

# HOUSE BILL 939

M3, C5

8lr0320

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By: **Delegates Kramer and Fraser–Hidalgo**

Introduced and read first time: February 5, 2018

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Regional Carbon Cost Collection Initiative**

3 FOR the purpose of establishing a Regional Carbon Cost Collection Initiative in the  
4 Department of the Environment for certain purposes; requiring the Secretary of the  
5 Environment to administer certain schedules of greenhouse gas pollution charges;  
6 requiring the Secretary to delegate certain collection and rebate functions to the  
7 Comptroller; requiring the Comptroller to carry out certain functions; requiring the  
8 collection of a certain greenhouse gas pollution charge on certain fuels and certain  
9 greenhouse gas–emitting priorities for certain purposes; requiring the Secretary to  
10 make a certain determination in consultation with the Public Service Commission;  
11 requiring the Secretary to make a certain estimate using certain information;  
12 providing for the assessment of a certain charge at a certain rate in certain years,  
13 subject to a certain condition; providing for the reduction of a certain charge for  
14 certain sequestered emissions; requiring the collection of a certain charge on certain  
15 products at their first point of sale in the State; requiring each electric distribution  
16 company and each competitive electricity supplier to pay in a certain manner a  
17 certain charge calculated in a certain manner; providing for the deduction of certain  
18 amounts from a certain charge in a certain manner; requiring the Department to  
19 determine the fuel used at certain generating plants in a certain manner; requiring  
20 the payment of a certain charge quarterly with an annual reconciliation; requiring  
21 each electricity supplier to file certain information with the Commission by a certain  
22 date each year for certain purposes; requiring the Commission to open a docket for  
23 certain purposes; requiring the Commission to issue a certain order under certain  
24 circumstances; requiring certain persons generating a certain amount of electricity  
25 to pay a certain charge calculated in a certain manner; requiring certain natural gas  
26 distribution companies to pay a certain charge calculated in a certain manner;  
27 requiring the Secretary to determine a certain charge for certain escaped gas for the  
28 purpose of determining a certain additional charge; exempting certain governmental  
29 units from the charge under this Act; providing for the initial date of collection of a  
30 certain charge, subject to a certain condition; requiring the Secretary to determine  
31 certain matters for identifying certain substances as a greenhouse gas–emitting

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 priority, with certain exceptions; requiring the Secretary to prepare certain reports  
2 periodically considering certain matters and to submit the reports to the Governor  
3 and the General Assembly; prohibiting the imposition of certain charges if  
4 superseded by federal law or regulation; establishing a Green Infrastructure Fund  
5 as a special, nonlapsing fund for certain purposes; providing for the administration  
6 and functioning of the Infrastructure Fund; providing for the distribution of money  
7 from the Infrastructure Fund to certain local governments and State programs in a  
8 certain manner for certain purposes; establishing certain priorities for certain  
9 disbursements; establishing a Green Infrastructure Fund Advisory Board with  
10 certain membership for certain purposes; establishing a Greenhouse Gas Pollution  
11 Charges Fund as a special, nonlapsing fund for certain purposes; providing for the  
12 administration and functioning of the Charges Fund; establishing certain accounts  
13 in the Charges Fund for certain purposes; providing for the distribution of money in  
14 the Household Rebate Account and the Employer Rebate Account in certain manners  
15 for certain purposes; providing that certain money distributed as a rebate under this  
16 Act may not be included in taxable income for purposes of any State or local income  
17 tax; providing that certain money distributed as a rebate shall be excluded from  
18 household income for certain purposes; providing that the Secretary is not subject to  
19 penalties or actions for damages for certain actions under this Act; requiring the  
20 Secretary to make certain efforts to return certain charges to certain persons in a  
21 certain manner; requiring the Secretary to consider certain alternative calendar  
22 schedules for certain purposes; requiring the Secretary to identify certain measures  
23 and programs annually in consultation with certain units; authorizing the Secretary  
24 to issue certain additional rebates or declare certain exemptions; requiring the  
25 Secretary to study and report on certain matters to the Governor and the General  
26 Assembly by a certain date; providing for the implementation of certain charges and  
27 rebates under this Act if certain states adopt carbon cost collection charges  
28 comparable to the charges imposed under this Act; requiring the Department to  
29 notify the Department of Legislative Services of certain matters at certain dates;  
30 requiring the Secretary to adopt certain regulations in consultation with the  
31 Commission; defining certain terms; and generally relating to greenhouse gas  
32 emissions reductions.

33 BY adding to

34 Article – Environment

35 New part designation “Part I. Statewide Inventory and Emissions Reduction Plan”

36 to immediately precede Section 2–1201; and Section 2–1214 through 2–1223

37 to be under the new part “Part II. Regional Carbon Cost Collection Initiative”

38 Annotated Code of Maryland

39 (2013 Replacement Volume and 2017 Supplement)

40 BY repealing and reenacting, without amendments,

41 Article – Environment

42 Section 2–1201(1) through (5) and (8) and 2–1202

43 Annotated Code of Maryland

44 (2013 Replacement Volume and 2017 Supplement)

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

3 **Article – Environment**

4 **PART I. STATEWIDE INVENTORY AND EMISSIONS REDUCTION PLAN.**

5 2–1201.

6 The General Assembly finds that:

7 (1) Greenhouse gases are air pollutants that threaten to endanger the  
8 public health and welfare of the people of Maryland;

9 (2) Global warming poses a serious threat to the State’s future health,  
10 well-being, and prosperity;

11 (3) With 3,100 miles of tidally influenced shoreline, Maryland is vulnerable  
12 to the threat posed by global warming and susceptible to rising sea levels and flooding,  
13 which would have detrimental and costly effects;

14 (4) The State has the ingenuity to reduce the threat of global warming and  
15 make greenhouse gas reductions a part of the State’s future by achieving a 25% reduction  
16 in greenhouse gas emissions from 2006 levels by 2020 and by preparing a plan to meet a  
17 longer-term goal of reducing greenhouse gas emissions by up to 90% from 2006 levels by  
18 2050 in a manner that promotes new “green” jobs, and protects existing jobs and the State’s  
19 economic well-being;

20 (5) Studies have shown that energy efficiency programs and technological  
21 initiatives consistent with the goal of reducing greenhouse gas emissions can result in a net  
22 economic benefit to the State;

23 (8) It is necessary to protect the public health, economic well-being, and  
24 natural treasures of the State by reducing harmful air pollutants such as greenhouse gas  
25 emissions by using practical solutions that are already at the State’s disposal;

26 2–1202.

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

28 (b) “Alternative compliance mechanism” means an action authorized by  
29 regulations adopted by the Department that achieves the equivalent reduction of  
30 greenhouse gas emissions over the same period as a direct emissions reduction.

31 (c) “Carbon dioxide equivalent” means the measurement of a given weight of a  
32 greenhouse gas that has the same global warming potential, measured over a specified  
33 period of time, as one metric ton of carbon dioxide.

1 (d) "Direct emissions reduction" means a reduction of greenhouse gas emissions  
2 from a greenhouse gas emissions source.

3 (e) "Greenhouse gas" includes carbon dioxide, methane, nitrous oxide,  
4 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

5 (f) "Greenhouse gas emissions source" means a source or category of sources of  
6 greenhouse gas emissions that have emissions of greenhouse gases that are subject to  
7 reporting requirements or other provisions of this subtitle, as determined by the  
8 Department.

9 (g) "Leakage" means a reduction in greenhouse gas emissions within the State  
10 that is offset by a corresponding increase in greenhouse gas emissions from a greenhouse  
11 gas emissions source located outside the State that is not subject to a similar state,  
12 interstate, or regional greenhouse gas emissions cap or limitation.

13 (h) (1) "Manufacturing" means the process of substantially transforming, or a  
14 substantial step in the process of substantially transforming, tangible personal property  
15 into a new and different article of tangible personal property by the use of labor or  
16 machinery.

