# Department of Legislative Services

Maryland General Assembly
2018 Session

## FISCAL AND POLICY NOTE
## Third Reader

Senate Bill 433 (Senator Hershey)
Finance Economic Matters

**Public Service Commission - Renewable Energy Portfolio Standard - Reporting**

This bill moves up the date by which the Public Service Commission (PSC) must submit an annual report to the General Assembly on the Renewable Energy Portfolio Standard (RPS) by two months, to December 1.

## Fiscal Summary

**State Effect:** PSC can handle the bill's requirements with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law/Background:** PSC must annually report to the General Assembly by February 1 on the status of implementation of the State RPS, including the availability of Tier 1 renewable sources, projects supported by the Maryland Strategic Energy Investment Fund (SEIF), and other pertinent information.

PSC's annual reports on the State RPS are a comprehensive overview of the program, its costs, the location of individual renewable energy credit (REC) generators, and many important trends over time. The reports are the basis for much of the additional analysis that occurs on the State RPS. Due to the timing of the data submission, each report contains information from two years prior to its publication year. The 2017 report, containing information from 2015, can be found on PSC's website.

*Renewable Energy Portfolio Standard – Generally*

Maryland's RPS was enacted in 2004 to facilitate a gradual transition to renewable sources of energy. It operates on a two-tiered system with carve-outs for solar energy and offshore wind energy and corresponding RECs for each tier. Tier 1 sources include wind, geothermal, solar, and several others. Following the transfer of several sources to Tier 1, Tier 2 includes only large hydroelectric power plants. Legislation enacted in 2017 increased the Tier 1 percentage requirements from 20% by 2022 to 25% by 2020. The 2018 requirement is 15.8%, including 1.5% from solar.

Electric companies (utilities) and other electricity suppliers must submit RECs equal to a percentage specified in statute each year or else pay a penalty equivalent to their shortfall. Revenue from the penalties, which historically has been zero or minimal in any given year, accrues to SEIF and is used by the Maryland Energy Administration to support new Tier 1 renewable energy sources in the State.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2018
mm/lgc Third Reader - February 15, 2018

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