

SENATE BILL 516

M5, C5, C8
SB 732/18 – FIN

9lr1721
CF HB 1158

By: **Senators Feldman, Beidle, Benson, Carter, Elfreth, Ellis, Ferguson, Griffith, Guzzone, Hester, Kagan, Kelley, King, Kramer, Lam, Lee, Nathan–Pulliam, Patterson, Peters, Pinsky, Rosapepe, Smith, Waldstreicher, Washington, Young, Zirkin, and Zucker**

Introduced and read first time: February 4, 2019

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 17, 2019

CHAPTER _____

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 provide grants to support ~~a~~ certain workforce
14 development ~~program~~ programs with certain requirements; establishing certain
15 requirements and goals for certain supported programs; establishing certain funding
16 requirements for certain apprenticeship programs; requiring the Board of Public
17 Works to adopt certain regulations; providing that if a certain person makes a
18 determination that a program made a certain misrepresentation, the program is
19 ineligible to receive a grant from the Account for a certain period of time; requiring
20 the Department of Labor, Licensing, and Regulation to include certain information
21 about the Account in a certain annual report; establishing certain criteria for
22 qualified offshore wind projects applied for on or after a certain date; altering and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 extending the minimum required percentage of energy that must be derived from
2 Tier 1 renewable sources in the State's renewable energy portfolio standard in
3 certain years; altering and extending the minimum required percentage of Tier 1
4 renewable energy that must be derived from solar energy in the State's renewable
5 energy portfolio standard in certain years; altering and extending the minimum
6 required percentage of Tier 1 renewable energy that must be derived from offshore
7 wind energy in the State's renewable energy portfolio standard in certain years and
8 certain energy sources required in those years; altering and extending the minimum
9 required percentage of energy that must be derived from a Tier 2 renewable source
10 in the State's renewable energy portfolio standard in certain years; extending the
11 eligibility of a certain Tier 2 renewable source for inclusion in meeting the State's
12 renewable energy portfolio standard; requiring the Public Service Commission to
13 provide certain additional application periods for consideration of Round 2 offshore
14 wind projects; establishing certain criteria for the Commission to consider with
15 respect to approval of an application for a Round 2 offshore wind project, including
16 limits on certain rate impacts measured in certain dollars; requiring an applicant for
17 a certain offshore wind project to sign a certain memorandum of understanding as a
18 condition of the Commission's approval of the project; requiring the Commission to
19 approve certain applications for a Round 2 offshore wind project under certain
20 circumstances and conditions; requiring the Commission to approve orders
21 representing a certain minimum nameplate capacity of Round 2 offshore wind
22 project applications under certain circumstances; altering the compliance fee for an
23 electricity supplier that fails to comply with certain renewable energy portfolio
24 standards for certain years; establishing certain compliance fees for an electricity
25 supplier that fails to comply with certain renewable energy portfolio standards for
26 certain years; altering the percentage of certain costs an electricity supplier must
27 incur in order to request the Commission to delay certain obligations; requiring the
28 Power Plant Research Program to conduct a supplemental study on the renewable
29 energy portfolio standard and certain related matters; altering the scope of a certain
30 study and providing for the scope of the supplemental study; providing certain
31 specific subjects that the supplemental study must address; requiring the Program
32 to report to the Governor and the General Assembly on or before a certain ~~date~~ date;
33 authorizing the Maryland Energy Administration to use the Strategic Energy
34 Investment Fund for certain purposes; providing for certain investments from the
35 Fund for certain jobs training programs from a certain source; providing that certain
36 funding should be directed to certain businesses that support jobs with certain
37 characteristics; requiring certain loans or grants from the Fund to comply with
38 certain provisions; authorizing the use of certain funds from the Fund by eligible
39 fund managers for certain purposes; requiring at least a certain number of workers
40 participating in a certain project or program to reside within a certain area with
41 respect to the project or program; removing certain forms of energy from the
42 definition of "Tier 1 renewable source" after a certain date; ~~removing certain forms~~
43 ~~of energy from the definition of a Tier 1 renewable source after a certain date;~~
44 providing that energy derived from certain forms of energy is not eligible for
45 inclusion in meeting the renewable energy portfolio standard after a certain date;
46 stating and amending the intent of the General Assembly concerning certain
47 matters; defining certain terms and altering certain definitions; making conforming

1 and clarifying changes; altering the termination date of a certain Act; providing that
2 existing obligations or contract rights may not be impaired by this Act; making the
3 provisions of this Act severable; ~~providing for a delayed effective date for certain~~
4 ~~provisions of this Act;~~ providing for the application of this Act; and generally relating
5 to the renewable energy portfolio standard and economic development.

