

SENATE BILL 732

C5, M3, C8

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CF 8lr2108

By: **Senators Feldman, Benson, Conway, Currie, Ferguson, Guzzone, Kagan, Kelley, King, Lee, Madaleno, McFadden, Muse, Nathan-Pulliam, Oaks, Peters, Pinsky, Ramirez, Robinson, Rosapepe, Smith, Young, Zirkin, and Zucker**

Introduced and read first time: February 5, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy and Job Development**

3 FOR the purpose of exempting certain money received by the Small, Minority, and
4 Women-Owned Business Account from the requirement to ensure that at least a
5 certain percentage of grants be allocated within certain jurisdictions and
6 communities; establishing the Clean Energy Workforce Account in the Maryland
7 Employment Advancement Right Now Program; providing for the funding of the
8 Account; requiring the Department of Labor, Licensing, and Regulation to include
9 certain information about the Account in a certain annual report; establishing
10 certain criteria for qualified offshore wind projects applied for on or after a certain
11 date; altering and extending the minimum required percentage of energy that must
12 be derived from Tier 1 renewable sources in the State's renewable energy portfolio
13 standard in certain years; altering and extending the minimum required percentage
14 of Tier 1 renewable energy that must be derived from solar energy in the State's
15 renewable energy portfolio standard in certain years; altering and extending the
16 minimum required percentage of Tier 1 renewable energy that must be derived from
17 offshore wind energy in the State's renewable energy portfolio standard in certain
18 years; requiring the Public Service Commission to provide a certain additional
19 application period for consideration of new offshore wind projects under certain
20 circumstances; establishing certain criteria for the Commission to consider with
21 respect to approval of an application for an offshore wind project filed on or after a
22 certain date, including limits on certain rate impacts measured in certain dollars;
23 altering the compliance fee for an electricity supplier that fails to comply with certain
24 renewable energy portfolio standards for certain years; establishing certain
25 compliance fees for an electricity supplier that fails to comply with certain renewable
26 energy portfolio standards for certain years; requiring the Power Plant Research
27 Program to conduct a supplemental study on the renewable energy portfolio
28 standard and certain related matters; altering the scope of a certain study and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 providing for the scope of the supplemental study; providing certain specific subjects
2 that the supplemental study must address; requiring the Program to report to the
3 Governor and certain committees on or before certain dates; authorizing the
4 Maryland Energy Administration to use the Strategic Energy Investment Fund for
5 certain purposes; requiring certain loans or grants from the Fund to comply with
6 certain provisions; requiring at least a certain number of workers participating in a
7 certain project or program to reside within a certain area with respect to the project
8 or program; removing certain forms of energy from the definition of a Tier 1
9 renewable source after a certain date; providing that energy derived from certain
10 forms of energy is not eligible for inclusion in meeting the renewable energy portfolio
11 standard after a certain date; defining certain terms and altering certain definitions;
12 making conforming and clarifying changes; altering the termination date of a certain
13 Act; providing that existing obligations or contract rights may not be impaired by
14 this Act; making the provisions of this Act severable; providing for a delayed effective
15 date for certain provisions of this Act; and generally relating to the renewable energy
16 portfolio standard and economic development.

17 BY repealing and reenacting, without amendments,
18 Article – Economic Development
19 Section 5–1501(a) and (d)
20 Annotated Code of Maryland
21 (2008 Volume and 2017 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Economic Development
24 Section 5–1501(c)
25 Annotated Code of Maryland
26 (2008 Volume and 2017 Supplement)

27 BY adding to
28 Article – Labor and Employment
29 Section 11–708.1
30 Annotated Code of Maryland
31 (2016 Replacement Volume and 2017 Supplement)

32 BY repealing and reenacting, with amendments,
33 Article – Labor and Employment
34 Section 11–709
35 Annotated Code of Maryland
36 (2016 Replacement Volume and 2017 Supplement)

37 BY repealing and reenacting, without amendments,
38 Article – Public Utilities
39 Section 7–701(a)
40 Annotated Code of Maryland
41 (2010 Replacement Volume and 2017 Supplement)

- 1 BY repealing and reenacting, with amendments,
2 Article – Public Utilities
3 Section 7–701(k), (n), and (r), 7–703, 7–704(a)(2), 7–704.1, 7–704.2(a)(1) and (c)(1),
4 7–705(b), and 7–714
5 Annotated Code of Maryland
6 (2010 Replacement Volume and 2017 Supplement)
- 7 BY repealing and reenacting, without amendments,
8 Article – State Government
9 Section 9–20B–01(a) and (d) and 9–20B–05(a)
10 Annotated Code of Maryland
11 (2014 Replacement Volume and 2017 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article – State Government
14 Section 9–20B–05(f) and (i)
15 Annotated Code of Maryland
16 (2014 Replacement Volume and 2017 Supplement)
- 17 BY repealing
18 Article – State Government
19 Section 9–20B–05(f–1)
20 Annotated Code of Maryland
21 (2014 Replacement Volume and 2017 Supplement)
- 22 BY adding to
23 Article – State Government
24 Section 9–20B–05(m)
25 Annotated Code of Maryland
26 (2014 Replacement Volume and 2017 Supplement)
- 27 BY repealing and reenacting, with amendments,
28 Chapter 393 of the Acts of the General Assembly of 2017
29 Section 2

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

32 **Article – Economic Development**

33 5–1501.

34 (a) There is a Small, Minority, and Women–Owned Businesses Account under the
35 authority of the Department.

36 (c) (1) In this subsection, “eligible fund manager” means an entity that has
37 significant financial or investment experience, under criteria developed by the Department.

1 (2) Subject to the provisions of paragraph (3) of this subsection, the
2 Department shall make grants to eligible fund managers to provide investment capital and
3 loans to small, minority, and women-owned businesses in the State.

4 (3) **[The] EXCEPT FOR MONEY RECEIVED FROM THE STRATEGIC**
5 **ENERGY INVESTMENT FUND, THE** Department shall ensure that eligible fund managers
6 allocate at least 50% of the funds from this Account to small, minority, and women-owned
7 businesses in the jurisdictions and communities surrounding a video lottery facility.