17 (2) "Manufacturing", when performed by companies primarily engaged in  
18 the activities described in paragraph (1) of this subsection, includes:

19 (i) The operation of saw mills, grain mills, or feed mills;

20 (ii) The operation of machinery and equipment used to extract and  
21 process minerals, metals, or earthen materials or by-products that result from the  
22 extracting or processing; and

23 (iii) Research and development activities.

24 (3) "Manufacturing" does not include:

25 (i) Activities that are primarily a service;

26 (ii) Activities that are intellectual, artistic, or clerical in nature;

27 (iii) Public utility services, including gas, electric, water, and steam  
28 production services; or

29 (iv) Any other activity that would not commonly be considered as  
30 manufacturing.

31 (i) "Statewide greenhouse gas emissions" means the total annual emissions of  
32 greenhouse gases in the State, measured in metric tons of carbon dioxide equivalents,

1 including all emissions of greenhouse gases from the generation of electricity delivered to  
2 and consumed in the State, and line losses from the transmission and distribution of  
3 electricity, whether the electricity is generated in-State or imported.

4 **2-1212. RESERVED.**

5 **2-1213. RESERVED.**

6 **PART II. REGIONAL CARBON COST COLLECTION INITIATIVE.**

7 **2-1214.**

8 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY  
11 ADMINISTRATION.

12 (C) "ADULT RESIDENT" MEANS A RESIDENT OF THE STATE AT LEAST 18  
13 YEARS OLD.

14 (D) "CHARGES FUND" MEANS THE GREENHOUSE GAS POLLUTION  
15 CHARGES FUND ESTABLISHED UNDER § 2-1219 OF THIS SUBTITLE.

16 (E) "COMMISSION" MEANS THE PUBLIC SERVICE COMMISSION.

17 (F) "ELECTRICITY SUPPLIER" HAS THE MEANING STATED IN § 1-101 OF THE  
18 PUBLIC UTILITIES ARTICLE.

19 (G) "EMPLOYER" MEANS A PERSON, A GOVERNMENTAL UNIT, OR ANY  
20 OTHER ENTITY THAT HAS EMPLOYEES WORKING IN THE STATE.

21 (H) (1) "GREENHOUSE GAS-EMITTING PRIORITY" MEANS A SUBSTANCE  
22 THAT:

23 (I) EMITS OR IS CAPABLE OF EMITTING A GREENHOUSE GAS  
24 WHEN BURNED OR RELEASED TO THE ATMOSPHERE; AND

25 (II) IS IDENTIFIED AS A PRIORITY UNDER THIS PART.

26 (2) "GREENHOUSE GAS-EMITTING PRIORITY" INCLUDES:

27 (I) NATURAL GAS;

1 (II) PETROLEUM;

2 (III) COAL; AND

3 (IV) ANY SOLID, LIQUID, OR GASEOUS FUEL DERIVED FROM  
4 ITEM (I), (II), OR (III) OF THIS PARAGRAPH.

5 (I) "GREENHOUSE GAS POLLUTION CHARGE" OR "CHARGE" MEANS A  
6 CHARGE IMPOSED ON EACH CARBON DIOXIDE EQUIVALENT UNDER THIS PART.

7 (J) "INFRASTRUCTURE FUND" MEANS THE GREEN INFRASTRUCTURE  
8 FUND ESTABLISHED UNDER § 2-1218 OF THIS SUBTITLE.

9 (K) "INITIATIVE" MEANS THE REGIONAL CARBON COST COLLECTION  
10 INITIATIVE UNDER THIS PART.

11 (L) (1) "LIFE CYCLE EMISSIONS" MEANS GREENHOUSE GAS EMISSIONS  
12 THAT ARE RELEASED DURING PHASES OF A FUEL OR OTHER PRODUCT'S LIFE.

13 (2) "LIFE CYCLE EMISSIONS" INCLUDES GREENHOUSE GAS  
14 EMISSIONS RELEASED DURING EXTRACTION, PROCESSING, TRANSPORTATION, AND  
15 DISPOSAL ACTIVITIES.

16 (M) "MINOR RESIDENT" MEANS A RESIDENT OF THE STATE UNDER THE AGE  
17 OF 18 YEARS.

18 (N) "MOTOR FUEL" HAS THE MEANING STATED IN § 9-101 OF THE  
19 TAX - GENERAL ARTICLE.

20 (O) "MOTOR VEHICLE" HAS THE MEANING STATED IN § 9-101 OF THE  
21 TAX - GENERAL ARTICLE.

22 (P) "ON-SITE GENERATED ELECTRICITY" HAS THE MEANING STATED IN §  
23 1-101 OF THE PUBLIC UTILITIES ARTICLE.

24 (Q) "QUINTILE 1" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
25 INCOMES THROUGH THE 20TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

26 (R) "QUINTILE 2" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
27 INCOMES ABOVE THE 20TH PERCENTILE THROUGH THE 40TH PERCENTILE OF ALL  
28 HOUSEHOLDS IN THE STATE.

29 (S) "QUINTILE 3" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX

1 INCOMES ABOVE THE 40TH PERCENTILE THROUGH THE 60TH PERCENTILE OF ALL  
2 HOUSEHOLDS IN THE STATE.

3 (T) "QUINTILE 4" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
4 INCOMES ABOVE THE 60TH PERCENTILE THROUGH THE 80TH PERCENTILE OF ALL  
5 HOUSEHOLDS IN THE STATE.

6 (U) "QUINTILE 5" MEANS THE 20% OF HOUSEHOLDS WITH PRE-TAX  
7 INCOMES ABOVE THE 80TH PERCENTILE OF ALL HOUSEHOLDS IN THE STATE.

8 (V) "TOTAL REBATE SHARES" MEANS THE SUM OF ALL ADULT RESIDENTS  
9 AND ONE-HALF THE MINOR RESIDENTS OF THE STATE.

10 2-1215.

11 (A) THERE IS A REGIONAL CARBON COST COLLECTION INITIATIVE IN THE  
12 DEPARTMENT.

13 (B) THE INITIATIVE PROVIDES FOR:

14 (1) THE ASSESSMENT OF GREENHOUSE GAS POLLUTION CHARGES  
15 FOR GREENHOUSE GAS EMISSIONS MEASURED ACCORDING TO CARBON DIOXIDE  
16 EQUIVALENTS ASSOCIATED WITH VARIOUS ACTIVITIES IN THE STATE;

17 (2) THE FUNDING OF GREENHOUSE GAS REDUCTION ACTIVITIES IN  
18 THE STATE; AND

19 (3) REBATES TO HOUSEHOLDS AND EMPLOYERS IN THE STATE TO  
20 MITIGATE THE IMPACT OF CHARGES UNDER THE INITIATIVE.

21 2-1216.

22 (A) THE SECRETARY SHALL ADMINISTER THE SCHEDULES OF GREENHOUSE  
23 GAS POLLUTION CHARGES UNDER THIS PART.

24 (B) THE SECRETARY SHALL DELEGATE ALL COLLECTION OF GREENHOUSE  
25 GAS POLLUTION CHARGES, DISTRIBUTION OF REBATES, AND ANY OTHER  
26 APPROPRIATE FUNCTIONS TO THE COMPTROLLER.

27 (C) THE COMPTROLLER SHALL CARRY OUT ALL FUNCTIONS THE  
28 SECRETARY DELEGATES UNDER THIS PART.

29 2-1217.

