

HOUSE BILL 1266

C5, M3

3lr2598
CF SB 799

By: **Delegates Lafferty, Davis, Bobo, Frush, Niemann, and Valderrama**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Energy – Landfill Diversion – Municipal Solid Waste Portfolio Standard**

3 FOR the purpose of establishing a municipal solid waste portfolio standard; requiring
4 the Department of the Environment to implement and manage a municipal
5 solid waste portfolio standard for each county in the State during certain years;
6 requiring each county to submit a certain report each year to the Department;
7 requiring each county to pay certain compliance fees into the Maryland
8 Strategic Energy Investment Fund under certain circumstances; limiting what
9 the fees paid into the Fund may be used for; providing that the Department has
10 certain power and authority to implement certain provisions of law; requiring
11 that the Department, by a certain date, designate an individual to oversee
12 compliance with the municipal solid waste portfolio standard requirements;
13 stating the duties of the individual that oversees compliance with the municipal
14 solid waste portfolio standard requirements; requiring the Department to
15 provide a certain status report to the General Assembly, the Maryland Energy
16 Administration, and the Public Service Commission on or before a certain date;
17 requiring the Department to adopt regulations to implement the provisions of
18 this Act; altering one of the purposes of the Maryland Strategic Energy
19 Investment Program; requiring the Administration to provide funding
20 assistance to implement the purposes of the municipal solid waste portfolio
21 standard; adding compliance fees from the municipal solid waste portfolio
22 standard as a revenue source for the Fund; requiring that the Administration
23 use the Fund to provide assistance to implement the purposes of the municipal
24 solid waste portfolio standard; requiring that the Administration's report on the
25 uses and expenditures of the Fund include certain information related to the
26 municipal solid waste portfolio standard; specifying the intent and findings of
27 the General Assembly; defining certain terms; making conforming changes; and
28 generally relating to the establishment of a municipal solid waste portfolio
29 standard.

30 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Public Utilities
2 Section 7–801 through 7–807 to be under the new subtitle “Subtitle 8.
3 Municipal Solid Waste Portfolio Standard”
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2012 Supplement)

6 BY repealing and reenacting, without amendments,
7 Article – State Government
8 Section 9–20B–02
9 Annotated Code of Maryland
10 (2009 Replacement Volume and 2012 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – State Government
13 Section 9–20B–03 through 9–20B–05 and 9–20B–12
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2012 Supplement)

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

18 **Article – Public Utilities**

19 **SUBTITLE 8. MUNICIPAL SOLID WASTE PORTFOLIO STANDARD.**

20 **7–801.**

21 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
22 **INDICATED.**

23 **(B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY**
24 **ADMINISTRATION.**

25 **(C) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF THE**
26 **ENVIRONMENT.**

27 **(D) “ENERGY RECOVERY” MEANS A PROCESS IN WHICH SOLID WASTE:**

28 **(1) PRODUCES A VALUABLE ENERGY RESOURCE, INCLUDING**
29 **STEAM, ELECTRICITY, GAS, OR REFUSE–DERIVED FUEL; AND**

30 **(2) ACHIEVES A VOLUME REDUCTION OF AT LEAST 65% OF ITS**
31 **SOLID WASTE STREAM.**

1 **(E) “FUND” MEANS THE MARYLAND STRATEGIC ENERGY INVESTMENT**
2 **FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT**
3 **ARTICLE.**

4 **(F) “INDEX” MEANS THE CONSUMER PRICE INDEX ESTABLISHED UNDER**
5 **§ 29-401 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.**

6 **(G) “MUNICIPAL SOLID WASTE” MEANS SOLID WASTE, AS DEFINED IN**
7 **COMAR 26.13.02.02, THAT ORIGINATES FROM HOUSEHOLDS, PRIVATE**
8 **RESIDENCES, SCHOOLS, INSTITUTIONS, BUSINESSES, OR COMMERCIAL**
9 **ENTERPRISES OR AS THE RESULT OF COMMUNITY ACTIVITIES.**