8 (d) Any money received from the Strategic Energy Investment Fund shall be used
9 to benefit small, minority, and women-owned businesses in the clean energy industry in
10 the State.

11 **Article – Labor and Employment**

12 **11-708.1.**

13 (A) **THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.**

14 (B) **THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH §**
15 **9-20B-05(F)(10) AND (I) OF THE STATE GOVERNMENT ARTICLE.**

16 **11-709.**

17 (a) On or before December 31 of each year, the Department shall report to the
18 Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate
19 Finance Committee and the House Economic Matters Committee on the Maryland EARN
20 Program.

21 (b) The report required under subsection (a) of this section shall include:

22 (1) an identification of training needs statewide, including industries in
23 urgent need of qualified workers;

24 (2) information on measures being used to track the success and
25 accountability of the Maryland EARN Program, including use of the StateStat
26 accountability process under § 3-1003(b) of the State Finance and Procurement Article;

27 (3) (i) a description of each strategic industry partnership receiving
28 grant funding and the status of the partnership; and

29 (ii) the jurisdiction of the State in which each strategic industry
30 partnership is located;

31 (4) the number of individuals:

1 (i) by sex, race, national origin, income, county of residence, and
2 educational attainment, participating in each component of the Maryland EARN Program;
3 and

4 (ii) participating in the Maryland EARN Program who, as a result of
5 the Program, have obtained:

- 6 1. a credential or an identifiable skill;
- 7 2. a new employment position;
- 8 3. a title promotion; or
- 9 4. a wage promotion; [and]

10 (5) an assessment of whether and to what extent the approved strategic
11 industry partnerships utilized existing data concerning:

12 (i) training needs in the State identified in previous studies; and

13 (ii) applicable skills needs identified in existing workforce studies,
14 plans, or research; AND

15 **(6) INFORMATION ON THE SUCCESS OF FUNDING WORKFORCE**
16 **DEVELOPMENT PROGRAMS UNDER § 11-708.1 OF THIS SUBTITLE.**

17 **Article – Public Utilities**

18 7-701.

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

20 (k) “Qualified offshore wind project” means a wind turbine electricity generation
21 facility, including the associated transmission-related interconnection facilities and
22 equipment, that:

23 (1) is located on the outer continental shelf of the Atlantic Ocean in an area
24 that:

25 (i) **FOR PROJECTS APPLIED FOR BEFORE JANUARY 1, 2020:**

26 1. the United States Department of the Interior designates
27 for leasing after coordination and consultation with the State in accordance with § 388(a)
28 of the Energy Policy Act of 2005; and

1 [(ii)] 2. is between 10 and 30 miles off the coast of the State; AND

2 (II) FOR PROJECTS APPLIED FOR ON OR AFTER JANUARY 1,
3 2020:

4 1. THE UNITED STATES DEPARTMENT OF THE
5 INTERIOR DESIGNATES FOR LEASING FOR OFFSHORE WIND ENERGY USE AFTER
6 COORDINATION AND CONSULTATION WITH THE STATE; AND

7 2. IS BETWEEN 15 AND 80 MILES OFF THE COAST OF THE
8 STATE;

9 (2) interconnects to the PJM Interconnection grid at a point located on the
10 Delmarva Peninsula; and

11 (3) the Commission approves under § 7–704.1 of this subtitle.

12 (n) “Renewable energy credit” or “credit” means a credit equal to the generation
13 attributes of 1 megawatt–hour of electricity that is derived from a Tier 1 renewable source
14 or a Tier 2 renewable source that is located:

15 (1) in the PJM region;

16 (2) outside the area described in item (1) of this subsection but in a control
17 area that is adjacent to the PJM region, if the electricity is delivered into the PJM region;
18 or

19 (3) on the outer continental shelf of the Atlantic Ocean in an area that:

20 (i) the United States Department of the Interior designates for
21 leasing after coordination and consultation with the State in accordance with § 388(a) of
22 the Energy Policy Act of 2005; and

23 (ii) is between 10 and [30] 80 miles off the coast of the State.

24 7–703.

25 (a) (1) (i) The Commission shall implement a renewable energy portfolio
26 standard that, except as provided under paragraphs (2) and (3) of this subsection, applies
27 to all retail electricity sales in the State by electricity suppliers.

28 (ii) If the standard becomes applicable to electricity sold to a
29 customer after the start of a calendar year, the standard does not apply to electricity sold
30 to the customer during that portion of the year before the standard became applicable.

31 (2) A renewable energy portfolio standard may not apply to electricity sales

1 at retail by any electricity supplier:

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

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

8 (iii) to a customer served by an electric cooperative under an
9 electricity supplier purchase agreement that existed on October 1, 2004, until the
10 expiration of the agreement, as the agreement may be renewed or amended.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (12) in 2017:

10 (i) 13.1% from Tier 1 renewable sources, including:

11 1. at least 1.15% derived from solar energy; and

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

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

15 (13) in 2018:

16 (i) 15.8% from Tier 1 renewable sources, including:

17 1. at least 1.5% derived from solar energy; and

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

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

21 (14) in 2019, ~~[20.4%]~~ **26.2%** from Tier 1 renewable sources, including:

22 (i) at least ~~[1.95%]~~ **5.5%** derived from solar energy; and

23 (ii) an amount set by the Commission under § 7-704.2(a) of this
24 subtitle, not to exceed 2.5%, derived from offshore wind energy; ~~[and]~~

25 (15) in 2020 ~~[and later]~~, ~~[25%]~~ **28%** from Tier 1 renewable sources,
26 including:

27 (i) at least ~~[2.5%]~~ **6%** derived from solar energy; and

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

3 **(16) IN 2021, 30.05% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

4 **(I) AT LEAST 6.75% DERIVED FROM SOLAR ENERGY; AND**

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

7 **(17) IN 2022, 31.85% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

8 **(I) AT LEAST 7.25% DERIVED FROM SOLAR ENERGY; AND**

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

11 **(18) IN 2023, 34.65% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

12 **(I) AT LEAST 8.75% DERIVED FROM SOLAR ENERGY; AND**

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

15 **(19) IN 2024, 37.45% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

16 **(I) AT LEAST 10.25% DERIVED FROM SOLAR ENERGY; AND**

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

19 **(20) IN 2025, 40% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

20 **(I) AT LEAST 11.5% DERIVED FROM SOLAR ENERGY; AND**

21 **(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)**
22 **OF THIS SUBTITLE, NOT TO EXCEED 10%, DERIVED FROM OFFSHORE WIND ENERGY;**

23 **(21) IN 2026, 42.5% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

24 **(I) AT LEAST 12.5% DERIVED FROM SOLAR ENERGY; AND**

25 **(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)**

1 OF THIS SUBTITLE, NOT TO EXCEED 10%, DERIVED FROM OFFSHORE WIND ENERGY;

2 (22) IN 2027, 45.5% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:

3 (I) AT LEAST 13.5% DERIVED FROM SOLAR ENERGY; AND

4 (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)
5 OF THIS SUBTITLE, NOT TO EXCEED 10%, DERIVED FROM OFFSHORE WIND ENERGY;

6 (23) IN 2028, 47.5% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:

7 (I) AT LEAST 14.5% DERIVED FROM SOLAR ENERGY; AND

8 (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)
9 OF THIS SUBTITLE, NOT TO EXCEED 10%, DERIVED FROM OFFSHORE WIND ENERGY;

10 (24) IN 2029, 49.5% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:

11 (I) AT LEAST 14.5% DERIVED FROM SOLAR ENERGY; AND

12 (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)
13 OF THIS SUBTITLE, NOT TO EXCEED 10%, DERIVED FROM OFFSHORE WIND ENERGY;
14 AND

15 (25) IN 2030 AND LATER, 50% FROM TIER 1 RENEWABLE SOURCES,
16 INCLUDING:

17 (I) AT LEAST 14.5% DERIVED FROM SOLAR ENERGY; AND

18 (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)
19 OF THIS SUBTITLE, NOT TO EXCEED 10%, DERIVED FROM OFFSHORE WIND ENERGY.

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

24 (d) Subject to subsections (a) and (c) of this section and in accordance with §
25 7-704.2 of this subtitle, an electricity supplier shall meet the renewable energy portfolio
26 standard by accumulating the equivalent amount of renewable energy credits that equal
27 the percentages required under this section.

28 7-704.1.

1 (a) (1) After the effective date of Commission regulations implementing this
2 section and § 7-704.2 of this subtitle, a person may submit an application to the
3 Commission for approval of a proposed offshore wind project.

4 (2) (i) On receipt of the application for approval of a qualified offshore
5 wind project, the Commission shall:

6 1. open an application period when other interested persons
7 may submit applications for approval of qualified offshore wind projects; and

8 2. provide notice that the Commission is accepting
9 applications for approval of qualified offshore wind projects.

10 (ii) The Commission shall set the closing date for the application
11 period to be no sooner than 90 days after the notice provided under subparagraph (i) of this
12 paragraph.

13 (3) **BEGINNING JANUARY 1, 2020, ON RECEIPT OF AN APPLICATION**
14 **FOR APPROVAL OF A QUALIFIED OFFSHORE WIND PROJECT, THE COMMISSION**
15 **SHALL PROVIDE AN ADDITIONAL APPLICATION PERIOD FOR CONSIDERATION OF**
16 **NEW PROJECTS NOT PROPOSED IN AN EARLIER APPLICATION PERIOD.**

17 (4) In its discretion, the Commission may provide for additional application
18 periods.

19 (b) Unless extended by mutual consent of the parties, the Commission shall
20 approve, conditionally approve, or deny an application within 180 days after the close of
21 the application period.

22 (c) An application shall include:

23 (1) a detailed description and financial analysis of the offshore wind
24 project;

25 (2) the proposed method of financing the offshore wind project, including
26 documentation demonstrating that the applicant has applied for all current eligible State
27 and federal grants, rebates, tax credits, loan guarantees, or other programs available to
28 offset the cost of the project or provide tax advantages;

29 (3) a cost-benefit analysis that shall include at a minimum:

30 (i) a detailed input-output analysis of the impact of the offshore
31 wind project on income, employment, wages, and taxes in the State with particular
32 emphasis on in-State manufacturing employment;

33 (ii) detailed information concerning assumed employment impacts

1 in the State, including the expected duration of employment opportunities, the salary of
2 each position, and other supporting evidence of employment impacts;

3 (iii) an analysis of the anticipated environmental benefits, health
4 benefits, and environmental impacts of the offshore wind project to the citizens of the State;

5 (iv) an analysis of any impact on residential, commercial, and
6 industrial ratepayers over the life of the offshore wind project;

7 (v) an analysis of any long-term effect on energy and capacity
8 markets as a result of the proposed offshore wind project;

9 (vi) an analysis of any impact on businesses in the State; and

10 (vii) other benefits, such as increased in-State construction,
11 operations, maintenance, and equipment purchase;

12 (4) a proposed OREC pricing schedule for the offshore wind project that
13 shall [set] **SPECIFY** a price for the generation attributes, including the energy, capacity,
14 ancillary services, and environmental attributes;

15 (5) a decommissioning plan for the project, including provisions for
16 decommissioning as required by the United States Department of the Interior;

17 (6) a commitment to:

18 (i) abide by the requirements set forth in subsection (e) of this
19 section; and

20 (ii) deposit at least \$6,000,000, in the manner required under
21 subsection (g) of this section, into the Maryland Offshore Wind Business Development Fund
22 established under § 9–20C–03 of the State Government Article;

23 (7) a description of the applicant’s plan for engaging small businesses, as
24 defined in § 14–501 of the State Finance and Procurement Article;

25 (8) a commitment that the applicant will:

26 (i) use best efforts to apply for all eligible State and federal grants,
27 rebates, tax credits, loan guarantees, or other similar benefits as those benefits become
28 available; and

29 (ii) pass along to ratepayers, without the need for any subsequent
30 Commission approval, 80% of the value of any state or federal grants, rebates, tax credits,
31 loan guarantees, or other similar benefits received by the project and not included in the
32 application; and

1 (9) any other information the Commission requires.

