

# SENATE BILL 733

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By: **Senators Pinsky, Madaleno, Benson, Frosh, Jones–Rodwell, King, Manno,  
Montgomery, Ramirez, Raskin, Rosapepe, and Young**

Introduced and read first time: January 31, 2014

Assigned to: Finance

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## 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:

16 **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  
23 sold to the customer during that portion of the year before the standard became  
24 applicable.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

21                   (1)    in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
22 renewable sources;

23                   (2)    in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
24 renewable sources;

25                   (3)    in 2008, 2.005% from Tier 1 renewable sources, including at least  
26 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

27                   (4)    in 2009, 2.01% from Tier 1 renewable sources, including at least  
28 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

29                   (5)    in 2010, 3.025% from Tier 1 renewable sources, including at least  
30 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

31                   (6)    in 2011, 5.0% from Tier 1 renewable sources, including at least  
32 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

3           (8)    in 2013, 8.2% from Tier 1 renewable sources, including at least  
4 0.25% derived from solar energy, and 2.5% from Tier 2 renewable sources;

5           (9)    in 2014, 10.3% from Tier 1 renewable sources, including at least  
6 0.35% derived from solar energy, and 2.5% from Tier 2 renewable sources;

7           (10)   in 2015, 10.5% from Tier 1 renewable sources, including at least  
8 0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

9           (11)   in 2016, 12.7% from Tier 1 renewable sources, including at least  
10 0.7% derived from solar energy, and 2.5% from Tier 2 renewable sources;

11          (12)   in 2017:

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

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

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

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

17          (13)   in 2018:

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

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

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

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

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

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

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

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

- 1 (i) at least [2.0%] **2.55%** derived from solar energy; and
- 2 (ii) an amount set by the Commission under § 7–704.2(a) of this  
3 subtitle, not to exceed 2.5%, derived from offshore wind energy;
- 4 (16) in 2021, [18.7%] **28%** from Tier 1 renewable sources, including:
- 5 (i) at least [2.0%] **3.2%** derived from solar energy; and
- 6 (ii) an amount set by the Commission under § 7–704.2(a) of this  
7 subtitle, not to exceed 2.5%, derived from offshore wind energy; [and]
- 8 (17) in 2022 [and later], [20%] **31%** from Tier 1 renewable sources,  
9 including:
- 10 (i) at least [2%] **4%** derived from solar energy; and
- 11 (ii) an amount set by the Commission under § 7–704.2(a) of this  
12 subtitle, not to exceed 2.5%, derived from offshore wind energy;
- 13 **(18) IN 2023, 34% FROM TIER 1 RENEWABLE SOURCES,**  
14 **INCLUDING:**
- 15 **(I) AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**
- 16 **(II) AN AMOUNT SET BY THE COMMISSION UNDER §**  
17 **7–704.2(A) OF THIS SUBTITLE, NOT TO EXCEED 2.5%, DERIVED FROM OFFSHORE**  
18 **WIND ENERGY;**
- 19 **(19) IN 2024, 37% FROM TIER 1 RENEWABLE SOURCES,**  
20 **INCLUDING:**
- 21 **(I) AT LEAST 4% DERIVED FROM SOLAR ENERGY; 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; AND**
- 25 **(20) IN 2025 AND LATER, 40% FROM TIER 1 RENEWABLE SOURCES,**  
26 **INCLUDING:**
- 27 **(I) AT LEAST 4% DERIVED FROM SOLAR ENERGY; AND**

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

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

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

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

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