

# HOUSE BILL 1158

M5, C5, C8  
HB 1453/18 – ECM

9lr2730  
CF SB 516

---

By: **Delegates Lisanti, Glenn, Acevero, Atterbeary, Bagnall, B. Barnes, Barron, Barve, Boyce, Bridges, Cain, Cardin, Carr, Chang, Charkoudian, Clippinger, Conaway, Crutchfield, Cullison, Dumais, Ebersole, Feldmark, Fennell, W. Fisher, Fraser–Hidalgo, Gaines, Gilchrist, Guyton, Haynes, Healey, Hettleman, Hill, Holmes, Ivey, Jackson, Johnson, Jones, Kelly, Kerr, Korman, Krimm, Lafferty, R. Lewis, Lierman, Lopez, Love, Luedtke, McIntosh, Moon, Mosby, Palakovich Carr, Patterson, Pena–Melnik, Pendergrass, Proctor, Qi, Queen, Reznik, Rogers, Shetty, Smith, Solomon, Stewart, Sydnor, Terrasa, Turner, Valderrama, Valentino–Smith, Washington, C. Watson, Wilkins, K. Young, and P. Young**

Introduced and read first time: February 8, 2019

Assigned to: Economic Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Clean Energy Jobs**

3 FOR the purpose of requiring the Small, Minority, and Women–Owned Businesses Account  
4 to receive certain money from the Strategic Energy Investment Fund; exempting  
5 certain money received by the Small, Minority, and Women–Owned Businesses  
6 Account from the requirement to ensure that at least a certain percentage of grants  
7 be allocated within certain jurisdictions and communities; requiring the Department  
8 of Commerce to make certain grants to certain eligible fund managers for certain  
9 purposes; authorizing eligible fund managers to use and to retain certain money for  
10 certain purposes, including certain investments, loans, compensation, and interest;  
11 establishing the Clean Energy Workforce Account in the Maryland Employment  
12 Advancement Right Now Program; providing for the funding of the Account;  
13 requiring the Account to be used to support certain workforce development programs  
14 with certain requirements; establishing certain requirements and goals for certain  
15 supported programs; establishing certain funding requirements for certain  
16 apprenticeship programs; requiring the Department of Labor, Licensing, and  
17 Regulation to include certain information about the Account in a certain annual  
18 report; establishing certain criteria for qualified offshore wind projects applied for  
19 on or after a certain date; altering and extending the minimum required percentage  
20 of energy that must be derived from Tier 1 renewable sources in the State’s  
21 renewable energy portfolio standard in certain years; altering and extending the  
22 minimum required percentage of Tier 1 renewable energy that must be derived from

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 solar energy in the State's renewable energy portfolio standard in certain years;  
2 altering and extending the minimum required percentage of Tier 1 renewable energy  
3 that must be derived from offshore wind energy in the State's renewable energy  
4 portfolio standard in certain years and certain energy sources required in those  
5 years; altering certain limitations regarding certain renewable energy credit costs;  
6 requiring the Public Service Commission to provide certain additional application  
7 periods for consideration of Round 2 offshore wind projects; establishing certain  
8 criteria for the Commission to consider with respect to approval of an application for  
9 a Round 2 offshore wind project, including limits on certain rate impacts measured  
10 in certain dollars; requiring the Commission to approve certain applications for a  
11 Round 2 offshore wind project under certain circumstances and conditions; requiring  
12 the Commission to approve orders representing a certain minimum nameplate  
13 capacity of Round 2 offshore wind project applications under certain circumstances;  
14 altering the compliance fee for an electricity supplier that fails to comply with certain  
15 renewable energy portfolio standards for certain years; establishing certain  
16 compliance fees for an electricity supplier that fails to comply with certain renewable  
17 energy portfolio standards for certain years; requiring the Power Plant Research  
18 Program to conduct a supplemental study on the renewable energy portfolio  
19 standard and certain related matters; altering the scope of a certain study and  
20 providing for the scope of the supplemental study; providing certain specific subjects  
21 that the supplemental study must address; requiring the Program to report to the  
22 Governor and the General Assembly on or before certain dates; authorizing the  
23 Maryland Energy Administration to use the Strategic Energy Investment Fund for  
24 certain purposes; providing for certain investments from the Fund for certain jobs  
25 training programs from certain sources; providing that certain funding should be  
26 directed to certain businesses that support jobs with certain characteristics;  
27 requiring certain loans or grants from the Fund to comply with certain provisions;  
28 authorizing the use of certain funds from the Fund by eligible fund managers for  
29 certain purposes; requiring at least a certain number of workers participating in a  
30 certain project or program to reside within a certain area with respect to the project  
31 or program; stating and amending the intent of the General Assembly concerning  
32 certain matters; defining certain terms and altering certain definitions; making  
33 conforming and clarifying changes; altering the termination date of a certain Act;  
34 providing that existing obligations or contract rights may not be impaired by this  
35 Act; making the provisions of this Act severable; and generally relating to the  
36 renewable energy portfolio standard and economic development.

37 BY repealing and reenacting, without amendments,

38 Article – Economic Development

39 Section 5–1501(a)

40 Annotated Code of Maryland

41 (2018 Replacement Volume)