6 BY repealing and reenacting, without amendments,
7 Article – Economic Development
8 Section 5–1501(a)
9 Annotated Code of Maryland
10 (2018 Replacement Volume)

11 BY repealing and reenacting, with amendments,
12 Article – Economic Development
13 Section 5–1501(b) through (d) and (g)
14 Annotated Code of Maryland
15 (2018 Replacement Volume)

16 BY adding to
17 Article – Economic Development
18 Section 5–1501(g)
19 Annotated Code of Maryland
20 (2018 Replacement Volume)

21 BY adding to
22 Article – Labor and Employment
23 Section 11–708.1
24 Annotated Code of Maryland
25 (2016 Replacement Volume and 2018 Supplement)

26 BY repealing and reenacting, with amendments,
27 Article – Labor and Employment
28 Section 11–709
29 Annotated Code of Maryland
30 (2016 Replacement Volume and 2018 Supplement)

31 BY repealing and reenacting, without amendments,
32 Article – Public Utilities
33 Section 7–701(a) and (h) and 7–705(c) and (d)
34 Annotated Code of Maryland
35 (2010 Replacement Volume and 2018 Supplement)

36 BY repealing and reenacting, with amendments,
37 Article – Public Utilities
38 Section 7–701(k), (n), and ~~(r)~~ (r)(8) through (12), 7–702, 7–703, ~~7–704(a)(2)~~
39 ~~7–704(a)(4)~~ 7–704(a)(2) and (4), 7–704.1, 7–704.2(a)(1) and (c)(1), 7–705(b) and
40 (e), and 7–714

1 Annotated Code of Maryland
2 (2010 Replacement Volume and 2018 Supplement)

3 BY adding to
4 Article – Public Utilities
5 Section 7–701(p–1) and (p–2)
6 Annotated Code of Maryland
7 (2010 Replacement Volume and 2018 Supplement)

8 BY repealing and reenacting, without amendments,
9 Article – State Government
10 Section 9–20B–01(a) ~~and (c)~~ and 9–20B–05(a)
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – State Government
15 Section ~~9–20B–01(d)~~ and 9–20B–05(f) and (i)
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2018 Supplement)

18 BY repealing
19 Article – State Government
20 Section 9–20B–05(f–1)
21 Annotated Code of Maryland
22 (2014 Replacement Volume and 2018 Supplement)

23 BY adding to
24 Article – State Government
25 Section 9–20B–05(f–1), (f–2), and (f–3), and (m)
26 Annotated Code of Maryland
27 (2014 Replacement Volume and 2018 Supplement)

28 BY repealing and reenacting, with amendments,
29 Chapter 393 of the Acts of the General Assembly of 2017
30 Section 2

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

33 **Article – Economic Development**

34 5–1501.

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

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

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

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

8 (3) The Comptroller shall:

9 (i) account for the Account; and

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

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

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

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

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

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

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

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

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

1 **(2) THE DEPARTMENT SHALL MAKE GRANTS TO ELIGIBLE FUND**
2 **MANAGERS TO PROVIDE INVESTMENT CAPITAL, INCLUDING DIRECT EQUITY**
3 **INVESTMENTS AND SIMILAR INVESTMENTS AND LOANS TO SMALL, MINORITY,**
4 **WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE CLEAN ENERGY**
5 **INDUSTRY IN THE STATE.**

