIDITY CONTROL; OR

2 (IV) THERMAL END USE FOR WHICH FUEL OR ELECTRICITY
3 OTHERWISE WOULD BE CONSUMED; AND

4 (3) PRODUCES AND CONSUMES ELECTRICITY WITHIN THE STATE.

5 (i) “Renewable energy credit” or “credit” means a credit equal to the
6 generation attributes of 1 megawatt–hour of electricity **OR RENEWABLE THERMAL**
7 **ENERGY EQUIVALENT** that is derived from a Tier 1 renewable source or a Tier 2
8 renewable source that is located:

9 (1) in the PJM region; or

10 (2) outside the area described in item (1) of this subsection but in a
11 control area that is adjacent to the PJM region, if the electricity is delivered into the
12 PJM region.

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

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

20 (k–1) **“RENEWABLE THERMAL ENERGY EQUIVALENT” MEANS THE**
21 **ELECTRICAL EQUIVALENT IN MEGAWATT–HOURS OF RENEWABLE THERMAL**
22 **ENERGY CALCULATED BY DIVIDING THE HEAT CONTENT, MEASURED IN BTUS,**
23 **OF THE RENEWABLE THERMAL ENERGY AT THE POINT OF TRANSFER TO A**
24 **HEAT–DEPENDENT PROCESS BY THE STANDARD CONVERSION FACTOR OF 3.412**
25 **MILLION BTUS PER MEGAWATT–HOUR.**

26 (K–2) (1) “Solar water heating system” means a system that:

27 (i) is comprised of glazed liquid–type flat–plate or tubular solar
28 collectors as defined and certified to the OG–100 standard of the Solar Ratings and
29 Certification Corporation;

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

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

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

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

6 (1) solar energy, including energy from photovoltaic technologies and
7 solar water heating systems;

8 (2) wind;

9 (3) qualifying biomass;

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

12 (5) geothermal;

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

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

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

20 (9) poultry litter-to-energy;

21 (10) waste-to-energy; and

22 (11) refuse-derived fuel.

23 (m) “Tier 2 renewable source” means hydroelectric power other than pump
24 storage generation.

25 7-704.

26 **(H) (1) ENERGY FROM A QUALIFYING THERMAL BIOMASS SYSTEM IS**
27 **ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO**
28 **STANDARD.**

29 **(2) A PERSON THAT OWNS A QUALIFYING THERMAL BIOMASS**
30 **SYSTEM SHALL RECEIVE A RENEWABLE ENERGY CREDIT FOR THE RENEWABLE**

1 THERMAL ENERGY EQUIVALENT PRODUCED BY THE QUALIFYING THERMAL
2 BIOMASS SYSTEM.

3 (3) THE COMMISSION SHALL ADOPT PROCEDURES FOR THE
4 METERING, VERIFICATION, AND REPORTING OF THERMAL ENERGY OUTPUT
5 FROM QUALIFYING THERMAL BIOMASS SYSTEMS.

6 SECTION 2. AND BE IT FURTHER ENACTED, That:

7 (1) this Act shall apply only to qualifying thermal biomass systems
8 that are commissioned on or after June 1, 2012; and

9 (2) energy produced by a qualifying thermal biomass system shall be
10 eligible for inclusion in meeting the renewable energy portfolio standard for
11 compliance years starting with 2013.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 January 1, 2013.