10 **(H) “RECYCLING” MEANS THE WASTE DIVERSION RATE CALCULATED BY**
11 **THE DEPARTMENT.**

12 **(I) “UNPROCESSED MIXED MUNICIPAL SOLID WASTE” MEANS**
13 **MUNICIPAL SOLID WASTE OR MUNICIPAL SOLID WASTE COMPONENTS THAT**
14 **HAVE NOT BEEN PROCESSED THROUGH RECYCLING, ENERGY RECOVERY,**
15 **ANAEROBIC DIGESTION, PRODUCTION AND USE OF REFUSE-DERIVED FUEL,**
16 **COMPOSTING, OR ANY COMBINATION OF THESE PROCESSES SO THAT THE TOTAL**
17 **WEIGHT OF THE WASTE REMAINING THAT MUST BE DISPOSED OF IN A MIXED**
18 **MUNICIPAL SOLID WASTE DISPOSAL FACILITY IS NOT MORE THAN 35% OF THE**
19 **WEIGHT BEFORE PROCESSING, ON AN ANNUAL AVERAGE.**

20 **7-802.**

21 **(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROTECT THE**
22 **STATE’S ENVIRONMENT AND OTHER NATURAL RESOURCES AND THE PUBLIC**
23 **HEALTH BY IMPROVING MUNICIPAL SOLID WASTE MANAGEMENT IN THE STATE**
24 **TO SERVE THE FOLLOWING PURPOSES:**

25 **(1) REDUCE THE AMOUNT OF MUNICIPAL SOLID WASTE DISPOSED**
26 **OF IN LANDFILLS;**

27 **(2) INCREASE RECYCLING, COMPOSTING, AND ANAEROBIC**
28 **DIGESTION OF MUNICIPAL SOLID WASTE COMPONENTS;**

29 **(3) INCREASE THE RECOVERY OF ENERGY FROM MUNICIPAL**
30 **SOLID WASTE;**

31 **(4) PROVIDE A CLEAR AND ACHIEVABLE STANDARD FOR**
32 **MUNICIPAL SOLID WASTE MANAGEMENT ACROSS THE STATE’S COUNTIES; AND**

1 **(5) ENCOURAGE AN ORDERLY AND DELIBERATE DEVELOPMENT**
2 **OF MUNICIPAL SOLID WASTE MANAGEMENT FACILITIES THAT:**

3 **(I) RECYCLE, COMPOST, AND ANAEROBICALLY DIGEST**
4 **MUNICIPAL SOLID WASTE COMPONENTS; AND**

5 **(II) RECOVER ENERGY FROM MUNICIPAL SOLID WASTE.**

6 **(B) THE GENERAL ASSEMBLY FINDS THAT:**

7 **(1) A MUNICIPAL SOLID WASTE MANAGEMENT GOAL THAT**
8 **FOSTERS AN INTEGRATED MUNICIPAL SOLID WASTE MANAGEMENT SYSTEM IN A**
9 **MANNER APPROPRIATE TO THE CHARACTERISTICS OF THE WASTE STREAM AND**
10 **UTILIZES MUNICIPAL SOLID WASTE AS AN ENERGY RESOURCE WILL PROTECT**
11 **THE STATE'S ENVIRONMENT AND OTHER NATURAL RESOURCES AND THE**
12 **PUBLIC HEALTH;**

13 **(2) THE U.S. ENVIRONMENTAL PROTECTION AGENCY HAS**
14 **FOUND THAT THE LANDFILLING OF SOLID WASTE EITHER LOSES ENERGY OR,**
15 **WHEN EQUIPPED WITH ENERGY RECOVERY, PRODUCES LESS THAN 0.5 MMBTU**
16 **PER TON OF MIXED RECYCLABLES DEPENDING ON THE LANDFILL SYSTEM,**
17 **WHILE RECYCLING SAVES APPROXIMATELY 16 MMBTU PER TON OF MIXED**
18 **RECYCLABLES, AND ENERGY RECOVERY PRODUCES NEARLY 7 MMBTU PER**
19 **TON OF MIXED RECYCLABLES; AND**