6 **(G) (1) SUBJECT TO PARAGRAPHS (2) THROUGH (4) OF THIS**
7 **SUBSECTION, AN ELIGIBLE FUND MANAGER MAY USE MONEY FROM A GRANT**
8 **RECEIVED UNDER SUBSECTION (D)(1) OF THIS SECTION TO PAY EXPENSES FOR**
9 **ADMINISTRATIVE, ACTUARIAL, LEGAL, MARKETING, AND TECHNICAL SERVICES AND**
10 **MANAGEMENT FEES.**

11 **(2) THE DEPARTMENT SHALL:**

12 **(I) MAINTAIN ALL MONEY RECEIVED FROM THE STRATEGIC**
13 **ENERGY INVESTMENT FUND IN A SINGLE ACCOUNT; AND**

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

17 **(3) ANY ALLOCATION THAT THE DEPARTMENT MAKES TO AN**
18 **ELIGIBLE FUND MANAGER FROM THE STRATEGIC ENERGY INVESTMENT FUND**
19 **SHALL INCLUDE:**

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

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

24 **(4) AN ELIGIBLE FUND MANAGER THAT RECEIVES AN ALLOCATION**
25 **FROM THE STRATEGIC ENERGY INVESTMENT FUND SHALL RETAIN FOR THE**
26 **MANAGER'S BENEFIT:**

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

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

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

Article – Labor and Employment

11-708.1.

(A) THERE IS A CLEAN ENERGY WORKFORCE ACCOUNT.

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

(C) (1) THE ACCOUNT SHALL BE USED TO PROVIDE GRANTS TO SUPPORT ~~A WORKFORCE DEVELOPMENT PROGRAM~~ PROGRAMS THAT PROVIDES PROVIDE:

(I) ~~PRE-APPRENTICESHIP JOBS TRAINING IN ACCORDANCE WITH THIS SUBSECTION;~~

(II) YOUTH APPRENTICESHIP JOBS TRAINING; AND

(III) REGISTERED APPRENTICESHIP JOBS TRAINING.

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

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

(II) INCLUDE:

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

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

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

1 **B. EDUCATIONAL AND PRE-VOCATIONAL SERVICES TO**
2 **PREPARE PROGRAM PARTICIPANTS TO MEET THE ENTRY REQUIREMENTS OF ONE**
3 **OR MORE REGISTERED APPRENTICESHIP PROGRAMS;**

4 **C. ACCESS TO APPROPRIATE SUPPORT SERVICES TO**
5 **ENABLE PROGRAM PARTICIPANTS TO MAINTAIN PARTICIPATION IN THE PROGRAM;**
6 **AND**

7 **D. MECHANISMS TO ASSIST PROGRAM PARTICIPANTS IN**
8 **IDENTIFYING AND APPLYING TO REGISTERED APPRENTICESHIP PROGRAMS; AND**

9 **3. RIGOROUS PERFORMANCE AND EVALUATION**
10 **METHODS TO ENSURE PROGRAM EFFECTIVENESS AND IMPROVEMENT; AND**

11 **(III) HAVE A DOCUMENTED PARTNERSHIP WITH AT LEAST ONE**
12 **REGISTERED APPRENTICESHIP PROGRAM DESCRIBED IN ITEM (II)2 OF THIS**
13 **PARAGRAPH.**

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

16 **(I) RENEWABLE ENERGY;**

17 **(II) ENERGY EFFICIENCY;**

18 **(III) ENERGY STORAGE;**

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

20 **(V) ADVANCED TRANSPORTATION.**

21 **(4) (I) THIS PARAGRAPH APPLIES TO YOUTH APPRENTICESHIP**
22 **JOBS TRAINING PROGRAMS AND REGISTERED APPRENTICESHIP JOBS TRAINING**
23 **PROGRAMS SUPPORTED BY THE ACCOUNT UNDER THIS SUBSECTION.**

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

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

28 **2. \$3,000 FOR EACH SUCCESSFULLY COMPLETED**
29 **APPRENTICESHIP.**

1 (III) THE YOUTH APPRENTICESHIP JOBS TRAINING PROGRAMS
2 AND THE REGISTERED APPRENTICESHIP JOBS TRAINING PROGRAMS MUST
3 PREPARE WORKERS FOR CAREERS IN THE SOLAR AND WIND SECTORS OF THE CLEAN
4 ENERGY INDUSTRY.

