

SENATE BILL 1004

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2lr2936
CF HB 1339

By: **Senator Middleton**

Introduced and read first time: February 17, 2012

Assigned to: Rules

Re-referred to: Finance, February 27, 2012

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 28, 2012

Returned to second reading: March 28, 2012

Senate action: Adopted with floor amendments

Read second time: March 28, 2012

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of specifying that energy from a certain ~~qualifying~~ thermal biomass
5 system is eligible for inclusion in meeting the renewable energy portfolio
6 standard; specifying that a person that owns and operates a certain ~~qualifying~~
7 thermal biomass system is eligible to receive a certain renewable energy credit
8 under certain circumstances; specifying that a certain person that is eligible to
9 receive a certain renewable energy credit shall receive a certain renewable
10 energy credit ~~under certain circumstances~~ equal to a certain amount; requiring
11 the total amount of energy generated and consumed by a residential,
12 nonresidential, or commercial ~~qualifying~~ thermal biomass system to be
13 measured in a certain way; requiring the Public Service Commission to adopt
14 certain regulations; defining a certain term; altering a certain term; providing
15 for a delayed effective date; and generally relating to the eligibility of ~~qualifying~~
16 thermal biomass systems for inclusion in meeting the renewable energy
17 portfolio standard.

18 BY repealing and reenacting, without amendments,
19 Article – Public Utilities
20 Section 7–701(a)

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 Annotated Code of Maryland
2 (2010 Replacement Volume and 2011 Supplement)

3 BY adding to
4 Article – Public Utilities
5 Section 7–701(h–1) and 7–704(h)
6 Annotated Code of Maryland
7 (2010 Replacement Volume and 2011 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – Public Utilities
10 Section 7–701(l)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2011 Supplement)

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

15 **Article – Public Utilities**

16 7–701.

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

18 ~~(H-1) “QUALIFYING THERMAL BIOMASS SYSTEM” MEANS A SYSTEM THAT:~~

19 ~~(1) GENERATES ENERGY USING PRIMARILY FOOD WASTE, CROP~~
20 ~~WASTE, CROPS GROWN FOR ENERGY PRODUCTION, OR ANIMAL MANURE,~~
21 ~~INCLUDING POULTRY LITTER;~~

22 ~~(2) PROVIDES ENERGY USED FOR SPACE HEATING OR COOLING,~~
23 ~~WATER HEATING OR COOLING, COMBINED HEAT AND POWER, HUMIDITY~~
24 ~~CONTROL, OR THERMAL END USE IF FUEL OR ELECTRICITY WOULD OTHERWISE~~
25 ~~BE CONSUMED;~~

26 ~~(3) IS LOCATED IN A FACILITY THAT IS CONNECTED TO THE~~
27 ~~STATE’S ELECTRIC DISTRIBUTION GRID; AND~~

28 ~~(4) HAS ALL APPLICABLE STATE AND FEDERAL PERMITS.~~

29 ~~(H-1) “THERMAL BIOMASS SYSTEM” MEANS A SYSTEM THAT:~~

30 ~~(1) USES:~~

31 ~~(I) PRIMARILY ANIMAL MANURE, INCLUDING POULTRY~~
32 ~~LITTER, AND ASSOCIATED BEDDING TO GENERATE THERMAL ENERGY; AND~~

1 (II) FOOD WASTE OR QUALIFYING BIOMASS FOR THE
2 REMAINDER OF THE FEEDSTOCK;

3 (2) IS USED IN THE STATE; AND

4 (3) COMPLIES WITH ALL APPLICABLE STATE AND FEDERAL
5 STATUTES AND REGULATIONS, AS DETERMINED BY THE APPROPRIATE
6 REGULATORY AUTHORITY.

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

9 (1) solar energy, including energy from photovoltaic technologies and
10 solar water heating systems;

11 (2) wind;

12 (3) qualifying biomass, ~~INCLUDING QUALIFYING THERMAL~~
13 ~~BIOMASS SYSTEMS;~~

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

16 (5) geothermal;

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

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

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

24 (9) poultry litter-to-energy;

25 (10) waste-to-energy; ~~and~~

26 (11) refuse-derived fuel; AND

27 (12) THERMAL ENERGY FROM A THERMAL BIOMASS SYSTEM.

28 7-704.

1 **(H) (1) ENERGY FROM A ~~QUALIFYING~~ THERMAL BIOMASS SYSTEM IS**
 2 **ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO**
 3 **STANDARD.**

4 **(2) (I) A PERSON THAT OWNS AND OPERATES A THERMAL**
 5 **BIOMASS SYSTEM THAT USES ANAEROBIC DIGESTION IS ELIGIBLE TO RECEIVE A**
 6 **RENEWABLE ENERGY CREDIT.**

7 **(II) A PERSON THAT OWNS AND OPERATES A THERMAL**
 8 **BIOMASS SYSTEM THAT USES A THERMOCHEMICAL PROCESS IS ELIGIBLE TO**
 9 **RECEIVE A RENEWABLE ENERGY CREDIT IF THE PERSON DEMONSTRATES TO**
 10 **THE MARYLAND DEPARTMENT OF THE ENVIRONMENT THAT THE OPERATION**
 11 **OF THE THERMAL BIOMASS SYSTEM:**

12 **1. IS NOT SIGNIFICANTLY CONTRIBUTING TO LOCAL**
 13 **OR REGIONAL AIR QUALITY IMPAIRMENTS; AND**

14 **2. WILL SUBSTANTIALLY DECREASE EMISSIONS OF**
 15 **OXIDES OF NITROGEN BEYOND THAT ACHIEVED BY A DIRECT BURN**
 16 **COMBUSTION UNIT THROUGH THE USE OF PRECOMBUSTION TECHNIQUES,**
 17 **COMBUSTION TECHNIQUES, OR POSTCOMBUSTION TECHNIQUES.**

18 **~~(2) (3)~~ A PERSON THAT ~~OWNS AND OPERATES A QUALIFYING~~**
 19 **~~THERMAL BIOMASS SYSTEM~~ IS ELIGIBLE TO RECEIVE A RENEWABLE ENERGY**
 20 **CREDIT UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL RECEIVE A**
 21 **RENEWABLE ENERGY CREDIT EQUAL TO THE AMOUNT OF ENERGY, CONVERTED**
 22 **FROM BTUs TO KILOWATT-HOURS, THAT IS GENERATED BY THE ~~QUALIFYING~~**
 23 **THERMAL BIOMASS SYSTEM AND USED ON SITE.**

24 **~~(3) (4)~~ THE TOTAL AMOUNT OF ENERGY GENERATED AND**
 25 **CONSUMED FOR A RESIDENTIAL, NONRESIDENTIAL, OR COMMERCIAL**
 26 **~~QUALIFYING~~ THERMAL BIOMASS SYSTEM SHALL BE MEASURED BY AN ON-SITE**
 27 **METER THAT MEETS THE REQUIRED PERFORMANCE STANDARDS ~~OF THE~~**
 28 **~~INTERNATIONAL ORGANIZATION OF LEGAL METROLOGY~~ ESTABLISHED BY THE**
 29 **COMMISSION.**

30 **~~(4) (5)~~ THE COMMISSION SHALL ADOPT REGULATIONS FOR**
 31 **THE METERING, VERIFICATION, AND REPORTING OF THE OUTPUT OF**
 32 **~~QUALIFYING~~ THERMAL BIOMASS SYSTEMS.**

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 34 January 1, 2013.