20 **(3) THE FOLLOWING MUNICIPAL SOLID WASTE MANAGEMENT**
21 **PRACTICES ARE LISTED IN ORDER OF PREFERENCE:**

22 **(I) WASTE REDUCTION AND REUSE;**

23 **(II) RECYCLING AND ANAEROBIC DIGESTION;**

24 **(III) COMPOSTING;**

25 **(IV) ENERGY RECOVERY;**

26 **(V) LANDFILLING WITH METHANE GAS OR WITH A METHANE**
27 **COLLECTION SYSTEM; AND**

28 **(VI) LANDFILLING WITHOUT METHANE COLLECTION.**

29 **7-803.**

1 **(A) THE DEPARTMENT SHALL IMPLEMENT AND MANAGE A MUNICIPAL**
2 **SOLID WASTE PORTFOLIO STANDARD THAT APPLIES TO EACH COUNTY IN THE**
3 **STATE.**

4 **(B) THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD SHALL BE AS**
5 **FOLLOWS:**

6 **(1) IN 2015, A MINIMUM OF 20% OF MUNICIPAL SOLID WASTE**
7 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 80% OF UNPROCESSED**
8 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

9 **(2) IN 2016, A MINIMUM OF 22% OF MUNICIPAL SOLID WASTE**
10 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 75% OF UNPROCESSED**
11 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

12 **(3) IN 2017, A MINIMUM OF 24% OF MUNICIPAL SOLID WASTE**
13 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 70% OF UNPROCESSED**
14 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

15 **(4) IN 2018, A MINIMUM OF 26% OF MUNICIPAL SOLID WASTE**
16 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 65% OF UNPROCESSED**
17 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

18 **(5) IN 2019, A MINIMUM OF 28% OF MUNICIPAL SOLID WASTE**
19 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 60% OF UNPROCESSED**
20 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

21 **(6) IN 2020, A MINIMUM OF 30% OF MUNICIPAL SOLID WASTE**
22 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 55% OF UNPROCESSED**
23 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

24 **(7) IN 2021, A MINIMUM OF 32% OF MUNICIPAL SOLID WASTE**
25 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 50% OF UNPROCESSED**
26 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

27 **(8) IN 2022, A MINIMUM OF 34% OF MUNICIPAL SOLID WASTE**
28 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 45% OF UNPROCESSED**
29 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

30 **(9) IN 2023, A MINIMUM OF 36% OF MUNICIPAL SOLID WASTE**
31 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 40% OF UNPROCESSED**
32 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

1 **(10) IN 2024, A MINIMUM OF 38% OF MUNICIPAL SOLID WASTE**
2 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 35% OF UNPROCESSED**
3 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

4 **(11) IN 2025, A MINIMUM OF 40% OF MUNICIPAL SOLID WASTE**
5 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 30% OF UNPROCESSED**
6 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

7 **(12) IN 2026, A MINIMUM OF 42% OF MUNICIPAL SOLID WASTE**
8 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 25% OF UNPROCESSED**
9 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

10 **(13) IN 2027, A MINIMUM OF 44% OF MUNICIPAL SOLID WASTE**
11 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 20% OF UNPROCESSED**
12 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

13 **(14) IN 2028, A MINIMUM OF 46% OF MUNICIPAL SOLID WASTE**
14 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 15% OF UNPROCESSED**
15 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

16 **(15) IN 2029, A MINIMUM OF 48% OF MUNICIPAL SOLID WASTE**
17 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 10% OF UNPROCESSED**
18 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL;**

19 **(16) IN 2030, A MINIMUM OF 50% OF MUNICIPAL SOLID WASTE**
20 **PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 5% OF UNPROCESSED**
21 **MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL; AND**

22 **(17) IN 2031 AND LATER, A MINIMUM OF 50% OF MUNICIPAL SOLID**
23 **WASTE PROCESSED THROUGH RECYCLING AND A MAXIMUM OF 0% OF**
24 **UNPROCESSED MIXED MUNICIPAL SOLID WASTE DISPOSED OF IN A LANDFILL.**

25 **7-804.**

26 **(A) EACH COUNTY SHALL SUBMIT A REPORT TO THE DEPARTMENT**
27 **EACH YEAR IN A FORM AND BY A DATE SPECIFIED BY THE DEPARTMENT THAT**
28 **DEMONSTRATES THAT THE COUNTY HAS COMPLIED WITH THE APPLICABLE**
29 **MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER §**
30 **7-803 OF THIS SUBTITLE.**