1           **(A) (1) A GREENHOUSE GAS POLLUTION CHARGE SHALL BE COLLECTED**  
2 **ON ALL FOSSIL FUELS AND OTHER GREENHOUSE GAS-EMITTING PRIORITIES**  
3 **BROUGHT INTO THE STATE FOR PURPOSES OF DISTRIBUTION OR USE IN THE STATE,**  
4 **AT THE RATE SPECIFIED IN SUBSECTION (B) OF THIS SECTION AND IN THE MANNER**  
5 **SPECIFIED IN THIS SECTION.**

6           **(2) (I) FOR THE PURPOSE OF CALCULATING THE CHARGE, THE**  
7 **SECRETARY, IN CONSULTATION WITH THE COMMISSION, SHALL DETERMINE THE**  
8 **AVERAGE CARBON DIOXIDE EQUIVALENT PER UNIT OF EACH GREENHOUSE**  
9 **GAS-PRODUCING SUBSTANCE.**

10           **(II) FOR SUBSTANCES THAT PRODUCE GREENHOUSE GASES**  
11 **OTHER THAN CARBON DIOXIDE WHERE THE CARBON DIOXIDE EQUIVALENT PER**  
12 **UNIT IS NOT PRECISELY KNOWN, BECAUSE THE RATE OF LEAKAGE OF THE**  
13 **SUBSTANCE INTO THE ATMOSPHERE IS UNCERTAIN OR FOR OTHER REASONS, THE**  
14 **SECRETARY SHALL ESTIMATE THE AVERAGE CARBON DIOXIDE EQUIVALENT PER**  
15 **UNIT OF THE SUBSTANCE USED IN THE STATE USING THE BEST AVAILABLE**  
16 **RELIABLE INFORMATION.**

17           **(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION AND § 2-1222 OF THIS**  
18 **SUBTITLE, THE CHARGE SHALL BE ASSESSED PER TON OF CARBON DIOXIDE**  
19 **EQUIVALENT AS FOLLOWS:**

20           **(1) \$15 IN 2019;**

21           **(2) \$20 IN 2020;**

22           **(3) \$25 IN 2021;**

23           **(4) \$30 IN 2022;**

24           **(5) \$35 IN 2023;**

25           **(6) \$40 IN 2024; AND**

26           **(7) \$45 IN 2025 AND EACH YEAR THEREAFTER.**

27           **(C) IF THE CHARGES AND REBATES UNDER THIS PART TAKE EFFECT IN A**  
28 **CALENDAR YEAR LATER THAN 2019, THE SECRETARY SHALL DELAY THE SCHEDULE**  
29 **OF CHARGES UNDER SUBSECTION (B) OF THIS SECTION BY THE SAME NUMBER OF**  
30 **YEARS.**



1           (D) (1) IN SALES WHERE GREENHOUSE GAS EMISSIONS FROM THE FOSSIL  
2 FUELS ARE TO BE PERMANENTLY SEQUESTERED AND NOT RELEASED INTO THE  
3 ATMOSPHERE, CHARGES ON THE FOSSIL FUELS SHALL BE REDUCED BY THE  
4 DEPARTMENT IN PROPORTION TO THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS  
5 TO BE SEQUESTERED.

6           (2) THE DEPARTMENT SHALL ENSURE THAT, IN THESE CASES, THE  
7 EMISSIONS ARE PERMANENTLY SEQUESTERED AND ARE NOT RELEASED INTO THE  
8 ATMOSPHERE.

9           (E) THE CHARGE SHALL BE COLLECTED ON ALL PETROLEUM PRODUCTS AT  
10 THEIR FIRST POINT OF SALE IN THE STATE FOR CONSUMPTION OR DISTRIBUTION IN  
11 THE STATE.

12           (F) (1) EACH ELECTRICITY SUPPLIER, INCLUDING EACH ELECTRIC  
13 DISTRIBUTION COMPANY OPERATING IN THE STATE AND EACH COMPETITIVE  
14 SUPPLIER OF ELECTRICITY TO END USERS, SHALL PAY THE CHARGE ON BEHALF OF  
15 ALL OF THEIR ELECTRICITY CUSTOMERS ON THE BASIS OF EACH KILOWATT-HOUR  
16 OF ELECTRICITY USED BY EACH DISTRIBUTION CUSTOMER.

17           (2) THE PER-KILOWATT-HOUR CHARGE TO BE PAID BY THE  
18 ELECTRICITY SUPPLIER FOR A RETAIL ELECTRIC PRODUCT SOLD TO ELECTRIC  
19 CUSTOMERS IN THE STATE IS CALCULATED AS FOLLOWS:

20                   (I) THE CHARGE SHALL BE CALCULATED ON AN ANNUAL BASIS,  
21 BASED ON THE ELECTRICITY FUEL MIX FOR EACH PRODUCT;

22                   (II) THE CARBON DIOXIDE EQUIVALENT OF EVERY  
23 KILOWATT-HOUR OF ELECTRICITY SHALL BE DETERMINED BY TAKING THE  
24 WEIGHTED AVERAGE OF THE NATURAL GAS, COAL, AND OIL PORTIONS OF THE FUEL  
25 MIX AND MULTIPLYING EACH OF THOSE PORTIONS SEPARATELY BY THE AMOUNT OF  
26 CARBON DIOXIDE EQUIVALENT EMISSIONS CREATED PER KILOWATT-HOUR OF  
27 ELECTRICITY PRODUCED BY EACH FUEL, AS THOSE CARBON INTENSITY LEVELS ARE  
28 DETERMINED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION;

29                   (III) THE ELECTRICITY SUPPLIER SHALL DEDUCT FROM THE  
30 CHARGE CALCULATED UNDER ITEMS (I) AND (II) OF THIS PARAGRAPH AN AMOUNT  
31 EQUAL TO THE AMOUNT THE ELECTRICITY SUPPLIER PAID FOR THE SAME YEAR ON  
32 ACCOUNT OF REGIONAL GREENHOUSE GAS INITIATIVE CLEARING AUCTIONS; AND

33                   (IV) THE AMOUNT DEDUCTED UNDER ITEM (III) OF THIS  
34 PARAGRAPH MAY NOT EXCEED THE TOTAL AMOUNT OF THE CHARGE CALCULATED  
35 UNDER ITEMS (I) AND (II) OF THIS PARAGRAPH.

1           **(3) THE DEPARTMENT SHALL DETERMINE THE FUEL USED TO**  
2 **GENERATE ELECTRICITY AT EACH GENERATING PLANT IN THE STATE AND THE FUEL**  
3 **USED TO GENERATE ELECTRICITY THAT IS IMPORTED INTO THE STATE BASED ON**  
4 **INFORMATION FROM PJM INTERCONNECTION AND OTHER SOURCES.**

5           **(4) AN ELECTRICITY SUPPLIER SHALL:**

6                   **(I) PAY THE CHARGE AT LEAST QUARTERLY; AND**

7                   **(II) RECONCILE ANNUAL CHARGES PAID AT LEAST ONCE EACH**  
8 **YEAR.**

9           **(G) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, EACH ELECTRICITY**  
10 **SUPPLIER SHALL FILE WITH THE COMMISSION THE RESULT OF ITS PROPOSED**  
11 **CALCULATION FOR THE YEAR BEGINNING THE FOLLOWING JANUARY 1.**

12                   **(2) THE FILING MUST INCLUDE SUFFICIENT SUPPORTING DATA TO**  
13 **ENABLE THE COMMISSION TO DETERMINE WHETHER THE CALCULATION BY THE**  
14 **ELECTRICITY SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH SUBSECTION (F)**  
15 **OF THIS SECTION.**

16                   **(3) (I) ON RECEIPT OF THE CALCULATION BY THE ELECTRICITY**  
17 **SUPPLIER, THE COMMISSION SHALL OPEN A DOCKET.**

18                           **(II) THE SOLE PURPOSE OF THE DOCKET SHALL BE FOR THE**  
19 **COMMISSION TO DETERMINE WHETHER THE CALCULATION BY THE ELECTRICITY**  
20 **SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH SUBSECTION (F) OF THIS**  
21 **SECTION.**

