

# HOUSE BILL 1452

C5

7lr3183  
CF 7lr2625

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By: **Delegates Clippinger and B. Barnes**

Introduced and read first time: February 10, 2017

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard Requirements – Standard Offer Service**

3 FOR the purpose of requiring an electric company to contract for certain renewable energy  
4 credits and electricity generated from certain Tier 1 renewable sources to meet a  
5 certain portion of the renewable energy portfolio standard for electricity that the  
6 electric company provides to certain customers beginning on a certain date; requiring  
7 an electric company to solicit bids for a certain contract from certain renewable  
8 energy facilities; requiring an electric company to use a competitive procurement  
9 process to award a certain contract; requiring that a term for a certain contract be  
10 for a certain minimum and maximum duration; authorizing an electric company to  
11 recover certain costs associated with this Act; providing for the application of this  
12 Act; and generally relating to the renewable energy portfolio standard.

13 BY repealing and reenacting, without amendments,  
14 Article – Public Utilities  
15 Section 7–701(a) and (r)  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2016 Supplement)

18 BY adding to  
19 Article – Public Utilities  
20 Section 7–703.1  
21 Annotated Code of Maryland  
22 (2010 Replacement Volume and 2016 Supplement)

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

25 **Article – Public Utilities**

26 7–701.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (r) "Tier 1 renewable source" means one or more of the following types of energy  
3 sources:

4 (1) solar energy, including energy from photovoltaic technologies and solar  
5 water heating systems;

6 (2) wind;

7 (3) qualifying biomass;

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

10 (5) geothermal, including energy generated through geothermal exchange  
11 from or thermal energy avoided by, groundwater or a shallow ground source;

12 (6) ocean, including energy from waves, tides, currents, and thermal  
13 differences;

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

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

18 (9) poultry litter-to-energy;

19 (10) waste-to-energy;

20 (11) refuse-derived fuel; and

21 (12) thermal energy from a thermal biomass system.

22 **7-703.1.**

23 (A) **NOTWITHSTANDING § 7-510 OF THIS TITLE OR ANY REGULATION OR**  
24 **ORDER UNDER THIS TITLE, BEGINNING IN 2018, AN ELECTRIC COMPANY SHALL**  
25 **CONTRACT FOR RENEWABLE ENERGY CREDITS AND ELECTRICITY GENERATED**  
26 **FROM ENERGY FROM A TIER 1 RENEWABLE SOURCE UNDER § 7-701(R)(1), (2), (5),**  
27 **(6), OR (8) OF THIS SUBTITLE TO MEET A PORTION OF THE ELECTRIC COMPANY'S**  
28 **RENEWABLE ENERGY PORTFOLIO STANDARD IN ACCORDANCE WITH SUBSECTION**  
29 **(C) OF THIS SECTION.**

1           **(B) (1) AN ELECTRIC COMPANY SHALL:**

2                           **(I) SOLICIT BIDS FOR A CONTRACT UNDER SUBSECTION (A) OF**  
3 **THIS SECTION FROM RENEWABLE ENERGY FACILITIES THAT WILL BE PLACED INTO**  
4 **SERVICE WITHIN 3 YEARS AFTER THE DATE OF THE SOLICITATION; AND**

5                           **(II) USE A COMPETITIVE PROCUREMENT PROCESS TO AWARD**  
6 **THE CONTRACT.**

7                           **(2) THE TERM OF A CONTRACT UNDER SUBSECTION (A) OF THIS**  
8 **SECTION SHALL BE FOR AT LEAST 10 YEARS AND NOT MORE THAN 20 YEARS.**

9           **(C) BEGINNING IN 2018, THE RENEWABLE ENERGY CREDITS AND**  
10 **ELECTRICITY CONTRACTED FOR UNDER SUBSECTION (A) OF THIS SECTION SHALL**  
11 **BE USED TO MEET AT LEAST 25% OF THAT YEAR'S RENEWABLE PORTFOLIO**  
12 **STANDARD FOR THE ELECTRICITY THAT THE ELECTRIC COMPANY PROVIDES TO**  
13 **CUSTOMERS OF THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE.**

14           **(D) AN ELECTRIC COMPANY MAY RECOVER COSTS ASSOCIATED WITH THIS**  
15 **SECTION, INCLUDING LOST REVENUE, IN ITS DISTRIBUTION RATES IN A BASE RATE**  
16 **CASE.**

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

20           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2017.