31 **(B) IF A COUNTY FAILS TO COMPLY WITH THE MUNICIPAL SOLID WASTE**
32 **PORTFOLIO STANDARD FOR THE APPLICABLE YEAR, THE COUNTY SHALL PAY**
33 **INTO THE FUND A COMPLIANCE FEE OF:**

1 **(1) THE FOLLOWING FOR THE SHORTFALL FROM THE REQUIRED**
2 **MINIMUM AMOUNT OF RECYCLING ADJUSTED FOR THE INDEX EACH CALENDAR**
3 **YEAR:**

4 **(I) \$1 PER TON IN 2015 AND 2016;**

5 **(II) \$2 PER TON IN 2017 AND 2018;**

6 **(III) \$4 PER TON IN 2019 THROUGH 2022;**

7 **(IV) \$8 PER TON IN 2023 THROUGH 2025;**

8 **(V) \$16 PER TON IN 2026 THROUGH 2028;**

9 **(VI) \$20 PER TON IN 2029; AND**

10 **(VII) \$25 PER TON IN 2030 AND LATER; AND**

11 **(2) THE FOLLOWING FOR THE SHORTFALL FROM THE REQUIRED**
12 **MAXIMUM AMOUNT OF THE DISPOSAL OF UNPROCESSED MIXED MUNICIPAL**
13 **SOLID WASTE ADJUSTED FOR THE INDEX EACH CALENDAR YEAR:**

14 **(I) \$1 PER TON IN 2015 AND 2016;**

15 **(II) \$2 PER TON IN 2017 AND 2018;**

16 **(III) \$4 PER TON IN 2019 THROUGH 2022;**

17 **(IV) \$8 PER TON IN 2023 THROUGH 2025;**

18 **(V) \$16 PER TON IN 2026 THROUGH 2028;**

19 **(VI) \$20 PER TON IN 2029; AND**

20 **(VII) \$25 PER TON IN 2030 AND LATER.**

21 **(C) COMPLIANCE FEES PAID UNDER THIS SECTION INTO THE FUND MAY**
22 **BE USED ONLY TO PROVIDE GRANTS, LOANS, AND OTHER ASSISTANCE AS**
23 **NECESSARY AND APPROPRIATE TO IMPLEMENT THE PURPOSES OF THE**
24 **MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER THIS SUBTITLE.**

25 **7-805.**

1 **(A) THE DEPARTMENT HAS THE POWER AND AUTHORITY TO**
2 **IMPLEMENT THE PROVISIONS OF THIS SUBTITLE, INCLUDING INVESTIGATING**
3 **AND EXAMINING EACH COUNTY TO DETERMINE COMPLIANCE WITH THIS**
4 **SUBTITLE.**

5 **(B) (1) BEGINNING JANUARY 1, 2015, THE DEPARTMENT SHALL**
6 **DESIGNATE AN INDIVIDUAL TO BE RESPONSIBLE FOR THE OVERSIGHT OF**
7 **COMPLIANCE WITH THE REQUIREMENTS OF THE MUNICIPAL SOLID WASTE**
8 **PORTFOLIO STANDARD.**

9 **(2) THE INDIVIDUAL DESIGNATED UNDER PARAGRAPH (1) OF**
10 **THIS SUBSECTION SHALL:**

11 **(I) DEVELOP A MUNICIPAL SOLID WASTE PROGRAM BASED**
12 **ON THE REQUIREMENTS OF THIS SUBTITLE TO ENSURE COUNTIES COMPLY WITH**
13 **THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD;**

14 **(II) PROVIDE EDUCATION AND OUTREACH TO PROMOTE**
15 **COMPLIANCE WITH THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD;**

16 **(III) MAKE POLICY RECOMMENDATIONS TO THE**
17 **DEPARTMENT AND THE COUNTIES REGARDING IMPROVING THE STATE'S**
18 **INTEGRATED MUNICIPAL SOLID WASTE MANAGEMENT SYSTEM; AND**