42 BY repealing and reenacting, with amendments,

43 Article – Economic Development

44 Section 5–1501(b) through (d) and (g)

45 Annotated Code of Maryland

- 1 (2018 Replacement Volume)
- 2 BY adding to  
3 Article – Economic Development  
4 Section 5–1501(g)  
5 Annotated Code of Maryland  
6 (2018 Replacement Volume)
- 7 BY adding to  
8 Article – Labor and Employment  
9 Section 11–708.1  
10 Annotated Code of Maryland  
11 (2016 Replacement Volume and 2018 Supplement)
- 12 BY repealing and reenacting, with amendments,  
13 Article – Labor and Employment  
14 Section 11–709  
15 Annotated Code of Maryland  
16 (2016 Replacement Volume and 2018 Supplement)
- 17 BY repealing and reenacting, without amendments,  
18 Article – Public Utilities  
19 Section 7–701(a) and (h)  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2018 Supplement)
- 22 BY repealing and reenacting, with amendments,  
23 Article – Public Utilities  
24 Section 7–701(k) and (n), 7–702, 7–703, 7–704.1, 7–704.2(a)(1) and (c)(1), 7–705(b)  
25 and (e)(1) and (4), and 7–714  
26 Annotated Code of Maryland  
27 (2010 Replacement Volume and 2018 Supplement)
- 28 BY adding to  
29 Article – Public Utilities  
30 Section 7–701(p–1) and (p–2)  
31 Annotated Code of Maryland  
32 (2010 Replacement Volume and 2018 Supplement)
- 33 BY repealing and reenacting, without amendments,  
34 Article – State Government  
35 Section 9–20B–01(a) and 9–20B–05(a)  
36 Annotated Code of Maryland  
37 (2014 Replacement Volume and 2018 Supplement)
- 38 BY repealing and reenacting, with amendments,  
39 Article – State Government

1 Section 9–20B–01(d) and 9–20B–05(f) and (i)  
2 Annotated Code of Maryland  
3 (2014 Replacement Volume and 2018 Supplement)

4 BY repealing  
5 Article – State Government  
6 Section 9–20B–05(f–1)  
7 Annotated Code of Maryland  
8 (2014 Replacement Volume and 2018 Supplement)

9 BY adding to  
10 Article – State Government  
11 Section 9–20B–05(f–1), (f–2), (f–3), and (m)  
12 Annotated Code of Maryland  
13 (2014 Replacement Volume and 2018 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Chapter 393 of the Acts of the General Assembly of 2017  
16 Section 2

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

19 **Article – Economic Development**

20 5–1501.

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

23 (b) (1) (i) The Account shall receive money as required under § 9–1A–27 of  
24 the State Government Article.

25 (ii) The Account [may] **SHALL** receive money from the Strategic  
26 Energy Investment Fund **AS REQUIRED** under § 9–20B–05 of the State Government  
27 Article.

28 (2) Money in the Account shall be invested and reinvested by the Treasurer  
29 and interest and earnings shall accrue to the Account.

30 (3) The Comptroller shall:

31 (i) account for the Account; and

32 (ii) on a properly approved transmittal prepared by the Department,  
33 issue a warrant to pay out money from the Account in the manner provided under this  
34 section.

1 (4) The Account is a special, nonlapsing fund that is not subject to § 7-302  
2 of the State Finance and Procurement Article.

3 (5) Expenditures from the Account shall only be made on a properly  
4 approved transmittal prepared by the Department as provided under subsection (c) of this  
5 section.

6 (c) (1) In this subsection, “eligible fund manager”:

7 (I) means an entity that has significant financial or investment  
8 experience, under criteria developed by the Department; AND

9 (II) INCLUDES AN ENTITY THAT THE DEPARTMENT DESIGNATES  
10 TO MANAGE FUNDS RECEIVED UNDER SUBSECTION (B)(1)(I) OF THIS SECTION.

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

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

18 (d) (1) Any money received from the Strategic Energy Investment Fund shall  
19 be used to benefit small, minority, [and] women-owned, AND VETERAN-OWNED  
20 businesses in the clean energy industry in the State.

21 (2) THE DEPARTMENT SHALL MAKE GRANTS TO ELIGIBLE FUND  
22 MANAGERS TO PROVIDE INVESTMENT CAPITAL, INCLUDING DIRECT EQUITY  
23 INVESTMENTS AND SIMILAR INVESTMENTS AND LOANS TO SMALL, MINORITY,  
24 WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE CLEAN ENERGY  
25 INDUSTRY IN THE STATE.

26 (G) (1) SUBJECT TO PARAGRAPHS (2) THROUGH (4) OF THIS  
27 SUBSECTION, AN ELIGIBLE FUND MANAGER MAY USE MONEY FROM A GRANT  
28 RECEIVED UNDER SUBSECTION (D)(1) OF THIS SECTION TO PAY EXPENSES FOR  
29 ADMINISTRATIVE, ACTUARIAL, LEGAL, MARKETING, AND TECHNICAL SERVICES AND  
30 MANAGEMENT FEES.

31 (2) THE DEPARTMENT SHALL:

32 (I) MAINTAIN ALL MONEY RECEIVED FROM THE STRATEGIC  
33 ENERGY INVESTMENT FUND IN A SINGLE ACCOUNT; AND

1                   **(II) MAKE GRANT ALLOCATIONS TO AN ELIGIBLE FUND**  
2 **MANAGER AS THE MANAGER ADVISES THE DEPARTMENT THAT THE MANAGER HAS**  
3 **APPROVED AND PREPARED TO FUND AN INVESTMENT OR A LOAN.**

4                   **(3) ANY ALLOCATION THAT THE DEPARTMENT MAKES TO AN**  
5 **ELIGIBLE FUND MANAGER FROM THE STRATEGIC ENERGY INVESTMENT FUND**  
6 **SHALL INCLUDE:**

7                   **(I) THE AMOUNT OF THE INVESTMENT OR LOAN; AND**

8                   **(II) AN ADDITIONAL 20% OF THE TOTAL INVESTMENT OR LOAN**  
9 **COMMITMENT AMOUNT AS A MANAGEMENT FEE FOR THE BENEFIT AND**  
10 **COMPENSATION OF THE ELIGIBLE FUND MANAGER.**

11                   **(4) AN ELIGIBLE FUND MANAGER THAT RECEIVES AN ALLOCATION**  
12 **FROM THE STRATEGIC ENERGY INVESTMENT FUND SHALL RETAIN FOR THE**  
13 **MANAGER'S BENEFIT:**

14                   **(I) ALL MANAGEMENT FEES PAID BY THE DEPARTMENT; AND**

15                   **(II) ALL INTEREST EARNED FROM A LOAN MADE BY THE**  
16 **ELIGIBLE FUND MANAGER UNDER THIS SUBSECTION.**

17                   **[(g)] (H)** The Legislative Auditor shall audit the utilization of the funds that are  
18 allocated to small, minority, and women-owned businesses by eligible fund managers  
19 under subsection (c)(3) of this section during an audit of the applicable State unit as  
20 provided in § 2-1220 of the State Government Article.