22                                   **(III) IF THE COMMISSION DETERMINES THAT THE CALCULATION**  
23 **BY THE ELECTRICITY SUPPLIER WAS MADE FULLY IN ACCORDANCE WITH**  
24 **SUBSECTION (F) OF THIS SECTION, THE COMMISSION SHALL, NOT LATER THAN**  
25 **NOVEMBER 15 OF THE SAME YEAR, ISSUE AN ORDER APPROVING THE**  
26 **CALCULATION.**

27   **(IV) 1. IF THE COMMISSION DETERMINES THAT THE**  
28 **CALCULATION BY THE ELECTRICITY SUPPLIER DOES NOT FULLY COMPLY WITH**  
29 **SUBSECTION (F) OF THIS SECTION:**

30   **A. THE COMMISSION SHALL ISSUE AN ORDER STATING**  
31 **CLEARLY THE ERRORS THAT THE ELECTRICITY SUPPLIER MADE; AND**

1           **B. THE ELECTRICITY SUPPLIER SHALL HAVE 21 DAYS TO**  
2 **MAKE A COMPLIANCE FILING WITH THE COMMISSION CORRECTING THE ERRORS**  
3 **IDENTIFIED IN THE COMMISSION’S ORDER.**

4           **2. IF AN ELECTRICITY SUPPLIER FAILS TO MAKE A**  
5 **COMPLIANCE FILING AS REQUIRED BY THE COMMISSION, THE COMMISSION SHALL**  
6 **ISSUE AN ORDER ESTABLISHING THE CALCULATION THAT THE ELECTRICITY**  
7 **SUPPLIER MUST USE FOR THE FOLLOWING CALENDAR YEAR.**

8           **(H) (1) ANY PERSON THAT GENERATES MORE THAN 25,000**  
9 **KILOWATT-HOURS OF ON-SITE GENERATED ELECTRICITY USING ANY COMBINATION**  
10 **OF ONE OR MORE FOSSIL FUELS MUST PAY AS A CHARGE THE CARBON PRICE OF THE**  
11 **FUELS.**

12           **(2) THE CARBON PRICE FOR FUELS UNDER PARAGRAPH (1) OF THIS**  
13 **SUBSECTION SHALL BE CALCULATED BY MULTIPLYING THE QUANTITY OF EACH**  
14 **SEPARATE FOSSIL FUEL COMBUSTED TO PRODUCE ELECTRICITY BY THE CARBON**  
15 **DIOXIDE EQUIVALENT EMISSIONS PER UNIT OF EACH SEPARATE FUEL SO**  
16 **COMBUSTED.**

17           **(3) WITHIN 1 YEAR AFTER THE DATE THAT THE CHARGES AND**  
18 **REBATES UNDER THIS PART TAKE EFFECT, THE SECRETARY SHALL ADOPT**  
19 **REGULATIONS FOR THE CALCULATION, ASSESSMENT, AND COLLECTION OF THESE**  
20 **CARBON PRICE AMOUNTS.**

21           **(4) ANY CHARGE ALREADY PAID ON THE FUEL UNDER THIS SECTION**  
22 **SHALL BE DEDUCTED FROM THE CHARGE THAT WOULD OTHERWISE BE DUE UNDER**  
23 **THIS SUBSECTION.**

24           **(I) (1) THE LOCAL DISTRIBUTION COMPANY FOR NATURAL GAS SHALL**  
25 **PAY THE CHARGE FOR ALL NATURAL GAS THAT THE COMPANY DISTRIBUTES FOR**  
26 **USE IN THE STATE.**

27           **(2) THE CHARGE UNDER THIS SUBSECTION SHALL BE CALCULATED**  
28 **BY MULTIPLYING THE NUMBER OF CUBIC FEET OF NATURAL GAS USED BY EACH**  
29 **CUSTOMER BY THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS RELEASED BY**  
30 **BURNING 1 CUBIC FOOT OF NATURAL GAS, AS THAT VALUE IS DETERMINED BY THE**  
31 **UNITED STATES ENERGY INFORMATION ADMINISTRATION.**

32           **(J) SUBJECT TO SUBSECTION (N) OF THIS SECTION, THE SECRETARY SHALL**  
33 **DETERMINE THE AMOUNT OF CARBON DIOXIDE EQUIVALENTS RELEASED IN THE**  
34 **FORM OF ESCAPED METHANE DUE TO THE EXTRACTION, TRANSPORT, OR**  
35 **DISTRIBUTION OF NATURAL GAS BEFORE THE POINT OF CONSUMPTION IN THE**

1 STATE, AND MAY ADD AN ADDITIONAL CHARGE TO THE CARBON PRICE FOR ALL  
2 NATURAL GAS OR NATURAL GAS-BASED ELECTRICITY, BASED ON THE RATE  
3 SPECIFIED IN SUBSECTION (B) OF THIS SECTION.

4 (K) (1) UNITS OF GOVERNMENT WHOSE PRIMARY PURPOSE IS TO  
5 PROVIDE PUBLIC TRANSPORTATION BY BUS, VAN, RAIL, OR OTHER MEANS THAT  
6 REDUCE THE AMOUNT OF DRIVING BY PRIVATE MOTOR VEHICLES SHALL BE EXEMPT  
7 FROM GREENHOUSE GAS POLLUTION CHARGES UNDER THIS PART.

8 (2) IF AN EXEMPTION FOR A UNIT UNDER PARAGRAPH (1) OF THIS  
9 SUBSECTION IS NOT FEASIBLE, THE UNIT SHALL BE FULLY REIMBURSED FOR ITS  
10 INCREASED COSTS UNDER THIS PART FROM THE CHARGES FUND.

11 (L) (1) SUBJECT TO § 2-1222 OF THIS SUBTITLE, THE COLLECTION OF  
12 THE CHARGE UNDER THIS SECTION SHALL BEGIN ON THE ADOPTION OF ALL  
13 NECESSARY RULES FOR ITS COLLECTION, BUT NOT LATER THAN JANUARY 1, 2020,  
14 FOR EMISSIONS OCCURRING IN 2019.

15 (2) THE CHARGE ESTABLISHED BY THIS PART SHALL BE REDUCED BY  
16 THE AMOUNT OF ANY FEE, CHARGE, OR OTHER PAYMENT DUE UNDER ANY FEDERAL  
17 LAW THAT SETS A CARBON PRICE ON THE SAME FOSSIL FUELS FOR THE SAME YEAR  
18 AS DESCRIBED IN THIS PART, BUT MAY NOT RESULT IN A REBATE THAT EXCEEDS THE  
19 CHARGE.

20 (M) THE CHARGES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO  
21 THE GREEN INFRASTRUCTURE FUND AND THE GREENHOUSE GAS CHARGES FUND  
22 IN ACCORDANCE WITH THIS PART.

23 (N) (1) USING THE BEST INFORMATION AND SCIENCE REASONABLY  
24 AVAILABLE, THE SECRETARY SHALL DETERMINE WHETHER TO IDENTIFY ANY  
25 GREENHOUSE GAS-EMITTING SUBSTANCE, IN ADDITION TO NATURAL GAS,  
26 PETROLEUM, COAL, AND THEIR DERIVATIVES, AS A GREENHOUSE GAS-EMITTING  
27 PRIORITY FOR THE PURPOSES OF THIS PART.

28 (2) EMISSIONS FROM FARM ANIMALS AND CROPS MAY NOT BE  
29 DESIGNATED AS GREENHOUSE GAS-EMITTING PRIORITIES.

30 (O) (1) WITHIN 3 YEARS AFTER THE CHARGES AND REBATES UNDER THIS  
31 PART TAKE EFFECT, AND EVERY 2 YEARS THEREAFTER, THE SECRETARY, IN  
32 CONSULTATION WITH THE COMMISSION, SHALL SUBMIT A REPORT TO THE  
33 GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT  
34 ARTICLE, THE GENERAL ASSEMBLY.