5 ~~(D) A GRANT FROM THE ACCOUNT MAY BE MADE ONLY TO A PROGRAM THAT~~
6 ~~AGREES TO INITIATE A PROJECT LABOR AGREEMENT.~~

7 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
8 MEANINGS INDICATED.

9 (II) “AMERICAN MANUFACTURED GOODS” MEANS GOODS THAT
10 ARE:

11 1. MANUFACTURED IN THE UNITED STATES; OR

12 2. ASSEMBLED IN THE UNITED STATES.

13 (III) “ASSEMBLED IN THE UNITED STATES” MEANS THAT THE
14 FINAL PRODUCTION TAKES PLACE AT A FACILITY WITHIN THE UNITED STATES,
15 REGARDLESS OF THE ORIGIN OF THE COMPONENTS OR SUBCOMPONENTS.

16 (IV) “MANUFACTURED IN THE UNITED STATES” MEANS:

17 1. THAT ALL MANUFACTURING PROCESSES TAKE PLACE
18 WITHIN THE UNITED STATES; AND

19 2. THAT ALL COMPONENT PARTS AND THE
20 MANUFACTURING PROCESSES OF THE COMPONENT PARTS ORIGINATE FROM WITHIN
21 THE UNITED STATES, REGARDLESS OF THE ORIGIN OF THE SUBCOMPONENTS.

22 (2) A GRANT FROM THE ACCOUNT MAY BE MADE ONLY TO A PROGRAM
23 THAT AGREES TO:

24 (I) USE OR SUPPLY AMERICAN MANUFACTURED GOODS; AND

25 (II) INITIATE A PROJECT LABOR AGREEMENT.

26 (3) PARAGRAPH (2)(I) OF THIS SUBSECTION DOES NOT APPLY IF:

27 (I) THE PRICE OF THE AMERICAN MANUFACTURED GOODS
28 EXCEEDS THE PRICE OF A SIMILAR MANUFACTURED GOOD THAT IS NOT
29 MANUFACTURED IN THE UNITED STATES BY AN UNREASONABLE AMOUNT;

1 **(II) THE ITEM OR A SIMILAR ITEM IS NOT MANUFACTURED OR**
2 **AVAILABLE FOR PURCHASE IN THE UNITED STATES IN REASONABLY AVAILABLE**
3 **QUANTITIES;**

4 **(III) THE QUALITY OF THE ITEM OR A SIMILAR ITEM**
5 **MANUFACTURED IN THE UNITED STATES IS SUBSTANTIALLY LESS THAN THE**
6 **QUALITY OF A COMPARABLY PRICED, SIMILAR, AND AVAILABLE ITEM THAT IS NOT**
7 **MANUFACTURED IN THE UNITED STATES; OR**

8 **(IV) THE PROCUREMENT OF A MANUFACTURED GOOD WOULD BE**
9 **INCONSISTENT WITH THE PUBLIC INTEREST.**

10 **(4) THE BOARD OF PUBLIC WORKS SHALL ADOPT REGULATIONS TO**
11 **DEFINE THE FOLLOWING TERMS FOR THE PURPOSES OF THIS SUBSECTION:**

12 **(I) “REASONABLY AVAILABLE”;**

13 **(II) “UNREASONABLE AMOUNT”; AND**

14 **(III) “SUBSTANTIALLY LESS”.**

15 **(5) IF A COURT OR A FEDERAL OR STATE AGENCY DETERMINES THAT**
16 **A PROGRAM RECEIVING MONEY FROM THE ACCOUNT HAS MISREPRESENTED THAT**
17 **GOODS USED IN A PROGRAM TO WHICH PARAGRAPH (2)(I) APPLIES WERE**
18 **MANUFACTURED OR ASSEMBLED IN THE UNITED STATES, THAT PROGRAM SHALL BE**
19 **INELIGIBLE TO RECEIVE A GRANT FROM THE ACCOUNT FOR 5 YEARS FOLLOWING**
20 **THE DATE THAT THE COURT OR FEDERAL OR STATE AGENCY MAKES THE**
21 **DETERMINATION.**

22 **(E) A PROGRAM THAT RECEIVES A GRANT FROM THE ACCOUNT SHALL MEET**
23 **THE REQUIREMENTS OF THE STATE PREVAILING WAGE LAW UNDER TITLE 17,**
24 **SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

25 11-709.