21                   **Article – Labor and Employment**

22 **11-708.1.**

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

24                   **(B) THE ACCOUNT SHALL BE FUNDED FROM THE STRATEGIC ENERGY**  
25 **INVESTMENT FUND IN ACCORDANCE WITH § 9-20B-05(F)(10) AND (I) OF THE STATE**  
26 **GOVERNMENT ARTICLE.**

27                   **(C) (1) THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS TO SUPPORT**  
28 **WORKFORCE DEVELOPMENT PROGRAMS THAT PROVIDE:**

29                   **(I) PRE-APPRENTICESHIP JOBS TRAINING;**

1 (II) YOUTH APPRENTICESHIP JOBS TRAINING; AND

2 (III) REGISTERED APPRENTICESHIP JOBS TRAINING.

3 (2) A PRE-APPRENTICESHIP JOBS TRAINING PROGRAM MUST:

4 (I) BE DESIGNED TO PREPARE INDIVIDUALS TO ENTER AND  
5 SUCCEED IN AN APPRENTICESHIP PROGRAM REGISTERED BY THE MARYLAND  
6 APPRENTICESHIP AND TRAINING COUNCIL;

7 (II) INCLUDE:

8 1. TRAINING AND CURRICULUM BASED ON NATIONAL  
9 BEST PRACTICES THAT PREPARE INDIVIDUALS WITH THE SKILLS AND  
10 COMPETENCIES TO ENTER ONE OR MORE STATE-REGISTERED OR U.S.  
11 DEPARTMENT OF LABOR-REGISTERED APPRENTICESHIP PROGRAMS THAT  
12 PREPARE WORKERS FOR CAREERS IN JOBS IN A CLEAN ENERGY INDUSTRY;

13 2. A DOCUMENTED STRATEGY FOR INCREASING  
14 APPRENTICESHIP OPPORTUNITIES FOR UNEMPLOYED AND UNDEREMPLOYED  
15 INDIVIDUALS, INCLUDING:

16 A. RECRUITMENT STRATEGIES TO BRING THESE  
17 INDIVIDUALS INTO THE PRE-APPRENTICESHIP JOBS TRAINING PROGRAM;

18 B. EDUCATIONAL AND PRE-VOCATIONAL SERVICES TO  
19 PREPARE PROGRAM PARTICIPANTS TO MEET THE ENTRY REQUIREMENTS OF ONE  
20 OR MORE REGISTERED APPRENTICESHIP PROGRAMS;

21 C. ACCESS TO APPROPRIATE SUPPORT SERVICES TO  
22 ENABLE PROGRAM PARTICIPANTS TO MAINTAIN PARTICIPATION IN THE PROGRAM;  
23 AND

24 D. MECHANISMS TO ASSIST PROGRAM PARTICIPANTS IN  
25 IDENTIFYING AND APPLYING TO REGISTERED APPRENTICESHIP PROGRAMS; AND

26 3. RIGOROUS PERFORMANCE AND EVALUATION  
27 METHODS TO ENSURE PROGRAM EFFECTIVENESS AND IMPROVEMENT; AND

28 (III) HAVE A DOCUMENTED PARTNERSHIP WITH AT LEAST ONE  
29 REGISTERED APPRENTICESHIP PROGRAM DESCRIBED IN ITEM (II)2 OF THIS  
30 PARAGRAPH.

1                   **(3) ELIGIBLE CLEAN ENERGY INDUSTRY JOBS FOR A**  
2 **PRE-APPRENTICESHIP JOBS TRAINING PROGRAM INCLUDE POSITIONS IN:**

3                   **(I) RENEWABLE ENERGY;**

4                   **(II) ENERGY EFFICIENCY;**

5                   **(III) ENERGY STORAGE;**

6                   **(IV) RESOURCE CONSERVATION; AND**

7                   **(V) ADVANCED TRANSPORTATION.**

8                   **(4) (I) THIS PARAGRAPH APPLIES TO YOUTH APPRENTICESHIP**  
9 **JOBS TRAINING PROGRAMS AND REGISTERED APPRENTICESHIP JOBS TRAINING**  
10 **PROGRAMS SUPPORTED BY THE ACCOUNT UNDER THIS SUBSECTION.**

11                   **(II) AN APPRENTICESHIP SPONSOR SHALL RECEIVE AS A GRANT**  
12 **FROM THE ACCOUNT:**

13                   **1. UP TO \$150,000 FOR A PROGRAM PROPOSAL AND**  
14 **PLANNING EXPENSES; AND**

15                   **2. \$3,000 FOR EACH SUCCESSFULLY COMPLETED**  
16 **APPRENTICESHIP.**

17                   **(III) THE YOUTH APPRENTICESHIP JOBS TRAINING PROGRAMS**  
18 **AND THE REGISTERED APPRENTICESHIP JOBS TRAINING PROGRAMS MUST**  
19 **PREPARE WORKERS FOR CAREERS IN THE SOLAR AND WIND SECTORS OF THE CLEAN**  
20 **ENERGY INDUSTRY.**

21 11-709.

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

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

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

29                   (2) information on measures being used to track the success and



1 accountability of the Maryland EARN Program, including use of the StateStat  
2 accountability process under § 3–1003(b) of the State Finance and Procurement Article;

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

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

7 (4) the number of individuals:

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

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

13 1. a credential or an identifiable skill;

14 2. a new employment position;

15 3. a title promotion; or

16 4. a wage promotion; [and]

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

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

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

22 **(6) INFORMATION ON THE SUCCESS OF FUNDING WORKFORCE**  
23 **DEVELOPMENT PROGRAMS UNDER § 11–708.1 OF THIS SUBTITLE.**

24 **Article – Public Utilities**

25 7–701.