1           **(2) THE REPORT SHALL TAKE INTO CONSIDERATION WHETHER ANY**  
2 **INCREASES OR DECREASES IN GREENHOUSE GAS POLLUTION CHARGES ARE**  
3 **RECOMMENDED TO:**

4                   **(I) ACCOUNT FOR INFLATION;**

5                   **(II) ADDRESS LIFE CYCLE EMISSIONS AND LEAKAGE ISSUES;**

6                   **(III) ENSURE PROGRESS TOWARD REACHING EMISSIONS LIMITS**  
7 **UNDER PART I OF THIS SUBTITLE AND SUBTITLE 10 OF THIS TITLE; AND**

8                   **(IV) MITIGATE SERIOUS HARM TO ECONOMIC SECTORS,**  
9 **ECONOMIC SUBSECTORS, OR INDIVIDUAL EMPLOYERS OF THE STATE CAUSED BY**  
10 **COLLECTION OF GREENHOUSE GAS POLLUTION CHARGES UNDER THIS PART.**

11           **(P) NOTWITHSTANDING ANY OTHER LAW, THE CHARGES AUTHORIZED**  
12 **UNDER THIS SECTION MAY NOT BE IMPOSED ON ANY GREENHOUSE GAS-PRODUCING**  
13 **SUBSTANCE IF THE IMPOSITION IS SUPERSEDED BY FEDERAL LAW OR REGULATION.**

14 **2-1218.**

15           **(A) THERE IS A GREEN INFRASTRUCTURE FUND.**

16           **(B) (1) THE PURPOSE OF THE INFRASTRUCTURE FUND IS TO SUPPORT**  
17 **INVESTMENTS IN TRANSPORTATION, RESILIENCY, AND CLEAN ENERGY PROJECTS**  
18 **THAT:**

19                   **(I) REDUCE GREENHOUSE GAS EMISSIONS;**

20                   **(II) PREPARE FOR CLIMATE CHANGE IMPACTS;**

21                   **(III) ASSIST LOW-INCOME HOUSEHOLDS AND RENTERS IN**  
22 **REDUCING THEIR ENERGY COSTS; AND**

23                   **(IV) PROVIDE TRANSITIONAL ASSISTANCE TO WORKERS WHO**  
24 **ARE DISPLACED BY SHRINKAGE OF FOSSIL FUEL-RELATED INDUSTRIES AND**  
25 **COMMUNITIES IN THE STATE THAT EXPERIENCE LOSSES IN TAX REVENUES AND**  
26 **OTHER ECONOMIC LOSS DUE TO THE SHRINKAGE.**

27           **(2) WHEREVER FEASIBLE, INVESTMENTS UNDER PARAGRAPH (1) OF**  
28 **THIS SUBSECTION SHALL ALSO BE DESIGNED TO CREATE LOCAL ECONOMIC**  
29 **DEVELOPMENT AND EMPLOYMENT IN THE STATE.**

1 (C) THE DEPARTMENT SHALL ADMINISTER THE INFRASTRUCTURE FUND.

2 (D) (1) THE INFRASTRUCTURE FUND IS A SPECIAL, NONLAPSING FUND  
3 THAT IS NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND  
4 PROCUREMENT ARTICLE.

5 (2) THE STATE TREASURER SHALL HOLD THE INFRASTRUCTURE  
6 FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE  
7 INFRASTRUCTURE FUND.

8 (E) THE INFRASTRUCTURE FUND CONSISTS OF:

9 (1) 10% OF THE PROCEEDS OF THE GREENHOUSE GAS POLLUTION  
10 CHARGES COLLECTED UNDER § 2-1217 OF THIS SUBTITLE;

11 (2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE  
12 INFRASTRUCTURE FUND; AND

13 (3) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE  
14 BENEFIT OF THE INFRASTRUCTURE FUND.

15 (F) THE INFRASTRUCTURE FUND MAY BE USED ONLY FOR:

16 (1) PURPOSES AUTHORIZED UNDER THIS SECTION; AND

17 (2) ADMINISTRATION OF THE INFRASTRUCTURE FUND, NOT TO  
18 EXCEED 5% OF THE MONEY IN THE INFRASTRUCTURE FUND.

19 (G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE  
20 INFRASTRUCTURE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE  
21 INVESTED.

22 (2) ANY INTEREST EARNINGS OF THE INFRASTRUCTURE FUND SHALL  
23 BE CREDITED TO THE GENERAL FUND OF THE STATE.

24 (H) (1) THE INFRASTRUCTURE FUND SHALL DISTRIBUTE AT LEAST  
25 ONE-HALF OF ITS MONEY TO LOCAL GOVERNMENTS, IN PROPORTION TO THE  
26 CHARGES COLLECTED WITHIN THE JURISDICTION OF EACH LOCAL GOVERNMENT,  
27 TO:

28 (I) REDUCE GREENHOUSE GAS EMISSIONS FROM THE  
29 TRANSPORTATION SECTOR;

1                   **(II) STRENGTHEN NATURAL SYSTEMS AND HARDEN CRITICAL**  
2 **INFRASTRUCTURE TO INCREASE RESILIENCY TO CLIMATE CHANGE IMPACTS,**  
3 **INCLUDING AGRICULTURAL AND OTHER CARBON SEQUESTRATION STRATEGIES;**  
4 **AND**

5                   **(III) SUPPORT LOCAL GOVERNMENTAL ENERGY EFFICIENCY**  
6 **AND RENEWABLE ENERGY PROJECTS THAT REDUCE EMISSIONS AND COSTS.**

7                   **(2) THE REMAINING MONEY IN THE INFRASTRUCTURE FUND SHALL**  
8 **BE USED TO SUPPORT STATE GOVERNMENTAL PROGRAMS THAT:**

9                   **(I) REDUCE GREENHOUSE GAS EMISSIONS FROM THE**  
10 **TRANSPORTATION SECTOR;**

11                   **(II) STRENGTHEN NATURAL SYSTEMS AND HARDEN CRITICAL**  
12 **INFRASTRUCTURE TO INCREASE RESILIENCY TO CLIMATE CHANGE IMPACTS,**  
13 **INCLUDING AGRICULTURAL AND OTHER CARBON SEQUESTRATION STRATEGIES;**

14                   **(III) SUPPORT LOCAL GOVERNMENTAL ENERGY EFFICIENCY**  
15 **AND RENEWABLE ENERGY PROJECTS THAT REDUCE EMISSIONS AND COSTS;**

16                   **(IV) IMPROVE THE ENERGY EFFICIENCY OF RENTER–OCCUPIED**  
17 **DWELLINGS AND REDUCE ENERGY COSTS FOR THE OCCUPANTS OF THOSE**  
18 **DWELLINGS; AND**

19                   **(V) PROVIDE TRANSITIONAL ASSISTANCE TO WORKERS WHO**  
20 **ARE DISPLACED BY SHRINKAGE OF FOSSIL FUEL–RELATED INDUSTRIES AND**  
21 **COMMUNITIES IN THE STATE THAT EXPERIENCE LOSSES IN TAX REVENUES AND**  
22 **OTHER ECONOMIC LOSS DUE TO THE SHRINKAGE.**

23                   **(3) DISBURSEMENTS SHALL BE AWARDED ON APPROVAL BY THE**  
24 **SECRETARY.**

25                   **(4) PRIORITY DISBURSEMENTS SHALL BE AWARDED TO PROJECTS**  
26 **THAT ARE CONSISTENT WITH INVESTMENT PRINCIPLES ESTABLISHED BY THE**  
27 **SECRETARY IN CONSULTATION WITH THE GREEN INFRASTRUCTURE FUND**  
28 **ADVISORY BOARD.**