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

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

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

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

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

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

10 (4) the number of individuals:

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

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

16 1. a credential or an identifiable skill;

17 2. a new employment position;

18 3. a title promotion; or

19 4. a wage promotion; [and]

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

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

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

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

27 **Article – Public Utilities**

28 7–701.

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

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

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

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

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

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

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

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

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

19 (1) in the PJM region;

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

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

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

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

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

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

1 (2) THE COMMISSION APPROVED UNDER § 7-704.1 OF THIS SUBTITLE
2 BEFORE JULY 1, 2017.

3 (P-2) "ROUND 2 OFFSHORE WIND PROJECT" MEANS A QUALIFIED OFFSHORE
4 WIND PROJECT THAT:

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

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

8 (r) "Tier 1 renewable source" means one or more of the following types of energy
9 sources:

10 ~~(1) solar energy, including energy from photovoltaic technologies and solar~~
11 ~~water heating systems;~~

12 ~~(2) wind;~~

13 ~~(3) qualifying biomass;~~

14 ~~(4) methane from the anaerobic decomposition of organic materials in a~~
15 ~~landfill or wastewater treatment plant;~~

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

18 ~~(6) ocean, including energy from waves, tides, currents, and thermal~~
19 ~~differences;~~

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

22 (8) a small hydroelectric power plant of less than [30] 60 megawatts in
23 capacity that is licensed or exempt from licensing by the Federal Energy Regulatory
24 Commission;

25 ~~(9) poultry litter to energy;~~

26 ~~(10) waste to energy;~~

27 ~~(11) refuse derived fuel; and~~

28 ~~(12) thermal energy from a thermal biomass system.~~

29 7-702.

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

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

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

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

8 ~~(3)~~ (4) lower the cost to consumers of electricity produced from these
9 resources.

10 (b) The General Assembly finds that:

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

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

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

21 7-703.

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

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

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

30 (i) in excess of 300,000,000 kilowatt-hours of industrial process load
31 to a single customer in a year;

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

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

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

11 (i) 75,000,000 kilowatt-hours of industrial process load to a single
12 customer in a year; and

13 (ii) 3,000 kilowatt-hours of electricity in a month to a customer who
14 is an owner of agricultural land and files an Internal Revenue Service form 1040, schedule
15 F.

16 (b) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE**
17 renewable energy portfolio standard shall be as follows:

18 (1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2
19 renewable sources;

20 (2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2
21 renewable sources;

22 (3) in 2008, 2.005% from Tier 1 renewable sources, including at least
23 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

26 (5) in 2010, 3.025% from Tier 1 renewable sources, including at least
27 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

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

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

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

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

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

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

7 (12) in 2017:

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

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

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

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

13 (13) in 2018:

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

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

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

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

19 (14) in 2019~~;~~:

20 ~~(I)~~ **(I)** ~~[20.4%]~~ **20.7%** from Tier 1 renewable sources, including:

21 ~~(i)~~ **1.** at least ~~[1.95%]~~ **5.5%** derived from solar energy; and

22 ~~(ii)~~ **2.** an amount set by the Commission under § 7–704.2(a) of
23 this subtitle, not to exceed 2.5%, derived from offshore wind energy; ~~[and]~~

24 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES;**

25 (15) in 2020 ~~[and later]~~~~;~~:

26 **(I) [25%] 28%** from Tier 1 renewable sources, including:

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

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

4 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES;**

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

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

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

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

10 **(I) AT LEAST 8.5% 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;**

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

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

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

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

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

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

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

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

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

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

26 **(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 §
30 7-704.2 of this subtitle, an electricity supplier shall meet the renewable energy portfolio

1 standard by accumulating the equivalent amount of renewable energy credits that equal
2 the percentages required under this section.