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

27 (h) “Offshore wind renewable energy credit” or “OREC” means a renewable  
28 energy credit equal to the generation attributes of 1 megawatt–hour of electricity that is  
29 derived from offshore wind energy.

1 (k) “Qualified offshore wind project” means a wind turbine electricity generation  
2 facility, including the associated transmission–related interconnection facilities and  
3 equipment, that:

4 (1) is located on the outer continental shelf of the Atlantic Ocean in an area  
5 that[:

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

9 [(ii) is between 10 and 30 miles off the coast of the State;]

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

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

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

16 (1) in the PJM region;

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

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

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

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

25 **(P–1) “ROUND 1 OFFSHORE WIND PROJECT” MEANS A QUALIFIED OFFSHORE**  
26 **WIND PROJECT THAT:**

27 **(1) IS BETWEEN 10 AND 30 MILES OFF THE COAST OF THE STATE; AND**

28 **(2) THE COMMISSION APPROVED UNDER § 7–704.1 OF THIS SUBTITLE**  
29 **BEFORE JULY 1, 2017.**

30 **(P–2) “ROUND 2 OFFSHORE WIND PROJECT” MEANS A QUALIFIED OFFSHORE**  
31 **WIND PROJECT THAT:**

1           **(1) IS NOT LESS THAN 10 MILES OFF THE COAST OF THE STATE; AND**

2           **(2) THE COMMISSION APPROVES UNDER § 7-704.1 OF THIS SUBTITLE**  
3 **ON OR AFTER JULY 1, 2017.**

4 7-702.

5           (a) It is the intent of the General Assembly to:

6                   (1) recognize the economic, environmental, fuel diversity, and security  
7 benefits of renewable energy resources;

8                   **(2) REDUCE GREENHOUSE GAS EMISSIONS AND ELIMINATE**  
9 **CARBON-FUELED GENERATION FROM THE STATE'S ELECTRIC GRID BY USING THESE**  
10 **RESOURCES;**

11                   **(3)** establish a market for electricity from these resources in Maryland; and

12                   **[(3)] (4)** lower the cost to consumers of electricity produced from these  
13 resources.

14           (b) The General Assembly finds that:

15                   (1) the benefits of electricity from renewable energy resources, including  
16 long-term decreased emissions, a healthier environment, increased energy security, and  
17 decreased reliance on and vulnerability from imported energy sources, accrue to the public  
18 at large; [and]

19                   (2) electricity suppliers and consumers share an obligation to develop a  
20 minimum level of these resources in the electricity supply portfolio of the State; **AND**

21                   **(3) THE STATE NEEDS TO INCREASE ITS RELIANCE ON RENEWABLE**  
22 **ENERGY IN ORDER TO REDUCE GREENHOUSE GAS EMISSIONS AND MEET THE**  
23 **STATE'S GREENHOUSE GAS EMISSIONS REDUCTION GOALS UNDER § 2-1205 OF THE**  
24 **ENVIRONMENT ARTICLE.**

25 7-703.

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

29                   (ii) If the standard becomes applicable to electricity sold to a  
30 customer after the start of a calendar year, the standard does not apply to electricity sold

1 to the customer during that portion of the year before the standard became applicable.

2 (2) A renewable energy portfolio standard may not apply to electricity sales  
3 at retail by any electricity supplier:

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

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

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

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

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

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

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

22 (1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
23 renewable sources;

24 (2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
25 renewable sources;

26 (3) in 2008, 2.005% from Tier 1 renewable sources, including at least  
27 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

30 (5) in 2010, 3.025% from Tier 1 renewable sources, including at least  
31 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

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

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

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

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

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

11 (12) in 2017:

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

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

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

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

17 (13) in 2018:

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

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

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

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

23 (14) in 2019, **[20.4%] 20.7%** from Tier 1 renewable sources, including:

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

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

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

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

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

4 **(16) IN 2021, 30.8% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

5 **(I) AT LEAST 7.5% DERIVED FROM SOLAR ENERGY; AND**

6 **(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)**  
7 **OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY;**

8 **(17) IN 2022, 33.1% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

9 **(I) AT LEAST 8.5% DERIVED FROM SOLAR ENERGY; AND**

10 **(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)**  
11 **OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY;**

12 **(18) IN 2023, 35.4% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

13 **(I) AT LEAST 9.5% DERIVED FROM SOLAR ENERGY; AND**

14 **(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)**  
15 **OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY;**

16 **(19) IN 2024, 37.7% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

17 **(I) AT LEAST 10.5% DERIVED FROM SOLAR ENERGY; AND**

18 **(II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)**  
19 **OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY;**

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

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

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

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

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

1                   (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)  
2 OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING AT LEAST  
3 400 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS;

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

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

6                   (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)  
7 OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING AT LEAST  
8 400 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS;

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

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

11                  (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)  
12 OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING AT LEAST  
13 800 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS;

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

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

16                  (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)  
17 OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING AT LEAST  
18 800 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS; AND

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

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

22                  (II) AN AMOUNT SET BY THE COMMISSION UNDER § 7-704.2(A)  
23 OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING AT LEAST  
24 1,200 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS.

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

29                  (d) Subject to subsections (a) and (c) of this section and in accordance with §

1 7–704.2 of this subtitle, an electricity supplier shall meet the renewable energy portfolio  
2 standard by accumulating the equivalent amount of renewable energy credits that equal  
3 the percentages required under this section.

4 7–704.1.