29                   **(5) AS A PRIORITY, MONEY FROM THE INFRASTRUCTURE FUND**  
30 **SHALL BE DISTRIBUTED TO OR USED FOR THE BENEFIT OF NEIGHBORHOODS AND**  
31 **LOCAL GOVERNMENTS WITH MEDIAN INCOMES PER HOUSEHOLD IN THE LOWEST**  
32 **THIRD OF MEDIAN INCOMES FOR ALL LOCAL GOVERNMENTS IN THE STATE.**

- 1           **(1)   (1)   THERE IS A GREEN INFRASTRUCTURE FUND ADVISORY BOARD.**
- 2                   **(2)   THE ADVISORY BOARD CONSISTS OF:**
- 3                           **(I)   THE SECRETARY, OR THE SECRETARY’S DESIGNEE;**
- 4                           **(II)   THE SECRETARY OF HOUSING AND COMMUNITY**  
5 **DEVELOPMENT, OR THE SECRETARY’S DESIGNEE;**
- 6                           **(III)   THE SECRETARY OF HUMAN SERVICES, OR THE**  
7 **SECRETARY’S DESIGNEE;**
- 8                           **(IV)   THE CHAIR OF THE COMMISSION, OR THE CHAIR’S**  
9 **DESIGNEE;**
- 10                           **(V)   THE DIRECTOR OF THE MARYLAND ENERGY**  
11 **ADMINISTRATION;**
- 12                           **(VI)   ONE REPRESENTATIVE OF THE MARYLAND ASSOCIATION**  
13 **OF COUNTIES;**
- 14                           **(VII)   ONE REPRESENTATIVE OF THE MARYLAND MUNICIPAL**  
15 **LEAGUE;**
- 16                           **(VIII)   TWO REPRESENTATIVES FROM REGIONAL PLANNING**  
17 **ASSOCIATIONS REPRESENTING DIFFERENT REGIONS OF THE STATE;**
- 18                           **(IX)   ONE MEMBER REPRESENTING THE INTERESTS OF LARGE**  
19 **BUSINESSES;**
- 20                           **(X)   ONE MEMBER REPRESENTING THE INTERESTS OF SMALL**  
21 **BUSINESSES;**
- 22                           **(XI)   ONE MEMBER REPRESENTING THE INTERESTS OF LABOR;**
- 23                           **(XII)   TWO MEMBERS REPRESENTING THE INTERESTS OF THE**  
24 **ENVIRONMENT;**
- 25                           **(XIII)   ONE MEMBER REPRESENTING THE INTERESTS OF**  
26 **LOW-INCOME RESIDENTS; AND**
- 27                           **(XIV)   TWO MEMBERS REPRESENTING THE INTERESTS OF**  
28 **COMMUNITY DEVELOPMENT ORGANIZATIONS.**



1           **(3) THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL SERVE**  
2 **AS THE CHAIR OF THE ADVISORY BOARD.**

3           **(4) THE ADVISORY BOARD SHALL ASSIST THE SECRETARY IN**  
4 **DEVELOPING CRITERIA FOR PROVIDING GRANTS FROM THE INFRASTRUCTURE**  
5 **FUND.**

6 **2-1219.**

7           **(A) THERE IS A GREENHOUSE GAS POLLUTION CHARGES FUND.**

8           **(B) THE PURPOSE OF THE CHARGES FUND IS TO:**

9                 **(1) PROVIDE SUPPORT FOR LOW-INCOME AND OTHER RESIDENTS OF**  
10 **THE STATE; AND**

11                 **(2) PROVIDE REBATES TO HOMEOWNERS, RESIDENTS, AND**  
12 **EMPLOYERS IN THE STATE.**

13           **(C) THE SECRETARY SHALL ADMINISTER THE CHARGES FUND.**

14           **(D) (1) THE CHARGES FUND IS A SPECIAL, NONLAPSING FUND THAT IS**  
15 **NOT SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**  
16 **PROCUREMENT ARTICLE.**

17                 **(2) THE STATE TREASURER SHALL HOLD THE CHARGES FUND**  
18 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE CHARGES FUND.**

19           **(E) THE CHARGES FUND CONSISTS OF:**

20                 **(1) THE EXCESS GREENHOUSE GAS POLLUTION CHARGES**  
21 **COLLECTED UNDER § 2-1217 OF THIS SUBTITLE THAT REMAIN AFTER DISTRIBUTION**  
22 **OF MONEY TO THE INFRASTRUCTURE FUND UNDER § 2-1218 OF THIS SUBTITLE;**

23                 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE CHARGES**  
24 **FUND; AND**

25                 **(3) ANY OTHER MONEY FROM ANY SOURCE ACCEPTED FOR THE**  
26 **BENEFIT OF THE CHARGES FUND.**

27           **(F) THE CHARGES FUND MAY BE USED ONLY FOR:**

1           **(1) PAYMENT OF REBATES UNDER THIS SECTION; AND**

2           **(2) ADMINISTRATION OF THE CHARGES FUND, NOT TO EXCEED 5% OF**  
3 **THE MONEY IN THE CHARGES FUND.**

4           **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
5 **CHARGES FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

6           **(2) ANY INTEREST EARNINGS OF THE CHARGES FUND SHALL BE**  
7 **CREDITED TO THE GENERAL FUND OF THE STATE.**

8           **(H) IN THE CHARGES FUND THERE ARE THE FOLLOWING SEPARATE**  
9 **ACCOUNTS:**

10           **(1) THE HOUSEHOLD REBATE ACCOUNT, WHICH CONSISTS OF 75%**  
11 **OF THE MONEY IN THE CHARGES FUND; AND**

12           **(2) THE EMPLOYER REBATE ACCOUNT, WHICH CONSISTS OF 25% OF**  
13 **THE MONEY IN THE CHARGES FUND.**

14           **(I) (1) (I) MONEY IN THE HOUSEHOLD REBATE ACCOUNT SHALL BE**  
15 **DISTRIBUTED IN ACCORDANCE WITH THIS SUBSECTION.**

16                   **(II) 1. 10% SHALL BE DISTRIBUTED TO HOUSEHOLDS IN**  
17 **QUINTILE 1.**

18                           **2. THE QUINTILE 1 DISTRIBUTION SHALL BE DIVIDED BY**  
19 **THE SUM OF THE ADULT RESIDENTS IN QUINTILE 1 PLUS ONE-HALF THE MINOR**  
20 **RESIDENTS IN QUINTILE 1, WITH THE RESULTING NUMBER TERMED THE QUINTILE**  
21 **1 INITIAL REBATE.**

22                           **3. EACH HOUSEHOLD IN QUINTILE 1 SHALL RECEIVE A**  
23 **REBATE EQUAL TO THE NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD TIMES**  
24 **THE QUINTILE 1 INITIAL REBATE, PLUS THE NUMBER OF MINOR RESIDENTS IN THE**  
25 **HOUSEHOLD TIMES ONE-HALF THE QUINTILE 1 INITIAL REBATE.**

26                   **(III) 1. 10% SHALL BE DISTRIBUTED TO HOUSEHOLDS IN**  
27 **QUINTILE 2.**

28                           **2. THE QUINTILE 2 DISTRIBUTION SHALL BE DIVIDED BY**  
29 **THE SUM OF THE ADULT RESIDENTS IN QUINTILE 2 PLUS ONE-HALF THE MINOR**  
30 **RESIDENTS IN QUINTILE 2, WITH THE RESULTING NUMBER TERMED THE QUINTILE**  
31 **2 INITIAL REBATE.**

1                   **3. EACH HOUSEHOLD IN QUINTILE 2 SHALL RECEIVE A**  
2 **REBATE EQUAL TO THE NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD TIMES**  
3 **THE QUINTILE 2 INITIAL REBATE, PLUS THE NUMBER OF MINOR RESIDENTS IN THE**  
4 **HOUSEHOLD TIMES ONE-HALF THE QUINTILE 2 INITIAL REBATE.**