2 (d) (1) The Commission shall use the following criteria to evaluate and
3 compare proposed offshore wind projects **SUBMITTED DURING AN APPLICATION PERIOD:**

4 (i) lowest cost impact on ratepayers of the price set under a proposed
5 OREC pricing schedule;

6 (ii) potential reductions in transmission congestion prices within the
7 State;

8 (iii) potential changes in capacity prices within the State;

9 (iv) potential reductions in locational marginal pricing;

10 (v) potential long-term changes in capacity prices within the State
11 from the offshore wind project as it compares to conventional energy sources;

12 (vi) the extent to which the cost-benefit analysis submitted under
13 subsection (c)(3) of this section demonstrates positive net economic, environmental, and
14 health benefits to the State;

15 (vii) the extent to which an applicant's plan for engaging small
16 businesses meets the goals specified in Title 14, Subtitle 5 of the State Finance and
17 Procurement Article;

18 (viii) the extent to which an applicant's plan provides for the use of
19 skilled labor, particularly with regard to the construction and manufacturing components
20 of the project, through outreach, hiring, or referral systems that are affiliated with
21 registered apprenticeship programs under Title 11, Subtitle 4 of the Labor and
22 Employment Article;

23 (ix) the extent to which an applicant's plan provides for the use of an
24 agreement designed to ensure the use of skilled labor and to promote the prompt, efficient,
25 and safe completion of the project, particularly with regard to the construction,
26 manufacturing, and maintenance of the project;

27 (x) the extent to which an applicant's plan provides for
28 compensation to its employees and subcontractors consistent with wages outlined under §§
29 17-201 through 17-228 of the State Finance and Procurement Article;

30 (xi) siting and project feasibility;

31 (xii) the extent to which the proposed offshore wind project would
32 require transmission or distribution infrastructure improvements in the State;

33 (xiii) estimated ability to assist in meeting the renewable energy

1 portfolio standard under § 7–703 of this subtitle; and

2 (xiv) any other criteria that the Commission determines to be
3 appropriate.

4 (2) In evaluating and comparing an applicant’s proposed offshore wind
5 project under paragraph (1) of this subsection, the Commission shall contract for the
6 services of independent consultants and experts.

7 (3) The Commission shall verify that representatives of the United States
8 Department of Defense and the maritime industry have had the opportunity, through the
9 federal leasing process, to express concerns regarding project siting.

10 (4) (i) In this paragraph, “minority” means an individual who is a
11 member of any of the groups listed in § 14–301(k)(1)(i) of the State Finance and
12 Procurement Article.

13 (ii) If an applicant is seeking investors in a proposed offshore wind
14 project, it shall take the following steps before the Commission may approve the proposed
15 project:

16 1. make serious, good–faith efforts to solicit and interview a
17 reasonable number of minority investors;

18 2. as part of the application, submit a statement to the
19 Commission that lists the names and addresses of all minority investors interviewed and
20 whether or not any of those investors have purchased an equity share in the entity
21 submitting an application; and

22 3. as a condition to the Commission’s approval of the offshore
23 wind project, sign a memorandum of understanding with the Commission that requires the
24 applicant to again make serious, good–faith efforts to interview minority investors in any
25 future attempts to raise venture capital or attract new investors to the offshore wind
26 project.

27 (iii) The Governor’s Office of Small, Minority, and Women Business
28 Affairs, in consultation with the Office of the Attorney General, shall provide assistance to
29 all potential applicants and potential minority investors to satisfy the requirements under
30 subparagraph (ii)1 and 3 of this paragraph.

31 (e) (1) The Commission may not approve an applicant’s proposed offshore
32 wind project unless:

33 (i) the proposed offshore wind project demonstrates positive net
34 economic, environmental, and health benefits to the State, based on the criteria specified
35 in subsection (c)(3) of this section;

1 (ii) FOR A PROJECT APPLICATION FILED BEFORE JANUARY 1,
2 2020:

3 1. the projected net rate impact for an average residential
4 customer, based on annual consumption of 12,000 kilowatt-hours, combined with the
5 projected net rate impact of other qualified offshore wind projects, does not exceed \$1.50
6 per month in 2012 dollars, over the duration of the proposed OREC pricing schedule;

7 [(iii)] 2. the projected net rate impact for all nonresidential
8 customers considered as a blended average, combined with the projected net rate impact of
9 other qualified offshore wind projects, does not exceed 1.5% of nonresidential customers'
10 total annual electric bills, over the duration of the proposed OREC pricing schedule; and

11 [(iv)] 3. the price [set] SPECIFIED in the proposed OREC price
12 schedule does not exceed \$190 per megawatt-hour in 2012 dollars; AND

13 (III) FOR A PROJECT APPLICATION FILED ON OR AFTER
14 JANUARY 1, 2020:

15 1. THE PROJECTED INCREMENTAL NET RATE IMPACT
16 FOR AN AVERAGE RESIDENTIAL CUSTOMER, BASED ON ANNUAL CONSUMPTION OF
17 12 MEGAWATT-HOURS, COMBINED WITH THE PROJECTED INCREMENTAL NET RATE
18 IMPACT OF OTHER QUALIFIED OFFSHORE WIND PROJECTS APPROVED AFTER
19 JANUARY 1, 2020, DOES NOT EXCEED \$0.70 PER MONTH IN 2017 DOLLARS, OVER
20 THE DURATION OF THE PROPOSED OREC PRICING SCHEDULE;

21 2. THE PROJECTED INCREMENTAL NET RATE IMPACT
22 FOR ALL NONRESIDENTIAL CUSTOMERS CONSIDERED AS A BLENDED AVERAGE,
23 COMBINED WITH THE PROJECTED NET RATE IMPACT OF OTHER QUALIFIED
24 OFFSHORE WIND PROJECTS APPROVED ON OR AFTER JANUARY 1, 2020, DOES NOT
25 EXCEED 0.7% OF NONRESIDENTIAL CUSTOMERS' TOTAL ANNUAL ELECTRIC BILLS,
26 OVER THE DURATION OF THE PROPOSED OREC PRICING SCHEDULE; AND

27 3. THE PRICE SPECIFIED IN THE PROPOSED OREC
28 PRICE SCHEDULE DOES NOT EXCEED \$130 PER MEGAWATT-HOUR IN 2017 DOLLARS.