5 (a) (1) **THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

6 (I) **THE DEVELOPMENT OF OFFSHORE WIND ENERGY IS**  
7 **IMPORTANT TO THE ECONOMIC WELL-BEING OF THE STATE AND THE NATION; AND**

8 (II) **IT IS IN THE PUBLIC INTEREST OF THE STATE TO**  
9 **FACILITATE THE CONSTRUCTION OF AT LEAST 1,200 MEGAWATTS OF ROUND 2**  
10 **OFFSHORE WIND PROJECTS IN ORDER TO:**

11 1. **POSITION THE STATE TO TAKE ADVANTAGE OF THE**  
12 **ECONOMIC DEVELOPMENT BENEFITS OF THE EMERGING OFFSHORE WIND**  
13 **INDUSTRY;**

14 2. **PROMOTE THE DEVELOPMENT OF RENEWABLE**  
15 **ENERGY SOURCES THAT INCREASE THE NATION’S INDEPENDENCE FROM FOREIGN**  
16 **SOURCES OF FOSSIL FUELS;**

17 3. **REDUCE THE ADVERSE ENVIRONMENTAL AND**  
18 **HEALTH IMPACTS OF TRADITIONAL FOSSIL FUEL ENERGY SOURCES; AND**

19 4. **PROVIDE A LONG-TERM HEDGE AGAINST VOLATILE**  
20 **PRICES OF FOSSIL FUELS.**

21 (2) After the effective date of Commission regulations implementing this  
22 section and § 7–704.2 of this subtitle, **AND BEFORE JUNE 30, 2017**, a person may submit  
23 an application to the Commission for approval of a proposed **ROUND 1** offshore wind  
24 project.

25 [(2)] (3) (i) On receipt of the application for approval of a [qualified]  
26 **ROUND 1** offshore wind project, the Commission shall:

27 1. open an application period when other interested persons  
28 may submit applications for approval of [qualified] **ROUND 1** offshore wind projects; and

29 2. provide notice that the Commission is accepting  
30 applications for approval of [qualified] **ROUND 1** offshore wind projects.

31 (ii) The Commission shall set the closing date for the application



1 period to be no sooner than 90 days after the notice provided under subparagraph (i) of this  
2 paragraph.

3 **(4) THE COMMISSION SHALL PROVIDE ADDITIONAL APPLICATION**  
4 **PERIODS BEGINNING, RESPECTIVELY:**

5 **(I) JANUARY 1, 2020, FOR CONSIDERATION OF ROUND 2**  
6 **OFFSHORE WIND PROJECTS TO BEGIN CREATING ORECS NOT LATER THAN 2026;**

7 **(II) JANUARY 1, 2021, FOR CONSIDERATION OF ROUND 2**  
8 **OFFSHORE WIND PROJECTS TO BEGIN CREATING ORECS NOT LATER THAN 2028;**  
9 **AND**

10 **(III) JANUARY 1, 2022, FOR CONSIDERATION OF ROUND 2**  
11 **OFFSHORE WIND PROJECTS TO BEGIN CREATING ORECS NOT LATER THAN 2030.**

12 **[(3)] (5)** In its discretion, the Commission may provide for additional  
13 application periods.

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

17 (c) An application shall include:

18 (1) a detailed description and financial analysis of the offshore wind  
19 project;

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

24 (3) a cost–benefit analysis that shall include at a minimum:

25 (i) a detailed input–output analysis of the impact of the offshore  
26 wind project on income, employment, wages, and taxes in the State with particular  
27 emphasis on in–State manufacturing employment;

28 (ii) detailed information concerning assumed employment impacts  
29 in the State, including the expected duration of employment opportunities, the salary of  
30 each position, and other supporting evidence of employment impacts;

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

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

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

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

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

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

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

13 (6) a commitment to:

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

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

19 (7) a description of the applicant's plan for engaging small businesses, as  
20 defined in § 14-501 of the State Finance and Procurement Article;

21 (8) a commitment that the applicant will:

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

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

29 (9) any other information the Commission requires.

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

32 (i) lowest cost impact on ratepayers of the price set under a proposed

1 OREC pricing schedule;

2 (ii) potential reductions in transmission congestion prices within the  
3 State;

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

5 (iv) potential reductions in locational marginal pricing;

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

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

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

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

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

23 (x) the extent to which an applicant's plan provides for  
24 compensation to its employees and subcontractors consistent with wages outlined under §§  
25 17-201 through 17-228 of the State Finance and Procurement Article;

26 (xi) siting and project feasibility;

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

29 (xiii) estimated ability to assist in meeting the renewable energy  
30 portfolio standard under § 7-703 of this subtitle; and

31 (xiv) any other criteria that the Commission determines to be  
32 appropriate.

33 (2) In evaluating and comparing an applicant's proposed offshore wind

1 project under paragraph (1) of this subsection, the Commission shall contract for the  
2 services of independent consultants and experts.

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

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

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

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

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

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

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

27 (e) (1) **(I)** [The Commission may not approve an applicant’s proposed  
28 offshore wind project unless:

29 (i) the proposed offshore wind project demonstrates] **IF THE**  
30 **COMMISSION RECEIVES REASONABLE PROPOSALS THAT DEMONSTRATE** positive net  
31 economic, environmental, and health benefits to the State, based on the criteria specified  
32 in subsection (c)(3) of this section[;], **AND SUBJECT TO SUBPARAGRAPH (II) OF THIS**  
33 **PARAGRAPH, THE COMMISSION SHALL APPROVE ORDERS TO FACILITATE THE**  
34 **FINANCING OF QUALIFIED OFFSHORE WIND PROJECTS, INCLUDING AT LEAST 1,200**  
35 **MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS.**

36 (ii) **THE COMMISSION MAY NOT APPROVE AN APPLICANT’S**

1 **PROPOSED OFFSHORE WIND PROJECT UNLESS:**

2 **1. FOR A ROUND 1 OFFSHORE WIND PROJECT**  
3 **APPLICATION:**

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

9 [(iii)] **B.** the projected net rate impact for all nonresidential  
10 customers considered as a blended average, combined with the projected net rate impact of  
11 other [qualified] **ROUND 1** offshore wind projects, does not exceed 1.5% of nonresidential  
12 customers' total annual electric bills, over the duration of the proposed OREC pricing  
13 schedule; and

14 [(iv)] **C.** the price [set] **SPECIFIED** in the proposed OREC price  
15 schedule does not exceed \$190 per megawatt–hour in 2012 dollars; **AND**