5                   **(IV) 1. 5% SHALL BE DISTRIBUTED TO THE HOUSEHOLDS IN**  
6 **QUINTILE 3.**

7                   **2. THE QUINTILE 3 DISTRIBUTION SHALL BE DIVIDED BY**  
8 **THE SUM OF THE ADULT RESIDENTS IN QUINTILE 3 PLUS ONE-HALF THE MINOR**  
9 **RESIDENTS IN QUINTILE 3, WITH THE RESULTING NUMBER TERMED THE QUINTILE**  
10 **3 INITIAL REBATE.**

11                   **3. EACH HOUSEHOLD IN QUINTILE 3 SHALL RECEIVE A**  
12 **REBATE EQUAL TO THE NUMBER OF ADULT RESIDENTS IN THE HOUSEHOLD TIMES**  
13 **THE QUINTILE 3 INITIAL REBATE, PLUS THE NUMBER OF MINOR RESIDENTS IN THE**  
14 **HOUSEHOLD TIMES ONE-HALF THE QUINTILE 3 INITIAL REBATE.**

15                   **(2) 10% OF THE MONEY THAT DERIVES FROM CHARGES COLLECTED**  
16 **ON THE DIRECT SALE OF HEATING FUELS TO HOUSEHOLDS SHALL BE ALLOCATED**  
17 **TO THE MARYLAND ENERGY ASSISTANCE PROGRAM AND TRANSFERRED TO THE**  
18 **DEPARTMENT OF HUMAN SERVICES FOR USE BY THE PROGRAM.**

19                   **(3) HOUSEHOLDS THAT HEAT WITH FUEL OIL SHALL RECEIVE AN**  
20 **ADDITIONAL REBATE BASED ON THE AVERAGE DIFFERENCE IN ANNUAL CHARGES IN**  
21 **THE STATE ATTRIBUTABLE TO HOMES HEATED WITH FUEL OIL AND HOMES HEATED**  
22 **WITH NATURAL GAS.**

23                   **(4) (I) THE MONEY REMAINING IN THE HOUSEHOLD REBATE**  
24 **ACCOUNT AFTER THE ALLOCATION OF MONEY IN PARAGRAPHS (1) THROUGH (3) OF**  
25 **THIS SUBSECTION SHALL BE DIVIDED BY THE TOTAL REBATE SHARES, WITH THE**  
26 **RESULTING NUMBER TERMED THE REMAINING REBATE PER ADULT RESIDENT.**

27                   **(II) EACH HOUSEHOLD SHALL RECEIVE A REBATE EQUAL TO**  
28 **THE REMAINING REBATE PER ADULT RESIDENT TIMES THE NUMBER OF ADULT**  
29 **RESIDENTS IN THE HOUSEHOLD PLUS THE REMAINING REBATE PER ADULT**  
30 **RESIDENT TIMES ONE-HALF THE NUMBER OF MINOR RESIDENTS IN THE**  
31 **HOUSEHOLD.**

32                   **(5) IN REBATING GREENHOUSE GAS POLLUTION CHARGE PROCEEDS**  
33 **FROM THE HOUSEHOLD REBATE ACCOUNT, THE SECRETARY SHALL COORDINATE**  
34 **WITH THE COMPTROLLER, THE DEPARTMENT OF HOUSING AND COMMUNITY**

1 **DEVELOPMENT, THE DEPARTMENT OF HUMAN SERVICES, AND OTHER UNITS IN**  
2 **MAKING ALL REASONABLE EFFORTS TO IDENTIFY THE NAMES AND ADDRESSES OF**  
3 **ALL RESIDENTS, WITH SPECIAL ATTENTION TO THE NAMES AND ADDRESSES OF**  
4 **LOW-INCOME RESIDENTS, SO THAT THEY CAN RECEIVE REBATES EXPEDITIOUSLY.**

5 **(J) (1) MONEY IN THE EMPLOYER REBATE ACCOUNT SHALL BE**  
6 **DISTRIBUTED IN ACCORDANCE WITH THIS SUBSECTION.**

7 **(2) THE SECRETARY SHALL USE THE MONEY IN THE EMPLOYER**  
8 **REBATE ACCOUNT TO PROVIDE REBATES TO EMPLOYERS.**

9 **(3) (I) THE SECRETARY, IN CONSULTATION WITH THE SECRETARY**  
10 **OF COMMERCE, THE SECRETARY OF LABOR, LICENSING, AND REGULATION, AND**  
11 **THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, SHALL, WITH**  
12 **SPECIAL ATTENTION TO MANUFACTURING, AGRICULTURE, SMALL NONPROFIT**  
13 **ORGANIZATIONS, AND GOVERNMENTAL UNITS, IDENTIFY ECONOMIC SECTORS OR**  
14 **ECONOMIC SUBSECTORS AT RISK OF SERIOUS NEGATIVE IMPACTS AS A**  
15 **CONSEQUENCE OF THE CHARGES COLLECTED UNDER THIS PART.**

16 **(II) THE SECRETARY SHALL, AS MITIGATION, CALCULATE THE**  
17 **TOTAL PROCEEDS COLLECTED FROM THESE SECTORS OR SUBSECTORS AND MAY**  
18 **APPORTION PART OR ALL OF THE PROCEEDS TO THE AFFECTED SECTOR OR**  
19 **SUBSECTOR.**

20 **(III) IN ORDER TO PROVIDE THIS MITIGATION, THE SECRETARY**  
21 **SHALL DEMONSTRATE:**

22 **1. FOR MANUFACTURERS, AGRICULTURE, AND**  
23 **FOR-PROFIT EMPLOYERS, THAT THE IMPACTS ARE LIKELY TO OCCUR DUE TO**  
24 **COMPETITION FROM EMPLOYERS OUTSIDE THE STATE IN COMBINATION WITH**  
25 **ENERGY COSTS CONSTITUTING A SUBSTANTIAL FRACTION OF TOTAL OPERATING**  
26 **COSTS IN THE ECONOMIC SECTOR OR SUBSECTOR; AND**

27 **2. FOR NONPROFIT ORGANIZATIONS AND**  
28 **GOVERNMENTAL UNITS, THAT THESE ENTITIES WOULD FACE UNDUE BURDENS**  
29 **WITHOUT THE MITIGATION.**

30 **(4) MONEY REMAINING IN THE EMPLOYER REBATE ACCOUNT AFTER**  
31 **DISTRIBUTIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION ARE CALCULATED**  
32 **SHALL BE DISTRIBUTED TO ALL EMPLOYERS IN THE STATE BASED ON THEIR**  
33 **PROPORTIONAL SHARE, IN FULL-TIME EQUIVALENT EMPLOYEES, OF TOTAL**  
34 **EMPLOYMENT IN THE STATE.**

1           **(K) MONEY DISTRIBUTED AS A REBATE UNDER THIS SECTION:**

2                   **(1) MAY NOT BE INCLUDED IN TAXABLE INCOME FOR PURPOSES OF**  
3 **ANY STATE OR LOCAL INCOME TAX; AND**

4                   **(2) SHALL, TO THE EXTENT FEASIBLE, BE EXCLUDED FROM**  
5 **HOUSEHOLD INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY FOR, OR THE**  
6 **LEVEL OF, ANY FORM OF PUBLIC ASSISTANCE.**

7 **2-1220.**

8           **(A) THE SECRETARY MAY NOT BE SUBJECT TO PENALTIES OR ACTIONS FOR**  
9 **DAMAGES IF THE CHARGES COLLECTED UNDER THIS PART ARE NOT PRECISELY**  
10 **EQUAL TO REBATES RETURNED UNDER THIS PART.**

