

**HB1076/313890/1**

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1076

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute "Energy-Generating Cooperative Advisory Committee".

On page 1, strike beginning with "establishing" in line 3 down through "Act;" in line 14; strike beginning with "requiring" in line 18 down through "subcommittee;" in line 21 and substitute "specifying the duties of the Committee;"; strike beginning with the first "Department" in line 22 down through "the" in line 27; and in line 27, after "Assembly" insert "on or before a certain date; providing for the construction of this Act; providing for the termination of this Act".

On pages 1 and 2, strike in their entirety the lines beginning with line 29 on page 1 through line 31 on page 2, inclusive.

AMENDMENT NO. 2

On page 2, in line 33, strike "the Laws of Maryland read as follows"; and after line 33, insert:

"(a) There is an Energy-Generating Cooperative Advisory Committee.

(b) The Committee consists of the following members:

(1) One member of the Senate of Maryland, appointed by the President of the Senate;

(2) One member of the House of Delegates, appointed by the Speaker of the House;

(Over)

- (3) The Secretary of Agriculture, or the Secretary's designee;
  - (4) The Director of the Maryland Energy Administration, or the Director's designee;
  - (5) The Chair of the Public Service Commission, or the Chair's designee;
  - (6) The Executive Director of the Maryland Clean Energy Center, or the Executive Director's designee; and
  - (7) The following members appointed by the Governor:
    - (i) One representative of the electric utility industry;
    - (ii) One representative of the electric cooperative industry;
    - (iii) One representative of the poultry industry;
    - (iv) One poultry farmer; and
    - (v) One representative of the environmental community.
- (c) The Secretary of Agriculture, or the Secretary's designee, and the Director of the Maryland Energy Administration, or the Director's designee, shall cochair the Committee.
- (d) The State units represented on the Committee shall provide staff for the Committee.
- (e) A member of the Committee:

- (1) May not receive compensation as a member of the Committee; but
  - (2) Is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.
- (f) The Committee shall evaluate:
- (1) The most efficient, cost-effective, and environmentally sound methods for utilizing poultry litter;
  - (2) Whether anaerobic decomposition of poultry litter is an appropriate method to reduce the State's nutrient load to the Chesapeake Bay;
  - (3) The potential for reduced air emissions from anaerobic decomposition of poultry litter;
  - (4) Funding sources for poultry litter energy-generating cooperatives, including the Strategic Energy Investment Fund, manure transport programs, and other available funding;
  - (5) A tariff structure that is appropriate for poultry litter energy-generating cooperatives, that will avoid costs to and subsidies from customers of an electric company, and that will ensure that an electric company receives full and timely recovery of prudently incurred costs, while encouraging poultry litter energy-generating cooperatives, by considering:
    - (i) Ancillary services and volt-ampere reactive support;
    - (ii) Reduced land costs;
    - (iii) Demand charge management;

(iv) Electric service reliability;

(v) The value of renewable energy credits associated with energy generation from poultry litter and the relationship between that value and any subsidization, regional electricity pricing mechanisms, and other aspects of the tariff structure; and

(vi) The relationship of various aspects of the tariff structure and the energy-generating cooperative structure to the costs of distribution and generation to the energy-generating cooperative, other generators, transmission companies, distribution utilities, and electric rate payers;

(6) A tariff structure and related regulatory structure designed to operate the energy-generating cooperative at least cost;

(7) Whether an energy-generating cooperative and its cooperative members should be compensated or assessed costs;

(8) The size and number of energy-generating cooperatives that the State can support; and

(9) Any other issue that the Committee determines is necessary.

(g) On or before December 31, 2015, the Committee shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on:

(1) A tariff structure that encourages poultry litter energy-generating cooperatives and allows an electric company to recover prudently incurred costs;

(2) An appropriate regulatory structure that provides necessary oversight while allowing the energy-generating cooperative to be operated at least cost;

(3) Whether an energy-generating cooperative and its cooperative members should be compensated or assessed costs;

(4) The size and number of energy-generating cooperatives that the State can support;

(5) The most efficient, cost-effective, and environmentally sound methods for utilizing poultry litter; and

(6) Other matters the Committee considers necessary or advisable to bring to the attention of the General Assembly.”.

On pages 2 through 9, strike in their entirety the lines beginning with line 34 on page 2 through line 18 on page 9, inclusive.

AMENDMENT NO. 3

On page 9, after line 18, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That this Act may not be construed to apply to, to interfere with, or to affect in any way any project or application that may involve the use of poultry litter for energy generation that may be undertaken under Maryland law in effect as of the effective date of this Act.”;

in line 19, strike “2.” and substitute “3.”; and in line 20, after “2014.” insert “It shall remain effective for a period of 2 years and, at the end of May 31, 2016, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.