16 **2. FOR A ROUND 2 OFFSHORE WIND PROJECT**  
17 **APPLICATION:**

18 **A. THE PROJECTED INCREMENTAL NET RATE IMPACT**  
19 **FOR AN AVERAGE RESIDENTIAL CUSTOMER, BASED ON ANNUAL CONSUMPTION OF**  
20 **12 MEGAWATT–HOURS, COMBINED WITH THE PROJECTED INCREMENTAL NET RATE**  
21 **IMPACT OF OTHER ROUND 2 OFFSHORE WIND PROJECTS, DOES NOT EXCEED 88**  
22 **CENTS PER MONTH IN 2018 DOLLARS, OVER THE DURATION OF THE PROPOSED**  
23 **OREC PRICING SCHEDULE; AND**

24 **B. THE PROJECTED INCREMENTAL NET RATE IMPACT**  
25 **FOR ALL NONRESIDENTIAL CUSTOMERS CONSIDERED AS A BLENDED AVERAGE,**  
26 **COMBINED WITH THE PROJECTED NET RATE IMPACT OF OTHER ROUND 2 OFFSHORE**  
27 **WIND PROJECTS, DOES NOT EXCEED 0.9% OF NONRESIDENTIAL CUSTOMERS' TOTAL**  
28 **ANNUAL ELECTRIC BILLS DURING ANY YEAR OF THE PROPOSED OREC PRICING**  
29 **SCHEDULE.**

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

33 (ii) When calculating the projected net average rate impacts **FOR**  
34 **ROUND 1 OFFSHORE WIND PROJECTS** under paragraph [(1)(ii) and (iii)] **(1)(II)1A AND**  
35 **B OF THIS SUBSECTION AND FOR ROUND 2 OFFSHORE WIND PROJECTS UNDER**

1 **PARAGRAPH (1)(II)2A AND B** of this subsection, the Commission shall apply the same  
2 net OREC cost per megawatt-hour to residential and nonresidential customers.

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

5 (i) specify the OREC price schedule, which may not authorize an  
6 OREC price greater than, **FOR A ROUND 1 OFFSHORE WIND PROJECT**, \$190 per  
7 megawatt-hour in 2012 dollars;

8 (ii) specify the duration of the OREC pricing schedule, not to exceed  
9 20 years;

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

12 (iv) provide that:

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

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

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

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

23 (g) **FOR ROUND 2 OFFSHORE WIND PROJECT APPLICATIONS, THE**  
24 **COMMISSION SHALL APPROVE OREC ORDERS REPRESENTING A MINIMUM OF 400**  
25 **MEGAWATTS OF NAMEPLATE CAPACITY PROPOSED DURING EACH APPLICATION**  
26 **PERIOD UNLESS:**

27 **(1) NOT ENOUGH ROUND 2 OFFSHORE WIND PROJECT APPLICATIONS**  
28 **ARE SUBMITTED TO MEET THE NET BENEFIT TEST UNDER SUBSECTION (C)(3) OF**  
29 **THIS SECTION; OR**

30 **(2) THE CUMULATIVE NET RATEPAYER IMPACT EXCEEDS THE**  
31 **MAXIMUMS PROVIDED IN SUBSECTION (E)(1)(II)2 OF THIS SECTION.**

32 **(H) (1)** Within 60 days after the Commission approves the application of a  
33 proposed offshore wind project, the qualified offshore wind project shall deposit \$2,000,000

1 into the Maryland Offshore Wind Business Development Fund established under §  
2 9–20C–03 of the State Government Article.

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

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

9 7–704.2.

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

14 (c) (1) Each electricity supplier shall purchase from the escrow account  
15 established under this section the number of ORECs required to satisfy the offshore wind  
16 energy component of the renewable energy portfolio standard under § 7–703(b)(12) through  
17 [(15)] **(25)** of this subtitle.

18 7–705.

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

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

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

27 1. the following amounts for each kilowatt–hour of shortfall  
28 from required Tier 1 renewable sources other than the shortfall from the required Tier 1  
29 renewable sources that is to be derived from solar energy:

30 A. 4 cents through 2016; [and]

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

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

## HOUSE BILL 1158

- 1                   **D.    2.75 CENTS IN 2024;**  
2                   **E.    2.5 CENTS IN 2025;**  
3                   **F.    2.475 CENTS IN 2026;**  
4                   **G.    2.45 CENTS IN 2027;**  
5                   **H.    2.25 CENTS IN 2028 AND 2029; AND**  
6                   **I.    2.235 CENTS IN 2030 and later;**

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

- 9                   A.    45 cents in 2008;  
10                  B.    40 cents in 2009 through 2014;  
11                  C.    35 cents in 2015 and 2016;  
12                  D.    19.5 cents in 2017;  
13                  E.    17.5 cents in 2018;  
14                  F.    [15] 10 cents in 2019;  
15                  G.    [12.5] 10 cents in 2020;  
16                  H.    [10] 8 cents in 2021;  
17                  I.    [7.5] 6 cents in 2022;  
18                  J.    [6] 4.5 cents in 2023; [and]  
19                  K.    [5] 4 cents in 2024;  
20                  L.    **3.5 CENTS IN 2025;**  
21                  M.    **3 CENTS IN 2026;**  
22                  N.    **2.5 CENTS IN 2027 AND 2028;**  
23                  O.    **2.25 CENTS IN 2029; AND**



1                   **P.    2.235 CENTS IN 2030** and later; and

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

4                   (ii)   for industrial process load:

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

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

8                   B.    0.5 cents in 2009 and 2010;

9                   C.    0.4 cents in 2011 and 2012;

10                  D.    0.3 cents in 2013 and 2014;

11                  E.    0.25 cents in 2015 and 2016; and

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

14                  2.    nothing for any shortfall from required Tier 2 renewable  
15 sources.

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

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

20                  (ii)   nothing for the year following any year during which, after final  
21 calculations, the net rate impact per megawatt–hour from **[qualified] ROUND 1** offshore  
22 wind projects exceeded \$1.65 in 2012 dollars.