19 **(IV) MAKE RECOMMENDATIONS, AS DETERMINED BY THE**
20 **DEPARTMENT, TO THE ADMINISTRATION FOR PROGRAMS, PROJECTS, AND**
21 **ACTIVITIES THAT MAY BE SUPPORTED THROUGH THE USE OF GRANTS, LOANS,**
22 **AND OTHER ASSISTANCE FROM THE FUND.**

23 **7-806.**

24 **ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT SHALL**
25 **REPORT TO THE ADMINISTRATION, THE COMMISSION, AND, IN ACCORDANCE**
26 **WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**
27 **ASSEMBLY ON THE STATUS OF THE IMPLEMENTATION OF THIS SUBTITLE,**
28 **INCLUDING THE AMOUNT OF COMPLIANCE FEES PAID, THE PROGRAMS,**
29 **PROJECTS, AND ACTIVITIES SUPPORTED THROUGH THE USE OF GRANTS, LOANS,**
30 **AND OTHER ASSISTANCE FROM THE FUND, AND OTHER PERTINENT**
31 **INFORMATION.**

32 **7-807.**

1 **THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE**
2 **PROVISIONS OF THIS SUBTITLE.**

3 **Article – State Government**

4 9–20B–02.

5 There is a Maryland Strategic Energy Investment Program in the Maryland
6 Energy Administration.

7 9–20B–03.

8 The purpose of the Program is to decrease energy demand **FOR RAW**
9 **MATERIALS** and increase energy supply to promote affordable, reliable, and clean
10 energy to fuel Maryland’s future prosperity.

11 9–20B–04.

12 The Administration shall:

13 (1) manage, supervise, and administer the Program;

14 (2) adopt regulations to implement the Program and to ensure that
15 Fund resources are utilized only to carry out the purposes of the Program;

16 (3) attach specific terms and conditions to any grant, loan, or other
17 form of assistance that are determined by the Administration as necessary to ensure
18 that the purposes of the Program are fulfilled;

19 (4) develop procedures for monitoring programs, projects, activities,
20 and investments to verify that Fund resources are being used to meet the purposes of
21 the Program; [and]

22 (5) **PROVIDE GRANTS, LOANS, AND OTHER ASSISTANCE, AS**
23 **RECOMMENDED BY THE DEPARTMENT OF THE ENVIRONMENT, TO IMPLEMENT**
24 **THE PURPOSES OF THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER**
25 **TITLE 7, SUBTITLE 8 OF THE PUBLIC UTILITIES ARTICLE; AND**

26 (6) provide moneys annually or as needed to the Clean Air Fund
27 managed by the Department of the Environment to fund the costs of the Department’s
28 programs to reduce or mitigate the effects of climate change.

29 9–20B–05.

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

1 (b) The purpose of the Fund is to implement the Strategic Energy
2 Investment Program.

3 (c) The Administration shall administer the Fund.

4 (d) (1) The Fund is a special, nonlapsing fund that is not subject to §
5 7–302 of the State Finance and Procurement Article.

6 (2) The Treasurer shall hold the Fund separately and the Comptroller
7 shall account for the Fund.

8 (e) The Fund consists of:

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

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

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

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

15 (5) compliance fees paid under § 7–705 of the Public Utilities Article;
16 [and]

17 **(6) COMPLIANCE FEES PAID UNDER § 7–804 OF THE PUBLIC**
18 **UTILITIES ARTICLE; AND**

19 **[(6)] (7)** money received from any public or private source for the
20 benefit of the Fund.

21 (f) The Administration shall use the Fund:

22 (1) to invest in the promotion, development, and implementation of:

23 (i) cost-effective energy efficiency and conservation programs,
24 projects, or activities, including measurement and verification of energy savings;

25 (ii) renewable and clean energy resources;

26 (iii) climate change programs directly related to reducing or
27 mitigating the effects of climate change; and

28 (iv) demand response programs that are designed to promote
29 changes in electric usage by customers in response to:

- 1 1. changes in the price of electricity over time; or
- 2 2. incentives designed to induce lower electricity use at
- 3 times of high wholesale market prices or when system reliability is jeopardized;

4 (2) to provide targeted programs, projects, activities, and investments

5 to reduce electricity consumption by customers in the low-income and

6 moderate-income residential sectors;