29 (2) (i) When calculating the net benefits to the State under paragraph
30 (1)(i) of this subsection, the Commission shall contract for the services of independent
31 consultants and experts.

32 (ii) When calculating the projected net average rate impacts under
33 paragraph [(1)(ii) and (iii)] (1)(II)1 AND 2 of this subsection, the Commission shall apply
34 the same net OREC cost per megawatt-hour to residential and nonresidential customers.

35 (3) (i) The findings and evidence relied on by the General Assembly for

1 the continuation of the Minority Business Enterprise Program under Title 14, Subtitle 3 of
2 the State Finance and Procurement Article are incorporated in this paragraph.

3 (ii) To the extent practicable and authorized by the United States
4 Constitution, approved applicants for a proposed offshore wind project shall comply with
5 the State's Minority Business Enterprise Program.

6 (iii) 1. On or before 6 months after the issuance of an order
7 approving an OREC application, the Governor's Office of Small, Minority, and Women
8 Business Affairs, in consultation with the Office of the Attorney General and an approved
9 applicant, shall establish a clear plan for setting reasonable and appropriate minority
10 business enterprise participation goals and procedures for each phase of the qualified
11 offshore wind project.

12 2. To the extent practicable, the goals and procedures
13 specified in subparagraph 1 of this subparagraph shall be based on the requirements of
14 Title 14, Subtitle 3 of the State Finance and Procurement Article and the regulations
15 implementing that subtitle.

16 3. Every 6 months following the issuance of an order
17 approving an OREC application, an approved applicant shall submit a report on its
18 progress establishing and implementing minority business enterprise participation goals
19 and procedures to the Commission.

20 (f) (1) An order the Commission issues approving a proposed offshore wind
21 project shall:

22 (i) specify the OREC price schedule, which may not authorize an
23 OREC price greater than:

24 **1. FOR A PROJECT APPLIED FOR BEFORE JANUARY 1,**
25 **2020, \$190 per megawatt-hour in 2012 dollars; OR**

26 **2. FOR A PROJECT APPLIED FOR ON OR AFTER JANUARY**
27 **1, 2020, \$130 PER MEGAWATT-HOUR IN 2017 DOLLARS;**

28 (ii) specify the duration of the OREC pricing schedule, not to exceed
29 20 years;

30 (iii) specify the number of ORECs the offshore wind project may sell
31 each year;

32 (iv) provide that:

33 1. a payment may not be made for an OREC until electricity
34 supply is generated by the offshore wind project; and

1 2. ratepayers, purchasers of ORECs, and the State shall be
2 held harmless for any cost overruns associated with the offshore wind project; and

3 (v) require that any debt instrument issued in connection with a
4 qualified offshore wind project include language specifying that the debt instrument does
5 not establish a debt, obligation, or liability of the State.

6 (2) An order approving a proposed offshore wind project vests the owner of
7 the qualified offshore wind project with the right to receive payments for ORECs according
8 to the terms in the order.

9 (g) (1) Within 60 days after the Commission approves the application of a
10 proposed offshore wind project, the qualified offshore wind project shall deposit \$2,000,000
11 into the Maryland Offshore Wind Business Development Fund established under §
12 9–20C–03 of the State Government Article.

13 (2) Within 1 year after the initial deposit under paragraph (1) of this
14 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
15 the Maryland Offshore Wind Business Development Fund.

16 (3) Within 2 years after the initial deposit under paragraph (1) of this
17 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
18 the Maryland Offshore Wind Business Development Fund.

19 7–704.2.

20 (a) (1) The Commission shall determine the offshore wind energy component
21 of the renewable energy portfolio standard under § 7–703(b)(12) through [(15)] **(25)** of this
22 subtitle based on the projected annual creation of ORECs by qualified offshore wind
23 projects.

24 (c) (1) Each electricity supplier shall purchase from the escrow account
25 established under this section the number of ORECs required to satisfy the offshore wind
26 energy component of the renewable energy portfolio standard under § 7–703(b)(12) through
27 [(15)] **(25)** of this subtitle.

28 7–705.

29 (b) (1) This subsection does not apply to a shortfall from the required Tier 1
30 renewable sources that is to be derived from offshore wind energy.

31 (2) If an electricity supplier fails to comply with the renewable energy
32 portfolio standard for the applicable year, the electricity supplier shall pay into the
33 Maryland Strategic Energy Investment Fund established under § 9–20B–05 of the State
34 Government Article:

1 (i) except as provided in item (ii) of this paragraph, a compliance fee
2 of:

3 1. the following amounts for each kilowatt-hour of shortfall
4 from required Tier 1 renewable sources other than the shortfall from the required Tier 1
5 renewable sources that is to be derived from solar energy:

6 A. 4 cents through 2016; [and]

7 B. 3.75 cents in 2017 **AND 2018**;

8 **C. 3 CENTS IN 2019 THROUGH 2023**;

9 **D. 2.75 CENTS IN 2024**;

10 **E. 2.5 CENTS IN 2025**;

11 **F. 2.45 CENTS IN 2026 AND 2027; AND**

12 **G. 2.25 CENTS IN 2028** and later;

13 2. the following amounts for each kilowatt-hour of shortfall
14 from required Tier 1 renewable sources that is to be derived from solar energy:

15 A. 45 cents in 2008;

16 B. 40 cents in 2009 through 2014;

17 C. 35 cents in 2015 and 2016;

18 D. 19.5 cents in 2017;

19 E. 17.5 cents in 2018;

20 F. [15] **10** cents in 2019;

21 G. [12.5] **10** cents in 2020;

22 H. [10] **9** cents in 2021;

23 I. [7.5] **7** cents in 2022;

24 J. [6] **5** cents in 2023; [and]

25 K. [5] **4.25** cents in 2024;

1 **L. 3.5 CENTS IN 2025;**

2 **M. 3 CENTS IN 2026;**

3 **N. 2.5 CENTS IN 2027 AND 2028; AND**

4 **O. 2.25 CENTS IN 2029** and later; and

5 3. 1.5 cents for each kilowatt–hour of shortfall from required
6 Tier 2 renewable sources; or

7 (ii) for industrial process load:

8 1. for each kilowatt–hour of shortfall from required Tier 1
9 renewable sources, a compliance fee of:

10 A. 0.8 cents in 2006, 2007, and 2008;

11 B. 0.5 cents in 2009 and 2010;

12 C. 0.4 cents in 2011 and 2012;

13 D. 0.3 cents in 2013 and 2014;

14 E. 0.25 cents in 2015 and 2016; and

15 F. except as provided in paragraph (3) of this subsection, 0.2
16 cents in 2017 and later; and

17 2. nothing for any shortfall from required Tier 2 renewable
18 sources.

19 (3) For industrial process load, the compliance fee for each kilowatt–hour
20 of shortfall from required Tier 1 renewable sources is:

21 (i) 0.1 cents in any year during which suppliers are required to
22 purchase ORECs under § 7–704.2 of this subtitle; and

23 (ii) nothing for the year following any year during which, after final
24 calculations, the net rate impact per megawatt–hour:

25 1. from qualified offshore wind projects **APPLIED FOR**
26 **BEFORE JANUARY 1, 2020**, exceeded \$1.65 in 2012 dollars; **OR**

1 **2. FROM QUALIFIED OFFSHORE WIND PROJECTS**
2 **APPLIED FOR ON OR AFTER JANUARY 1, 2020, EXCEEDED 80 CENTS IN 2017**
3 **DOLLARS.**

4 7–714.

5 (a) The Power Plant Research Program shall conduct a study of the renewable
6 energy portfolio standard and related matters in accordance with this section.

7 (b) The study shall be a comprehensive review of the history, implementation,
8 overall costs and benefits, and effectiveness of the renewable energy portfolio standard in
9 relation to the energy policies of the State, including:

10 (1) the availability of all clean energy sources at reasonable and affordable
11 rates, including in–State and out–of–state renewable energy options;

12 (2) the economic and environmental impacts of the deployment of
13 renewable energy sources in the State and in surrounding areas of the PJM region;

14 (3) the effectiveness of the standard in encouraging development and
15 deployment of renewable energy sources;

16 (4) the impact of alterations that have been made in the components of
17 each tier of the standard, the implementation of different specific goals for particular
18 sources, and the effect of different percentages and alternative compliance payment scales
19 for energy in the tiers;

20 (5) an assessment of alternative models of regulation and market–based
21 tools that may be available or advisable to promote the goals of the standard and the energy
22 policies of the State; and

23 (6) the potential to alter or otherwise evolve the standard in order to
24 increase and maintain its effectiveness in promoting the State’s energy policies.

25 (c) Particular subjects to be addressed in the study include:

26 (1) the role and effectiveness that the standard may have in reducing the
27 carbon content of imported electricity and whether existing or new additional
28 complementary policies or programs could help address the carbon emissions associated
29 with electricity imported into the State;

30 (2) the net environmental and fiscal impacts that may be associated with
31 long–term contracts tied to clean energy projects, including:

32 (i) ratepayer impacts that resulted in other states from the use of
33 long–term contracts for the procurement of renewable energy for the other states’ standard
34 offer service and whether the use of long–term contracts incentivized new renewable energy

1 generation development; and

2 (ii) ratepayer impacts that may result in the State from the use of
3 long-term contracts for each energy source in the State's Tier 1 and whether, for each of
4 the sources, the use of long-term contracts would incentivize new renewable energy
5 generation development in that source;

6 (3) whether the standard is able to meet current and potential future
7 targets without the inclusion of certain technologies;

8 (4) what industries are projected to grow, and to what extent, as a result of
9 incentives associated with the standard;

10 (5) whether the public health and environmental benefits of the growing
11 clean energy industries supported by the standard are being equitably distributed across
12 overburdened and underserved environmental justice communities;

13 (6) whether the State is likely to meet its existing goals under the standard
14 and, if the State were to increase those goals, whether electricity suppliers should expect
15 to find an adequate supply to meet the additional demand for credits;

16 (7) additional opportunities that may be available to promote local job
17 creation within the industries that are projected to grow as a result of the standard;

18 (8) system flexibility that the State would need under future goals under
19 the standard, including the quantities of system peaking and ramping that may be
20 required;

21 (9) how energy storage technology and other flexibility resources should
22 continue to be addressed in support of renewable energy and State energy policy, including:

23 (i) whether the resources should be encouraged through a
24 procurement, a production, or an installation incentive;

25 (ii) the advisability of providing incentives for energy storage devices
26 to increase hosting capacity of increased renewable on-site generation on the distribution
27 system; and

28 (iii) discussion of the costs and benefits of energy storage deployment
29 in the State under future goals scenarios for renewable generation;

30 (10) (I) the role of in-State clean energy in achieving greenhouse gas
31 emission reductions and promoting local jobs and economic activity in the State;

32 (II) THE IMPACT OF ITEM (I) OF THIS ITEM ON RATEPAYERS
33 WITH RESPECT TO THE REQUIREMENT OF IN-STATE CLEAN ENERGY GENERATION
34 AS AN INCREASING PERCENTAGE OF THE STANDARD; AND

1 **(III) THE IMPACT OF ALL ENERGY SOURCES THAT QUALIFY**
2 **UNDER THE STANDARD WITH RESPECT TO THE REQUIREMENT OF IN-STATE CLEAN**
3 **ENERGY GENERATION AS AN INCREASING PERCENTAGE OF THE STANDARD;**

4 (11) an assessment of any change in solar renewable energy credit prices
5 over the immediate 24 months preceding the submission of the interim report required
6 under subsection (e) of this section; and

7 (12) any other matters the Program considers relevant to the analysis of the
8 issues outlined in this section.