23                  (e)    (1)   Notwithstanding the requirements of § 7–703(b) of this subtitle, if the  
24 actual or projected dollar–for–dollar cost incurred or to be incurred by an electricity  
25 supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy  
26 in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,  
27 **[2.5%] 6%** of the electricity supplier’s total annual electricity sales revenues in Maryland,  
28 the electricity supplier may request that the Commission:

29                  (i)    delay by 1 year each of the scheduled percentages for solar energy  
30 under § 7–703(b) of this subtitle that would apply to the electricity supplier; and

1 (ii) allow the renewable energy portfolio standard for solar energy  
2 for that year to continue to apply to the electricity supplier for the following year.

3 (4) If the Commission allows a delay under paragraph (1) of this  
4 subsection:

5 (i) the renewable energy portfolio standard for solar energy  
6 applicable to the electricity supplier under the delay continues for each subsequent  
7 consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be  
8 incurred, by the electricity supplier solely for the purchase of solar renewable energy credits  
9 is greater than or equal to, or is anticipated to be greater than or equal to, ~~[2.5%]~~ 6% of the  
10 electricity supplier's total annual retail electricity sales revenues in Maryland; and

11 (ii) the renewable energy portfolio standard for solar energy  
12 applicable to the electricity supplier under the delay is increased to the next scheduled  
13 percentage increase under § 7-703(b) of this subtitle for each year in which the actual or  
14 projected dollar-for-dollar costs incurred, or to be incurred, by the electricity supplier  
15 solely for the purchase of solar renewable energy credits is less than, or is anticipated to be  
16 less than, ~~[2.5%]~~ 6% of the electricity supplier's total annual retail electricity sales  
17 revenues in Maryland.

18 7-714.

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

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

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

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

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

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

34 (5) an assessment of alternative models of regulation and market-based  
35 tools that may be available or advisable to promote the goals of the standard and the energy  
36 policies of the State; and

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

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

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

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

10           (i)    ratepayer impacts that resulted in other states from the use of  
11 long-term contracts for the procurement of renewable energy for the other states' standard  
12 offer service and whether the use of long-term contracts incentivized new renewable energy  
13 generation development; and

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (III) THE IMPACT OF ALL ENERGY SOURCES THAT QUALIFY  
14 UNDER THE STANDARD WITH RESPECT TO THE REQUIREMENT OF IN-STATE CLEAN  
15 ENERGY GENERATION AS AN INCREASING PERCENTAGE OF THE STANDARD;

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

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

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

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

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

33 (ii) If the Program determines that any preliminary findings under  
34 subparagraph (i) of this paragraph warrant reporting earlier than December 1, 2018, the

1 Program may submit a preliminary interim report on those preliminary findings.

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

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

10 **(F) (1) THE PROGRAM SHALL CONDUCT A SUPPLEMENTAL STUDY TO**  
11 **ASSESS THE OVERALL COSTS AND BENEFITS OF INCREASING THE RENEWABLE**  
12 **ENERGY PORTFOLIO STANDARD TO A GOAL OF 100% RENEWABLE ENERGY BY 2040.**

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

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

17 **(II) AN ASSESSMENT OF WHETHER CERTAIN IN-STATE**  
18 **INDUSTRIES COULD BE DISPLACED BY A 100% RENEWABLE ENERGY PORTFOLIO**  
19 **STANDARD, AND RECOMMENDATIONS ON HOW TO PROVIDE AND FUND A JUST**  
20 **TRANSITION FOR WORKERS AND COMMUNITIES THAT RELY ON THOSE INDUSTRIES**  
21 **THAT COULD FACE DISPLACEMENT.**

22 **(3) ON COMPLETION OF THE SUPPLEMENTAL STUDY, THE PROGRAM**  
23 **SHALL USE THE FINDINGS OF THE STUDY TO PUBLISH A COMPREHENSIVE PLAN**  
24 **WITH SPECIFIC RECOMMENDATIONS THAT, IF EXECUTED, WOULD HAVE THE STATE**  
25 **ACHIEVE A RENEWABLE ENERGY PORTFOLIO STANDARD OF 100% BY 2040.**

26 **(4) ON OR BEFORE JANUARY 1, 2023, THE PROGRAM SHALL SUBMIT**  
27 **THE SUPPLEMENTAL STUDY AND PLAN TO THE GOVERNOR AND, IN ACCORDANCE**  
28 **WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

29 **(5) ON REVIEW OF THE SUPPLEMENTAL STUDY AND PLAN, THE**  
30 **GENERAL ASSEMBLY MAY ACT TO REVISE OR INCREASE THE RENEWABLE ENERGY**  
31 **PORTFOLIO STANDARD TARGETS UNDER § 7-703(B) OF THIS SUBTITLE.**

32 **Article – State Government**

33 9-20B-01.

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

2 (d) “Clean energy industry” means a group of employers **AND BUILDING AND**  
3 **TRADE ASSOCIATIONS** that are associated by their promotion of:

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

6 (i) electricians;

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

8 (iii) plumbers; and

9 (iv) energy auditors; and

10 (2) renewable and clean energy resources.

11 9-20B-05.