3 **(E) THE REQUIRED PERCENTAGE OF AN ELECTRIC COOPERATIVE'S**
4 **RENEWABLE ENERGY PORTFOLIO STANDARD DERIVED FROM SOLAR ENERGY SHALL**
5 **BE:**

6 **(1) 2.5% FROM 2020 THROUGH 2029; AND**

7 **(2) 5.0% IN 2030 AND LATER.**

8 7-704.

9 (a) (4) Energy from a Tier 2 renewable source under § 7-701(s) of this subtitle
10 is eligible for inclusion in meeting the renewable energy portfolio standard through [2018]
11 2020 if it is generated at a system or facility that existed and was operational as of January
12 1, 2004, even if the facility or system was not capable of generating electricity on that date.

13 7-704.1.

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

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

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

20 **1. POSITION THE STATE TO TAKE ADVANTAGE OF THE**
21 **ECONOMIC DEVELOPMENT BENEFITS OF THE EMERGING OFFSHORE WIND**
22 **INDUSTRY;**

23 **2. PROMOTE THE DEVELOPMENT OF RENEWABLE**
24 **ENERGY SOURCES THAT INCREASE THE NATION'S INDEPENDENCE FROM FOREIGN**
25 **SOURCES OF FOSSIL FUELS;**

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

28 **4. PROVIDE A LONG-TERM HEDGE AGAINST VOLATILE**
29 **PRICES OF FOSSIL FUELS.**

30 **(2) After the effective date of Commission regulations implementing this**
31 **section and § 7-704.2 of this subtitle, AND BEFORE JUNE 30, 2017, a person may submit**

1 an application to the Commission for approval of a proposed **ROUND 1** offshore wind
2 project.

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

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

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

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

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

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

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

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

21 ~~[(3)] (5)~~ In its discretion, the Commission may provide for additional
22 application periods.

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

26 (c) An application shall include:

27 (1) a detailed description and financial analysis of the offshore wind
28 project;

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

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

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

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

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

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

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

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

15 (vii) other benefits, such as increased in–State construction,
16 operations, maintenance, and equipment purchase;

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

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

22 (6) a commitment to:

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

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

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

30 (8) a commitment that the applicant will:

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

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

8 (9) any other information the Commission requires.

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

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

13 (ii) potential reductions in transmission congestion prices within the
14 State;

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

16 (iv) potential reductions in locational marginal pricing;

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

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

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

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

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

1 (x) the extent to which an applicant's plan provides for
2 compensation to its employees and subcontractors consistent with wages outlined under §§
3 17–201 through 17–228 of the State Finance and Procurement Article;

4 (xi) siting and project feasibility;

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

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

9 (xiv) any other criteria that the Commission determines to be
10 appropriate.

11 (2) In evaluating and comparing an applicant's proposed offshore wind
12 project under paragraph (1) of this subsection, the Commission shall contract for the
13 services of independent consultants and experts.

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

17 (4) (i) In this paragraph, "minority" means an individual who is a
18 member of any of the groups listed in § 14–301(k)(1)(i) of the State Finance and
19 Procurement Article.

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

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

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

29 3. as a condition to the Commission's approval of the offshore
30 wind project, sign a memorandum of understanding with the Commission that requires the
31 applicant to again make serious, good–faith efforts to interview minority investors in any
32 future attempts to raise venture capital or attract new investors to the offshore wind
33 project.

34 (iii) The Governor's Office of Small, Minority, and Women Business
35 Affairs, in consultation with the Office of the Attorney General, shall provide assistance to

1 all potential applicants and potential minority investors to satisfy the requirements under
2 subparagraph (ii)1 and 3 of this paragraph.