9 (d) (1) The Commission, the Administration, the Department of the
10 Environment, the Department of Natural Resources, and other State and local units shall
11 cooperate with the Program in the conduct of the study under this section, including
12 sharing of information, data, and resources, subject to appropriate legal protection of
13 commercially sensitive and other information.

14 (2) The Program shall consult with representatives of various segments of
15 the clean energy industry and other stakeholders.

16 (e) (1) (i) On or before December 1, 2018, the Program shall submit an
17 interim report on any preliminary findings of the study under this section, including any
18 observations and requests for alteration or clarification of the scope, subjects, procedures,
19 and intergovernmental cooperation that may be required to complete the study and submit
20 a final report under this subsection.

21 (ii) If the Program determines that any preliminary findings under
22 subparagraph (i) of this paragraph warrant reporting earlier than December 1, 2018, the
23 Program may submit a preliminary interim report on those preliminary findings.

24 (2) On or before December 1, 2019, the Program shall submit a final report
25 on the findings of the study, including proposals for any alteration of the renewable
26 portfolio standard, alternative mechanisms for furthering the State's energy policies, and
27 related matters, and any proposed legislative or regulatory changes recommended to
28 implement the findings of the study.

29 (3) The interim, any preliminary interim, and final reports shall be
30 submitted to the Governor and, subject to § 2-1246 of the State Government Article, the
31 Senate Finance Committee and the House Economic Matters Committee.

32 **(F) (1) AFTER SUBMISSION OF THE FINAL REPORT UNDER SUBSECTION**
33 **(E) OF THIS SECTION, THE PROGRAM SHALL CONDUCT A SUPPLEMENTAL STUDY TO**
34 **ASSESS THE OVERALL COSTS AND BENEFITS OF INCREASING THE RENEWABLE**
35 **ENERGY PORTFOLIO STANDARD TO 100%.**

1 **(2) PARTICULAR SUBJECTS TO BE ADDRESSED IN THE**
2 **SUPPLEMENTAL STUDY SHALL INCLUDE:**

3 **(I) ALL RELEVANT SUBJECTS LISTED IN SUBSECTIONS (B) AND**
4 **(C) OF THIS SECTION; AND**

5 **(II) AN ASSESSMENT OF WHETHER CERTAIN IN-STATE**
6 **INDUSTRIES COULD BE DISPLACED BY A 100% STANDARD, AND RECOMMENDATIONS**
7 **ON HOW TO PROVIDE AND FUND A JUST TRANSITION FOR WORKERS AND**
8 **COMMUNITIES THAT RELY ON THOSE INDUSTRIES THAT COULD FACE**
9 **DISPLACEMENT.**

10 **(3) ON OR BEFORE DECEMBER 1, 2020, THE PROGRAM SHALL**
11 **SUBMIT A FINAL REPORT ON THE FINDINGS OF THE SUPPLEMENTAL STUDY,**
12 **INCLUDING PROPOSALS FOR ANY ALTERATION OF THE RENEWABLE ENERGY**
13 **PORTFOLIO STANDARD, ALTERNATIVE MECHANISMS FOR FURTHERING THE**
14 **STATE'S ENERGY POLICIES, ANY RELATED MATTERS, AND ANY PROPOSED**
15 **LEGISLATIVE OR REGULATORY CHANGES RECOMMENDED TO IMPLEMENT THE**
16 **FINDINGS OF THE SUPPLEMENTAL STUDY.**

17 **Article – State Government**

18 9–20B–01.

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

20 (d) “Clean energy industry” means a group of employers that are associated by
21 their promotion of:

22 (1) products and services that improve energy efficiency and conservation,
23 including products and services provided by:

24 (i) electricians;

25 (ii) heating, ventilation, and air-conditioning installers;

26 (iii) plumbers; and

27 (iv) energy auditors; and

28 (2) renewable and clean energy resources.

29 9–20B–05.

30 (a) There is a Maryland Strategic Energy Investment Fund.

- 1 (f) The Administration shall use the Fund:
- 2 (1) to invest in the promotion, development, and implementation of:
- 3 (i) cost-effective energy efficiency and conservation programs,
4 projects, or activities, including measurement and verification of energy savings;
- 5 (ii) renewable and clean energy resources;
- 6 (iii) climate change programs directly related to reducing or
7 mitigating the effects of climate change; and
- 8 (iv) demand response programs that are designed to promote
9 changes in electric usage by customers in response to:
- 10 1. changes in the price of electricity over time; or
- 11 2. incentives designed to induce lower electricity use at times
12 of high wholesale market prices or when system reliability is jeopardized;
- 13 (2) to provide targeted programs, projects, activities, and investments to
14 reduce electricity consumption by customers in the low-income and moderate-income
15 residential sectors;
- 16 (3) to provide supplemental funds for low-income energy assistance
17 through the Electric Universal Service Program established under § 7-512.1 of the Public
18 Utilities Article and other electric assistance programs in the Department of Human
19 Services;
- 20 (4) to provide rate relief by offsetting electricity rates of residential
21 customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the
22 Public Utilities Article;
- 23 (5) to provide grants, loans, and other assistance and investment as
24 necessary and appropriate to implement the purposes of the Program as set forth in §
25 9-20B-03 of this subtitle;
- 26 (6) to implement energy-related public education and outreach initiatives
27 regarding reducing energy consumption and greenhouse gas emissions;
- 28 (7) to provide rebates under the Electric Vehicle Recharging Equipment
29 Rebate Program established under § 9-2009 of this title;
- 30 (8) to provide grants to encourage combined heat and power projects at
31 industrial facilities; [and]