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

13 (f) The Administration shall use the Fund:

14 (1) to invest in the promotion, development, and implementation of:

15 (i) cost-effective energy efficiency and conservation programs,  
16 projects, or activities, including measurement and verification of energy savings;

17 (ii) renewable and clean energy resources;

18 (iii) climate change programs directly related to reducing or  
19 mitigating the effects of climate change; and

20 (iv) demand response programs that are designed to promote  
21 changes in electric usage by customers in response to:

22 1. changes in the price of electricity over time; or

23 2. incentives designed to induce lower electricity use at times  
24 of high wholesale market prices or when system reliability is jeopardized;

25 (2) to provide targeted programs, projects, activities, and investments to  
26 reduce electricity consumption by customers in the low-income and moderate-income  
27 residential sectors;

28 (3) to provide supplemental funds for low-income energy assistance

1 through the Electric Universal Service Program established under § 7–512.1 of the Public  
2 Utilities Article and other electric assistance programs in the Department of Human  
3 Services;

4 (4) to provide rate relief by offsetting electricity rates of residential  
5 customers, including an offset of surcharges imposed on ratepayers under § 7–211 of the  
6 Public Utilities Article;

7 (5) to provide grants, loans, and other assistance and investment as  
8 necessary and appropriate to implement the purposes of the Program as set forth in §  
9 9–20B–03 of this subtitle;

10 (6) to implement energy–related public education and outreach initiatives  
11 regarding reducing energy consumption and greenhouse gas emissions;

12 (7) to provide rebates under the Electric Vehicle Recharging Equipment  
13 Rebate Program established under § 9–2009 of this title;

14 (8) to provide grants to encourage combined heat and power projects at  
15 industrial facilities; [and]

16 **(9) SUBJECT TO SUBSECTIONS (F–1) AND (F–3) OF THIS SECTION, TO**  
17 **PROVIDE \$7,000,000 IN FUNDING FOR ACCESS TO CAPITAL FOR SMALL, MINORITY,**  
18 **WOMEN–OWNED, AND VETERAN–OWNED BUSINESSES IN THE CLEAN ENERGY**  
19 **INDUSTRY UNDER § 5–1501 OF THE ECONOMIC DEVELOPMENT ARTICLE,**  
20 **ALLOCATED IN ANNUAL INCREMENTS AS FOLLOWS:**

21 **(I) \$200,000 IN FISCAL YEAR 2021;**

22 **(II) \$500,000 IN FISCAL YEAR 2022;**

23 **(III) \$500,000 IN FISCAL YEAR 2023;**

24 **(IV) \$1,000,000 IN FISCAL YEAR 2024; AND**

25 **(V) \$1,200,000 IN EACH FISCAL YEAR FROM 2025 THROUGH**  
26 **2028;**

27 **(10) SUBJECT TO SUBSECTIONS (F–2) AND (F–3) OF THIS SECTION, TO**  
28 **INVEST IN PRE–APPRENTICESHIP, YOUTH APPRENTICESHIP, AND REGISTERED**  
29 **APPRENTICESHIP PROGRAMS TO ESTABLISH CAREER PATHS IN THE CLEAN ENERGY**  
30 **INDUSTRY UNDER § 11–708.1 OF THE LABOR AND EMPLOYMENT ARTICLE, AS**  
31 **FOLLOWS:**

1           **(I) \$3,000,000 FOR GRANTS TO PRE-APPRENTICESHIP JOBS**  
2 **TRAINING PROGRAMS UNDER § 11-708.1(C)(2) OF THE LABOR AND EMPLOYMENT**  
3 **ARTICLE STARTING IN FISCAL YEAR 2021 UNTIL ALL AMOUNTS ARE SPENT; AND**

4           **(II) \$12,000,000 FOR GRANTS TO YOUTH APPRENTICESHIP**  
5 **JOBS TRAINING PROGRAMS AND REGISTERED APPRENTICESHIP JOBS TRAINING**  
6 **PROGRAMS UNDER § 11-708.1(C)(4) OF THE LABOR AND EMPLOYMENT ARTICLE**  
7 **STARTING IN FISCAL YEAR 2021 UNTIL ALL AMOUNTS ARE SPENT; AND**

8           **[(9)] (11)** to pay the expenses of the Program.

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

13           **(F-1) (1) ANY FUNDING PROVIDED UNDER SUBSECTION (F)(9) OF THIS**  
14 **SECTION THAT IS NOT SPENT IN A GIVEN FISCAL YEAR SHALL REVERT TO THE FUND**  
15 **IN THE FOLLOWING FISCAL YEAR.**

16           **(2) FUNDING THAT IS PROVIDED FOR ACCESS TO CAPITAL FOR**  
17 **SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES UNDER**  
18 **SUBSECTION (F)(9) OF THIS SECTION SHALL BE USED TO PROVIDE GRANTS TO**  
19 **ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL, INCLUDING EQUITY**  
20 **AND SIMILAR INVESTMENTS, AND LOANS TO SMALL, MINORITY, WOMEN-OWNED,**  
21 **AND VETERAN-OWNED BUSINESSES IN THE STATE IN THE CLEAN ENERGY**  
22 **INDUSTRY.**

23           **(3) ELIGIBLE FUND MANAGERS RECEIVING GRANTS UNDER**  
24 **SUBSECTION (F)(9) OF THIS SECTION MAY USE A PORTION OF THE MONEY RECEIVED**  
25 **TO PAY EXPENSES FOR ADMINISTRATIVE, ACTUARIAL, LEGAL, MARKETING, AND**  
26 **TECHNICAL SERVICES AND MANAGEMENT FEES.**

27           **(4) THE ADMINISTRATION MAY PROVIDE ADDITIONAL FUNDING FOR**  
28 **THE PURPOSES STATED IN SUBSECTION (F)(9) OF THIS SECTION.**

29           **(F-2) THE PAYMENTS FOR WORKFORCE DEVELOPMENT PROGRAMS UNDER**  
30 **SUBSECTION (F)(10) OF THIS SECTION STARTING IN FISCAL YEAR 2021 SHALL BE**  
31 **DERIVED AS FOLLOWS:**

32           **(1) \$10,000,000 FROM THE RENEWABLE ENERGY, CLIMATE CHANGE**  
33 **ACCOUNT OF THE FUND; AND**





1           SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation  
2 or contract right may not be impaired in any way by this Act.

3           SECTION 3. AND BE IT FURTHER ENACTED, That, if any provision of this Act or  
4 the application thereof to any person or circumstance is held invalid for any reason in a  
5 court of competent jurisdiction, the invalidity does not affect other provisions or any other  
6 application of this Act that can be given effect without the invalid provision or application,  
7 and for this purpose the provisions of this Act are declared severable.

8           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2019.