3 **(5) AS A CONDITION OF THE COMMISSION’S APPROVAL OF THE**
4 **OFFSHORE WIND PROJECT, THE APPLICANT SHALL SIGN A MEMORANDUM OF**
5 **UNDERSTANDING WITH THE COMMISSION AND SKILLED LABOR ORGANIZATIONS**
6 **THAT REQUIRES THE APPLICANT TO FOLLOW THE PORTIONS OF THE APPLICANT’S**
7 **PLAN THAT RELATE TO THE CRITERIA SET FORTH IN PARAGRAPH (1)(VIII) AND (IX)**
8 **OF THIS SUBSECTION.**

9 (e) (1) (I) **IN THIS PARAGRAPH, “COMMUNITY BENEFIT AGREEMENT”**
10 **MEANS AN AGREEMENT APPLICABLE TO THE DEVELOPMENT OF ANY QUALIFIED**
11 **OFFSHORE WIND PROJECT THAT:**

12 **1. PROMOTES INCREASED OPPORTUNITIES FOR LOCAL**
13 **BUSINESSES AND SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED**
14 **BUSINESSES IN THE CLEAN ENERGY INDUSTRY;**

15 **2. ENSURES THE TIMELY, SAFE, AND EFFICIENT**
16 **COMPLETION OF THE PROJECT BY FACILITATING A STEADY SUPPLY OF HIGHLY**
17 **SKILLED CRAFT WORKERS WHO SHALL BE PAID NOT LESS THAN THE PREVAILING**
18 **WAGE RATE DETERMINED BY THE COMMISSIONER OF LABOR AND INDUSTRY UNDER**
19 **TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;**

20 **3. PROMOTES SAFE COMPLETION OF THE PROJECT BY**
21 **ENSURING THAT AT LEAST 80% OF THE CRAFT WORKERS ON THE PROJECT HAVE**
22 **COMPLETED AN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION 10-HOUR**
23 **OR 30-HOUR COURSE;**

24 **4. PROMOTES CAREER TRAINING OPPORTUNITIES IN**
25 **THE CONSTRUCTION INDUSTRY FOR LOCAL RESIDENTS, VETERANS, WOMEN, AND**
26 **MINORITIES; AND**

27 **5. REFLECTS A 21ST-CENTURY LABOR-MANAGEMENT**
28 **APPROACH BASED ON COOPERATION, HARMONY, AND PARTNERSHIP.**

29 (II) [The Commission may not approve an applicant’s proposed
30 offshore wind project unless:

31 (i) the proposed offshore wind project demonstrates] **IF THE**
32 **COMMISSION RECEIVES REASONABLE PROPOSALS THAT DEMONSTRATE** positive net
33 economic, environmental, and health benefits to the State, based on the criteria specified
34 in subsection (c)(3) of this section[;], **AND SUBJECT TO SUBPARAGRAPH (II) OF THIS**
35 **PARAGRAPH, THE COMMISSION SHALL APPROVE ORDERS TO FACILITATE THE**

1 **FINANCING OF QUALIFIED OFFSHORE WIND PROJECTS, INCLUDING AT LEAST 1,200**
2 **MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS.**

3 ~~(ii)~~ **(III) THE COMMISSION MAY NOT APPROVE AN**
4 **APPLICANT'S PROPOSED OFFSHORE WIND PROJECT UNLESS:**

5 **1. FOR A ROUND 1 OFFSHORE WIND PROJECT**
6 **APPLICATION:**

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

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

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

19 **2. FOR A ROUND 2 OFFSHORE WIND PROJECT**
20 **APPLICATION:**

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

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

33 **C. THE PROJECT IS SUBJECT TO A COMMUNITY BENEFIT**
34 **AGREEMENT.**

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

4 (ii) When calculating the projected net average rate impacts **FOR**
5 **ROUND 1 OFFSHORE WIND PROJECTS** under paragraph [(1)(ii) and (iii)] ~~(1)(II)1A AND~~
6 ~~B (1)(III)1A AND B~~ **OF THIS SUBSECTION AND FOR ROUND 2 OFFSHORE WIND**
7 **PROJECTS UNDER PARAGRAPH ~~(1)(II)2A AND B (1)(III)2A AND B~~** of this subsection,
8 the Commission shall apply the same net OREC cost per megawatt-hour to residential and
9 nonresidential customers.