11           **(B) THE SECRETARY SHALL MAKE ALL REASONABLE EFFORTS TO RETURN**  
12 **TO RESIDENTS AND EMPLOYERS IN THE AGGREGATE ALL CHARGES COLLECTED**  
13 **UNDER THIS PART OTHER THAN MONEY DEPOSITED IN THE INFRASTRUCTURE**  
14 **FUND.**

15 **2-1221.**

16           **(A) (1) THE SECRETARY SHALL CONSIDER ALTERNATIVE CALENDAR**  
17 **SCHEDULES FOR DISTRIBUTION OF THE REBATES AUTHORIZED UNDER THIS PART,**  
18 **INCLUDING PARTIAL OR WHOLE DISTRIBUTIONS EARLY IN THE RELEVANT REVENUE**  
19 **CYCLE AND ON A REGULAR BASIS THROUGHOUT THE REVENUE CYCLE.**

20                   **(2) THE METHOD AND SCHEDULE OF DISTRIBUTIONS SHALL TAKE**  
21 **INTO ACCOUNT:**

22                           **(i) THE NEEDS OF RESIDENTS AND EMPLOYERS,**  
23 **PARTICULARLY LOW-INCOME HOUSEHOLDS, TO OBTAIN REBATES CORRESPONDING**  
24 **TO THE TIME SCHEDULE WHEN THEY WILL BE PAYING GREENHOUSE GAS POLLUTION**  
25 **CHARGES;**

26                           **(ii) THE NEED TO MAKE CLEAR TO RESIDENTS AND EMPLOYERS**  
27 **THAT THEY ARE RECEIVING A REBATE OF GREENHOUSE GAS POLLUTION CHARGES**  
28 **THAT IS SEPARATE FROM OTHER TRANSACTIONS THEY MAY HAVE WITH THE STATE;**  
29 **AND**

30                           **(iii) THE NEED TO MINIMIZE THE ADMINISTRATIVE COSTS OF**  
31 **THE INITIATIVE.**

1           **(B) THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, THE**  
2 **SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, AND THE SECRETARY**  
3 **OF HUMAN SERVICES, EACH YEAR SHALL IDENTIFY MEASURES AND PROGRAMS**  
4 **BEST CALCULATED TO ENSURE THE PROVISION OF LOW-INCOME ENERGY**  
5 **ASSISTANCE AND IMPROVEMENTS IN THE ENERGY EFFICIENCY OF**  
6 **RENTER-OCCUPIED DWELLINGS IN THE STATE.**

7           **(C) THE SECRETARY MAY ISSUE ADDITIONAL REBATES OR DECLARE**  
8 **EXEMPTIONS FROM CHARGES IN INSTANCES WHERE CHARGES HAVE BEEN PAID BUT**  
9 **NO EMISSIONS HAVE OCCURRED OR ARE ANTICIPATED TO OCCUR.**

10           **(D) (1) ON OR BEFORE JULY 1, 2022, THE SECRETARY SHALL STUDY AND**  
11 **REPORT ON THE FEASIBILITY OF IMPOSING AND COLLECTING ADDITIONAL**  
12 **GREENHOUSE GAS EMISSION CHARGES ON EMISSIONS, OTHERWISE KNOWN AS**  
13 **FUGITIVE EMISSIONS, ATTRIBUTABLE TO LEAKAGE FROM NATURAL GAS**  
14 **INFRASTRUCTURE.**

15                   **(2) THE REPORT SHALL INCLUDE AN ANALYSIS OF THE FEASIBILITY**  
16 **AND EXPENSE OF:**

17                           **(I) CALCULATING A REASONABLY ACCURATE CURRENT**  
18 **STATISTICAL BASELINE, SPECIFIC TO THE STATE, OF LEAKAGE; AND**

19                           **(II) DEVELOPING AND DEPLOYING A MEANS OF CALCULATING**  
20 **REASONABLY ACCURATE UPDATES OF PROGRESS OR LACK OF PROGRESS IN**  
21 **REDUCING LEAKAGE.**

22           **(3) THE SECRETARY SHALL SUBMIT THE REPORT, INCLUDING ANY**  
23 **RECOMMENDED LEGISLATIVE OR REGULATORY CHANGES, TO THE GOVERNOR AND,**  
24 **IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE**  
25 **GENERAL ASSEMBLY.**

26           **(4) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED**  
27 **UNDER § 2-1217(O) OF THIS SUBTITLE.**

28           **(E) (1) ON OR BEFORE JULY 1, 2022, THE SECRETARY SHALL PREPARE A**  
29 **REPORT ON OPTIONS FOR AND THE IMPLICATIONS OF COLLECTING CHARGES FOR**  
30 **EMISSIONS OF CARBON DIOXIDE EQUIVALENTS RESULTING FROM**  
31 **CARBON-GENERATED ELECTRICITY PRODUCED OR DISTRIBUTED IN THE STATE.**

32           **(2) THE REPORT SHALL INCLUDE CONSIDERATION OF THE**  
33 **IMPLICATIONS OF POTENTIAL EFFECTS ON THE MARKET FOR EMISSION**  
34 **ALLOWANCES CREATED BY THE REGIONAL GREENHOUSE GAS INITIATIVE.**

1           **(3) THE REPORT MAY BE INCLUDED IN THE REPORT REQUIRED**  
2 **UNDER § 2-1217(O) OF THIS SUBTITLE.**

3 **2-1222.**

4           **(A) THE SECRETARY SHALL IMPLEMENT THE CHARGES AND REBATES**  
5 **UNDER THIS PART IF AT LEAST TWO OF THE FOLLOWING STATES ENACT**  
6 **LEGISLATION OR ADOPT REGULATIONS LEGALLY IN EFFECT IN THAT STATE THAT**  
7 **IMPOSE A CARBON COST COLLECTION CHARGE COMPARABLE TO THE CHARGES**  
8 **IMPOSED UNDER THIS PART:**

9           **(1) ANY STATE THAT IS CONTIGUOUS TO MARYLAND; AND**

10           **(2) ANY OTHER STATE THAT PARTICIPATES AS A MEMBER IN THE**  
11 **REGIONAL GREENHOUSE GAS INITIATIVE.**

12           **(B) (1) THE SECRETARY SHALL PROVIDE TO THE DEPARTMENT OF**  
13 **LEGISLATIVE SERVICES:**

14           **(i) ON OR BEFORE JULY 1 EACH YEAR, NOTICE OF THE STATUS**  
15 **OF THE ADOPTION AND IMPLEMENTATION OF CARBON COST COLLECTION CHARGES**  
16 **IN THE STATES LISTED IN SUBSECTION (A) OF THIS SECTION; AND**

17           **(ii) ON ADOPTION BY A SUFFICIENT NUMBER OF STATES UNDER**  
18 **SUBSECTION (A) OF THIS SECTION, NOTICE OF THE INTENT OF THE SECRETARY TO**  
19 **IMPLEMENT THE CHARGES AND REBATES UNDER THIS PART IN THE STATE.**

20           **(2) THE REQUIREMENT TO PROVIDE NOTICE UNDER PARAGRAPH (1)**  
21 **OF THIS SUBSECTION SHALL CEASE ON THE FINAL IMPLEMENTATION OF THE**  
22 **CHARGES AND REBATES UNDER THIS PART IN THE STATE.**

23 **2-1223.**

24           **THE SECRETARY, IN CONSULTATION WITH THE COMMISSION, SHALL ADOPT**  
25 **REGULATIONS TO CARRY OUT THIS PART.**

26           **SECTION 2. AND BE IT FURTHER ENACTED, That, for purposes of this Act, a**  
27 **state shall be considered to have enacted legislation or adopted regulations for regional**  
28 **carbon cost collection charges comparable to the charges imposed under this Act if the**  
29 **enabling law or regulations condition the authority of the state to adopt or implement the**  
30 **charges on adoption or implementation of regional carbon cost collection charges by one or**  
31 **more other states.**

1           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2 1, 2018.