1 **(9) TO PROVIDE \$17,280,000 IN FUNDING FOR ACCESS TO CAPITAL**
2 **FOR SMALL, MINORITY, WOMEN, AND VETERAN-OWNED BUSINESSES IN THE CLEAN**
3 **ENERGY INDUSTRY UNDER § 5-1501 OF THE ECONOMIC DEVELOPMENT ARTICLE,**
4 **ALLOCATED IN ANNUAL INCREMENTS THROUGH 2030;**

5 **(10) TO INVEST IN PRE-APPRENTICESHIP, APPRENTICESHIP, AND**
6 **OTHER WORKFORCE DEVELOPMENT PROGRAMS TO ESTABLISH CAREER PATHS IN**
7 **THE CLEAN ENERGY INDUSTRY UNDER § 11-708.1 OF THE LABOR AND**
8 **EMPLOYMENT ARTICLE, AS FOLLOWS:**

9 **(I) UP TO \$1,000,000 EACH YEAR FOR 2 YEARS TO**
10 **APPRENTICESHIP SPONSORS TO CREATE CLEAN ENERGY APPRENTICESHIPS; AND**

11 **(II) UP TO \$1,000,000 EACH YEAR FOR 2 YEARS TO CAREER AND**
12 **TECHNICAL EDUCATION SCHOOLS TO LAUNCH AND UPGRADE RELEVANT CAREER**
13 **AND TECHNICAL EDUCATION PROGRAMS;**

14 **(11) TO PROVIDE \$5,720,000 FOR TAX CREDITS PROVIDED UNDER §**
15 **10-742 OF THE TAX - GENERAL ARTICLE FOR APPRENTICESHIPS IN THE CLEAN**
16 **ENERGY INDUSTRY; AND**

17 **[(9)] (12) to pay the expenses of the Program.**

18 [(f-1) The Administration may use the Fund, including money that the Fund
19 receives under Public Service Commission Order Number 86372, to provide funding for
20 access to capital for small, minority, and women-owned businesses in the clean energy
21 industry under § 5-1501 of the Economic Development Article.]

22 (i) (1) **IN THIS SUBSECTION, “LOW-INCOME” MEANS HAVING AN ANNUAL**
23 **HOUSEHOLD INCOME THAT IS AT OR BELOW 175% OF THE FEDERAL POVERTY**
24 **LEVEL.**

25 **(2) Except as provided in paragraph [(2)] (3) of this subsection, compliance**
26 **fees paid under § 7-705(b) of the Public Utilities Article may be used only to make loans**
27 **and grants to support the creation of new Tier 1 renewable energy sources in the State**
28 **THAT ARE OWNED BY OR DIRECTLY BENEFIT LOW-INCOME RESIDENTS OF THE**
29 **STATE.**

30 **[(2)] (3) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public**
31 **Utilities Article shall be accounted for separately within the Fund and may be used only to**
32 **make loans and grants to support the creation of new solar energy sources in the State**
33 **THAT ARE OWNED BY OR DIRECTLY BENEFIT LOW-INCOME RESIDENTS OF THE**
34 **STATE.**

1 **(M) (1) A LOAN OR GRANT MADE AVAILABLE FROM THE FUND TO A UNIT**
2 **OF STATE OR LOCAL GOVERNMENT SHALL COMPLY WITH §§ 14–416 AND 17–303 OF**
3 **THE STATE FINANCE AND PROCUREMENT ARTICLE.**

4 **(2) AT LEAST 80% OF WORKERS PARTICIPATING IN A PROJECT OR**
5 **PROGRAM THAT RECEIVES MONEY FROM THE FUND MUST RESIDE WITHIN 50 MILES**
6 **OF THE PROJECT OR PROGRAM, OR ANOTHER DISTANCE DEFINED BY THE LOCAL**
7 **JURISDICTION WHERE THE PROJECT OR PROGRAM IS LOCATED.**

8 **Chapter 393 of the Acts of 2017**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
10 1, 2017. It shall remain effective for a period of ~~[3]~~ 4 years and 1 month and, at the end of
11 June 30, ~~[2020]~~ **2021**, with no further action required by the General Assembly, this Act
12 shall be abrogated and of no further force and effect.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
14 as follows:

15 **Article – Public Utilities**

16 7–701.

17 **(r)** “Tier 1 renewable source” means one or more of the following types of energy
18 sources:

19 (1) solar energy, including energy from photovoltaic technologies and solar
20 water heating systems;

21 (2) wind;

22 (3) qualifying biomass;

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

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

27 (6) ocean, including energy from waves, tides, currents, and thermal
28 differences;

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

31 (8) a small hydroelectric power plant of less than 30 megawatts in capacity

1 that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;

2 (9) poultry litter-to-energy; AND

3 (10) [~~waste-to-energy;~~

4 (11) refuse-derived fuel; and

5 (12)] thermal energy from a thermal biomass system.

6 7-704.

7 (a) (2) (i) Energy from a Tier 1 renewable source under § 7-701(r)(1), (5),
8 OR (9)[, (10), or (11)] of this subtitle is eligible for inclusion in meeting the renewable energy
9 portfolio standard only if the source is connected with the electric distribution grid serving
10 Maryland.

11 (ii) If the owner of a solar generating system in this State chooses to
12 sell solar renewable energy credits from that system, the owner must first offer the credits
13 for sale to an electricity supplier or electric company that shall apply them toward
14 compliance with the renewable energy portfolio standard under § 7-703 of this subtitle.

15 SECTION 3. AND BE IT FURTHER ENACTED, That a presently existing obligation
16 or contract right may not be impaired in any way by this Act.

17 SECTION 4. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
18 the application thereof to any person or circumstance is held invalid for any reason in a
19 court of competent jurisdiction, the invalidity does not affect other provisions or any other
20 application of this Act that can be given effect without the invalid provision or application,
21 and for this purpose the provisions of this Act are declared severable.

22 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
23 effect January 1, 2019.

24 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section
25 5 of this Act, this Act shall take effect October 1, 2018.