HOUSE BILL 1149

C5

4lr2779
CF SB 733

By: **Delegates Barnes, Carr, Clippinger, Glenn, Gutierrez, Guzzone, Hixson, Hucker, Kaiser, A. Kelly, Mitchell, Mizeur, Morhaim, S. Robinson, Stein, Vaughn, A. Washington, and M. Washington**

Introduced and read first time: February 7, 2014

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Renewable Energy Portfolio Standards**

3 FOR the purpose of increasing the renewable energy portfolio standards for electricity
4   derived from Tier 1 renewable sources for certain years; increasing the
5   minimum required percentage of Tier 1 renewable energy that must be derived
6   from solar energy in certain years; establishing renewable energy portfolio
7   standards for certain years; providing for the application of this Act; and
8   generally relating to renewable energy portfolio standards.

9 BY repealing and reenacting, with amendments,
10   Article – Public Utilities
11   Section 7–703
12   Annotated Code of Maryland
13   (2010 Replacement Volume and 2013 Supplement)

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

Article – Public Utilities

17 7–703.

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

21   (ii)   If the standard becomes applicable to electricity sold to a
22 customer after the start of a calendar year, the standard does not apply to electricity

1   sold to the customer during that portion of the year before the standard became
2   applicable.

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

5   (i)   in excess of 300,000,000 kilowatt–hours of industrial process
6   load to a single customer in a year;

7   (ii)   to residential customers in a region of the State in which
8   electricity prices for residential customers are subject to a freeze or cap contained in a
9   settlement agreement entered into under § 7–505 of this title until the freeze or cap
10 has expired; or

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

14   (3)   The portion of a renewable energy portfolio standard that
15 represents offshore wind energy may not apply to electricity sales at retail by any
16 electricity supplier in excess of:

17   (i)   75,000,000 kilowatt–hours of industrial process load to a
18 single customer in a year; and

19   (ii)   3,000 kilowatt–hours of electricity in a month to a customer
20 who is an owner of agricultural land and files an Internal Revenue Service form 1040,
21 schedule F.

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

23   (1)   in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2
24 renewable sources;

25   (2)   in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2
26 renewable sources;

27   (3)   in 2008, 2.005% from Tier 1 renewable sources, including at least
28 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

29   (4)   in 2009, 2.01% from Tier 1 renewable sources, including at least
30 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

31   (5)   in 2010, 3.025% from Tier 1 renewable sources, including at least
32 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

3   (7)   in 2012, 6.5% from Tier 1 renewable sources, including at least
4   0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

5   (8)   in 2013, 8.2% from Tier 1 renewable sources, including at least
6   0.25% derived from solar energy, and 2.5% from Tier 2 renewable sources;

7   (9)   in 2014, 10.3% from Tier 1 renewable sources, including at least
8   0.35% derived from solar energy, and 2.5% from Tier 2 renewable sources;

9   (10)   in 2015, 10.5% from Tier 1 renewable sources, including at least
10   0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

11   (11)   in 2016, 12.7% from Tier 1 renewable sources, including at least
12   0.7% derived from solar energy, and 2.5% from Tier 2 renewable sources;

13   (12)   in 2017:

14   (i)   **[**13.1%**] 15.65%** from Tier 1 renewable sources, including:

15   1.   at least **[**0.95%**] 1.05%** derived from solar energy; and

16   2.   an amount set by the Commission under § 7–704.2(a)
17   of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

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

19   (13)   in 2018:

20   (i)   **[**15.8%**] 20.8%** from Tier 1 renewable sources, including:

21   1.   at least **[**1.4%**] 1.5%** derived from solar energy; and

22   2.   an amount set by the Commission under § 7–704.2(a)
23   of this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

24   (ii)   2.5% from Tier 2 renewable sources;

25   (14)   in 2019, **[**17.4%**] 23.75%** from Tier 1 renewable sources, including:

26   (i)   at least **[**1.75%**] 2%** derived from solar energy; and

27   (ii)   an amount set by the Commission under § 7–704.2(a) of this
28   subtitle, not to exceed 2.5%, derived from offshore wind energy;

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

2   (i)   at least **[**2.0%**]** **2.55%** derived from solar energy; and

3   (ii)   an amount set by the Commission under § 7–704.2(a) of this
4   subtitle, not to exceed 2.5%, derived from offshore wind energy;

5   (16)   in 2021, **[**18.7%**]** **28%** from Tier 1 renewable sources, including:

6   (i)   at least **[**2.0%**]** **3.2%** derived from solar energy; and

7   (ii)   an amount set by the Commission under § 7–704.2(a) of this
8   subtitle, not to exceed 2.5%, derived from offshore wind energy; **[**and**]**

9   (17)   in 2022 **[**and later**]**, **[**20%**]** **31%** from Tier 1 renewable sources,
10   including:

11   (i)   at least **[**2%**]** **4%** derived from solar energy; and

12   (ii)   an amount set by the Commission under § 7–704.2(a) of this
13   subtitle, not to exceed 2.5%, derived from offshore wind energy**;**

14   **(18)   IN   2023,   34%   FROM   TIER   1   RENEWABLE   SOURCES,**
15   **INCLUDING:**

16   **(I)   AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**

17   **(II)   AN   AMOUNT   SET   BY   THE   COMMISSION   UNDER   §**
18   **7–704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE**
19   **WIND ENERGY;**

20   **(19)   IN   2024,   37%   FROM   TIER   1   RENEWABLE   SOURCES,**
21   **INCLUDING:**

22   **(I)   AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**

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

26   **(20)   IN 2025 AND LATER, 40% FROM TIER 1 RENEWABLE SOURCES,**
27   **INCLUDING:**

1   **(I)**   **AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**

2   **(II)**   **AN AMOUNT SET BY THE COMMISSION UNDER §**
3 **7–704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE**
4 **WIND ENERGY**.

5   (c)   Before calculating the number of credits required to meet the percentages
6 established under subsection (b) of this section, an electricity supplier shall exclude
7 from its total retail electricity sales all retail electricity sales described in subsection
8 (a)(2) and (3) of this section.

9   (d)   Subject to subsections (a) and (c) of this section and in accordance with §
10 7–704.2 of this subtitle, an electricity supplier shall meet the renewable energy
11 portfolio standard by accumulating the equivalent amount of renewable energy credits
12 that equal the percentages required under this section.

13   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
14 construed to apply only prospectively and may not be applied or interpreted to have
15 any effect on or application to any contract existing before the effective date of this
16 Act.

17   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2014.