7 (3) to provide supplemental funds for low-income energy assistance

8 through the Electric Universal Service Program established under § 7-512.1 of the

9 Public Utilities Article and other electric assistance programs in the Department of

10 Human Resources;

11 (4) to provide rate relief by offsetting electricity rates of residential

12 customers, including an offset of surcharges imposed on ratepayers under § 7-211 of

13 the Public Utilities Article;

14 (5) to provide grants, loans, and other assistance and investment as

15 necessary and appropriate to implement the purposes of the Program as set forth in §

16 9-20B-03 of this subtitle;

17 **(6) TO PROVIDE GRANTS, LOANS, AND OTHER ASSISTANCE AS**

18 **NECESSARY AND APPROPRIATE TO IMPLEMENT THE PURPOSES OF THE**

19 **MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER TITLE 7, SUBTITLE 8**

20 **OF THE PUBLIC UTILITIES ARTICLE FROM COMPLIANCE FEES PAID UNDER §**

21 **7-804 OF THE PUBLIC UTILITIES ARTICLE;**

22 **[(6)] (7)** to implement energy-related public education and outreach

23 initiatives regarding reducing energy consumption and greenhouse gas emissions; and

24 **[(7)] (8)** to pay the expenses of the Program.

25 (g) Except as provided in subsection (g-1) of this section, proceeds received

26 by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article

27 shall be allocated to the following accounts:

28 (1) 17% shall be credited to an energy assistance account to be used

29 for the Electric Universal Service Program and other electricity assistance programs

30 in the Department of Human Resources;

31 (2) except as provided in subsection (g-2) of this section, 23% shall be

32 credited to a rate relief account to provide rate relief by offsetting electricity rates of

33 residential customers, including an offset of surcharges imposed on ratepayers under §

34 7-211 of the Public Utilities Article, on a per customer basis and in a manner

35 prescribed by the Public Service Commission;

1 (3) at least 46% shall be credited to a low and moderate income
2 efficiency and conservation programs account and to a general efficiency and
3 conservation programs account for energy efficiency and conservation programs,
4 projects, or activities and demand response programs, of which at least one-half shall
5 be targeted to the low and moderate income efficiency and conservation programs
6 account for:

7 (i) the low-income residential sector at no cost to the
8 participants of the programs, projects, or activities; and

9 (ii) the moderate-income residential sector;

10 (4) up to 10.5% shall be credited to a renewable and clean energy
11 programs account for:

12 (i) subject to subsection (i) of this section, renewable and clean
13 energy programs and initiatives;

14 (ii) energy-related public education and outreach; and

15 (iii) climate change programs; and

16 (5) up to 3.5%, but not more than \$4,000,000, shall be credited to an
17 administrative expense account for costs related to the administration of the Fund,
18 including the review of electric company plans for achieving electricity savings and
19 demand reductions that the electric companies are required under law to submit to the
20 Administration.

21 (g-1) The proceeds described in subsection (g) of this section from the
22 allowances sold between March 1, 2009, and June 30, 2012, shall be allocated as
23 follows:

24 (1) up to 50% shall be credited to an energy assistance account to be
25 used as described in subsection (g)(1) of this section;

26 (2) 23% shall be credited to a rate relief account to be allocated as
27 provided in subsection (g)(2) of this section;

28 (3) at least 17.5% shall be credited to a low and moderate income
29 efficiency and conservation programs account and to a general efficiency and
30 conservation programs account to be allocated as provided in subsection (g)(3) of this
31 section;

32 (4) at least 6.5% shall be credited to a renewable and clean energy
33 programs account to be allocated as provided in subsection (g)(4) of this section; and

1 (5) up to 3.0%, but not more than \$4,000,000, shall be credited to an
2 administrative expense account to be allocated as provided in subsection (g)(5) of this
3 section.

4 (g–2) Subsection (g)(2) of this section does not apply to residential customers of
5 a small rural electric cooperative, as defined in § 1–101 of the Public Utilities Article.

