

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Enrolled

Senate Bill 1158

(Senator Middleton, *et al.*)

Finance

Economic Matters

Department of Natural Resources - Solar Generation Facilities - Pollinator-Friendly Designation

This bill expands the activities of the Power Plant Research Program (PPRP) within the Department of Natural Resources (DNR) to include an evaluation of the pollinator benefits that would occur under a pollinator-friendly vegetation management standard or pollinator habitat plan implemented on land on which a proposed or an existing ground-mounted solar generation facility is located. DNR, in consultation with the Maryland Department of Agriculture (MDA), must designate a solar generation facility as pollinator-friendly if it meets specified requirements, and may charge a reasonable fee to cover costs associated with the designation. The owner of a solar generation facility is prohibited from making specified claims regarding the pollinator benefits of the facility unless it has been designated as pollinator-friendly by DNR. DNR must adopt implementing regulations.

The bill takes effect June 1, 2017.

Fiscal Summary

State Effect: General fund expenditures may increase beginning in FY 2018 for DNR to evaluate smaller solar generation facilities for designation as pollinator-friendly that are otherwise not evaluated by PPRP; general fund expenditures increase by \$6,500 per additional facility evaluated (over the life of the facility) for contractual services. General fund revenues increase to the extent DNR charges fees as authorized in the bill, partially or wholly offsetting any increase in expenditures. As many as 30 to 40 new facilities each fiscal year, and at least 100 existing facilities, that are not otherwise evaluated by PPRP, may be eligible to seek designation as pollinator-friendly; however, it is unclear how many will do so.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: DNR must adopt a Solar Site Pollinator Habitat Planning and Assessment scorecard that (1) has been recommended by the University of Maryland bee lab; (2) may be updated or amended only once every two years; and (3) applies only to solar generation facilities.

A solar generation facility may be designated by DNR as pollinator-friendly if (1) the facility is ground-mounted, is at least one acre in size, and meets or exceeds the minimum score identified in the Solar Site Pollinator Habitat Planning and Assessment scorecard and (2) the land on which the facility is located is planted and managed in accordance with a pollinator-friendly vegetation management standard or pollinator habitat plan evaluated by PPRP. A solar generation facility may be designated as pollinator-friendly only by DNR.

The owner of a solar generation facility may not claim that the facility is pollinator-friendly or that the facility provides benefits to pollinators, song birds, or game birds unless the facility has been designated as pollinator-friendly by DNR.

The owner of a pollinator-friendly solar generation facility must (1) provide appropriate maintenance of the pollinator vegetation and (2) make the facility's pollinator-friendly vegetation management standard or pollinator habitat plan evaluated by PPRP available to the Maryland, DC, and Virginia Solar Energy Industries Association or other nonprofit solar industry trade associations.

The bill does not restrict any farming practices on any land adjacent to the land on which a solar generation facility is located.

Current Law/Background:

Power Plant Research Program

PPRP, in cooperation with several specified State agencies, evaluates sites for their suitability for use as electric power plants, including related environmental and land use considerations; this information is then used by the Public Service Commission (PSC) in considering requests for new power plants and associated transmission lines. Statute specifies various studies, research, and other activities the program must include.

PPRP indicates, in its December 2016 [*Maryland Power Plants and the Environment*](#) report, that approximately 15 proposed solar generation facilities throughout the State have

recently undergone review by PPRP as part of the PSC licensing process. PPRP has recommended certificate of public convenience and necessity (CPCN – a PSC comprehensive approval required before construction of a generating station) conditions that have helped to ensure that the projects incorporate wetland protection, tree planting, vegetation management, and the establishment of pollinator habitat.

Pollinators

MDA indicates in [*The Maryland Pollinator Protection Plan*](#) (released in 2016) that there are many types of pollinators found in Maryland, including honey bees, native bees, butterflies, moths, flies, birds, and beetles. The plan indicates that pollinator health is declining across the country, putting the nation’s food supply – about one-third of which depends on pollinators – at risk. The plan includes various best practices aimed at improving pollinator health, including the creation or improvement of pollinator habitat.

State Expenditures: General fund expenditures may increase each fiscal year, beginning in fiscal 2018, for DNR to evaluate new or existing solar generation facilities for designation as pollinator-friendly that are otherwise not evaluated by PPRP. Specifically, general fund expenditures increase by an estimated \$6,500 over the life of a facility, for contractual services. That estimate includes costs for the initial designation and periodic follow-up visits to ensure maintenance of the pollinator habitat. PPRP indicates that the life of a 2-megawatt (MW) solar facility is typically 20 years. While the bill takes effect June 1, 2017, it is assumed that any expenditure increases do not occur before fiscal 2018.

The bill requires DNR to evaluate, for designation as pollinator-friendly, certain solar generation facilities which are currently not subject to review by PPRP, including new or existing facilities with a generating capacity of 2 MW or less. The definition under PSC regulations of “generating station” (for which a CPCN generally must be obtained) excludes facilities with a generating capacity of 2 MW or less. The bill indicates that a solar generation facility may be designated by DNR as pollinator-friendly if, among other things, the facility is at least one acre in size, which includes facilities of less than 2 MW. PPRP indicates that 2 MW of generating capacity translates to roughly 10 acres of solar panels.

Based on information from PJM Environmental Information Services’ Generation Attribute Tracking System database, which includes information on renewable energy facilities and the date each begins producing electricity, as many as 30 to 40 additional new facilities that are at least one acre in size, but with less than 2 MW of generating capacity (new facilities that PPRP does not otherwise evaluate), could seek designation as pollinator-friendly each fiscal year. In addition, it appears there are at least 100 existing facilities not otherwise evaluated by PPRP that are eligible to seek designation as pollinator-friendly. It is uncertain how many eligible facilities seek designation as

pollinator-friendly under the bill, however. Thus, the overall impact on DNR cannot be reliably estimated at this time.

State Revenues: General fund revenues increase to the extent DNR uses the authority provided by the bill to charge fees for designation of facilities as pollinator-friendly, partially or wholly offsetting any increase in general fund expenditures.

Small Business Effect: Any impact the bill has on small businesses is expected to generally be beneficial (whether for those constructing or owning solar generation facilities, those providing products or services for establishment of pollinator habitat, or those benefitting from improved pollinator habitat and health). The bill does, however, authorize DNR to charge a fee for designation of a facility as pollinator-friendly, potentially adding to any costs associated with obtaining the designation. The extent of any beneficial impact is unclear, but it may be meaningful.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources; Department of Commerce; Maryland Department of Agriculture; Maryland Department of the Environment; Maryland Department of Planning; University System of Maryland; Maryland Energy Administration; MDV-SEIA; Department of Legislative Services

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