6 (h) (1) Energy efficiency and conservation programs under subsection
7 (g)(3) of this section include:

8 (i) low–income energy efficiency programs;

9 (ii) residential and small business energy efficiency programs;

10 (iii) commercial and industrial energy efficiency programs;

11 (iv) State and local energy efficiency programs;

12 (v) demand response programs;

13 (vi) loan programs and alternative financing mechanisms; and

14 (vii) grants to training funds and other organizations supporting
15 job training for deployment of energy efficiency and energy conservation technology
16 and equipment.

17 (2) Energy–related public education and outreach and renewable and
18 clean energy programs and initiatives under subsection (g)(4)(i) and (ii) of this section
19 include:

20 (i) production incentives for specified renewable energy sources;

21 (ii) expansion of existing grant programs for solar, geothermal,
22 and wind programs;

23 (iii) loan programs and alternative financing mechanisms; and

24 (iv) consumer education and outreach programs that are
25 designed to reach low–income communities.

26 (i) (1) Except as provided in paragraph (2) of this subsection, compliance
27 fees paid under § 7–705(b) of the Public Utilities Article may be used only to make
28 loans and grants to support the creation of new Tier 1 renewable energy sources in the
29 State.

30 (2) Compliance fees paid under § 7–705(b)(1)(ii) of the Public Utilities
31 Article shall be accounted for separately within the Fund and may be used only to

1 make loans and grants to support the creation of new solar energy sources in the
2 State.

3 **(J) COMPLIANCE FEES PAID UNDER § 7-804 OF THE PUBLIC UTILITIES**
4 **ARTICLE MAY BE USED ONLY TO PROVIDE GRANTS, LOANS, AND OTHER**
5 **ASSISTANCE AS NECESSARY AND APPROPRIATE TO IMPLEMENT THE PURPOSES**
6 **OF THE MUNICIPAL SOLID WASTE PORTFOLIO STANDARD UNDER TITLE 7,**
7 **SUBTITLE 8 OF THE PUBLIC UTILITIES ARTICLE.**

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

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

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

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

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

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

19 (2) a budget amendment in accordance with § 7-209 of the State
20 Finance and Procurement Article.

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

23 (1) the Administration has submitted the proposed budget amendment
24 and supporting documentation to the Senate Budget and Taxation Committee, Senate
25 Finance Committee, House Appropriations Committee, and House Economic Matters
26 Committee; and

27 (2) the committees have had 45 days for review and comment.

28 9-20B-12.

29 (a) On or before January 1 of each year, the Administration shall report to
30 the Governor and, in accordance with § 2-1246 of this article, to the General Assembly
31 on the uses and expenditures of the Fund from the prior fiscal year.

32 (b) The report shall include:

1 (1) a detailed accounting of all amounts received by and disbursed
2 from the Fund;

3 (2) all amounts used by the Administration for administrative
4 purposes;

5 (3) programs, projects, and activities included in each category under §
6 9–20B–05(g) of this subtitle;

7 (4) the status of programs, projects, activities, and investments
8 implemented with funds from the Fund, including an evaluation of the impact of the
9 programs, projects, activities, and investments that are directed to low-income or
10 moderate-income residential sectors or to other particular classes of ratepayers;

11 (5) an estimate of electricity savings from the programs, projects,
12 activities, and investments;

13 (6) the number of allowances sold in each auction;

14 (7) the average allowance price from each auction;

15 (8) an estimate of revenue from future auctions; [and]

16 (9) recommendations for changes to the allocation of funds under §
17 9–20B–05(g) of this subtitle;

18 **(10) BEGINNING IN 2016, PROGRAMS, PROJECTS, AND ACTIVITIES**
19 **SUPPORTED BY MUNICIPAL SOLID WASTE PORTFOLIO COMPLIANCE FEES**
20 **UNDER § 7–804 OF THE PUBLIC UTILITIES ARTICLE; AND**

21 **(11) BEGINNING IN 2016, THE ENERGY SAVED AND PRODUCED AS A**
22 **RESULT OF THE IMPLEMENTATION OF THE MUNICIPAL SOLID WASTE**
23 **PORTFOLIO STANDARD UNDER TITLE 7, SUBTITLE 8 OF THE PUBLIC UTILITIES**
24 **ARTICLE.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2013.