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

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

15 (ii) specify the duration of the OREC pricing schedule, not to exceed
16 20 years;

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

19 (iv) provide that:

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

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

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

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

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

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

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

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

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

13 **(3)** Within 2 years 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 7–704.2.

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

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

25 7–705.

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

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

32 **(i)** except as provided in item (ii) of this paragraph, a compliance fee
33 of:

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

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

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

4 **O. 2.25 CENTS IN 2029; AND**

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

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

8 (ii) for industrial process load:

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

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

12 B. 0.5 cents in 2009 and 2010;

13 C. 0.4 cents in 2011 and 2012;

14 D. 0.3 cents in 2013 and 2014;

15 E. 0.25 cents in 2015 and 2016; and

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

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

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

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

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

1 (c) The Commission may allow an electricity supplier to submit the report
2 required under § 7–505(b)(4) of this title to demonstrate compliance with the renewable
3 energy portfolio standard.

4 (d) An aggregator or broker who assists an electricity customer in purchasing
5 electricity but who does not supply the electricity or take title to or ownership of the
6 electricity may require the electricity supplier who supplies the electricity to demonstrate
7 compliance with this subtitle.

8 (e) (1) Notwithstanding the requirements of § 7–703(b) of this subtitle, if the
9 actual or projected dollar–for–dollar cost incurred or to be incurred by an electricity
10 supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy
11 in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,
12 [2.5%] 6.0% of the electricity supplier’s total annual electricity sales revenues in Maryland,
13 the electricity supplier may request that the Commission:

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

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

18 (2) In making its determination under paragraph (1) of this subsection, the
19 Commission shall consider the actual or projected dollar–for–dollar compliance costs of
20 other electricity suppliers.

21 (3) If an electricity supplier makes a request under paragraph (1) of this
22 subsection based on projected costs, the electricity supplier shall provide verifiable evidence
23 of the projections to the Commission at the time of the request.

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

26 (i) the renewable energy portfolio standard for solar energy
27 applicable to the electricity supplier under the delay continues for each subsequent
28 consecutive year that the actual or projected dollar–for–dollar costs incurred, or to be
29 incurred, by the electricity supplier solely for the purchase of solar renewable energy credits
30 is greater than or equal to, or is anticipated to be greater than or equal to, [2.5%] 6.0% of
31 the electricity supplier’s total annual retail electricity sales revenues in Maryland; and

32 (ii) the renewable energy portfolio standard for solar energy
33 applicable to the electricity supplier under the delay is increased to the next scheduled
34 percentage increase under § 7–703(b) of this subtitle for each year in which the actual or
35 projected dollar–for–dollar costs incurred, or to be incurred, by the electricity supplier
36 solely for the purchase of solar renewable energy credits is less than, or is anticipated to be
37 less than, [2.5%] 6.0% of the electricity supplier’s total annual retail electricity sales
38 revenues in Maryland.

1 7-714.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (II) THE IMPACT OF ITEM (I) OF THIS ITEM ON RATEPAYERS
32 WITH RESPECT TO THE REQUIREMENT OF IN-STATE CLEAN ENERGY GENERATION
33 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;

7 **(12) AN ASSESSMENT OF THE COSTS, BENEFITS, AND ANY LEGAL OR**
8 **OTHER IMPLICATIONS OF ALLOWING THE LOCATION ANYWHERE IN OR OFF THE**
9 **COAST OF THE CONTIGUOUS UNITED STATES OF TIER 1 RENEWABLE SOURCES THAT**
10 **ARE CURRENTLY REQUIRED TO BE LOCATED IN THE PJM REGION OR IN A CONTROL**
11 **AREA THAT IS ADJACENT TO THE PJM REGION, IF THE ELECTRICITY IS DELIVERED**
12 **INTO THE PJM REGION;** and

13 ~~(12)~~ **(13)** any other matters the Program considers relevant to the analysis
14 of the issues outlined in this section.

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

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

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

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

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

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

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

4 (2) PARTICULAR SUBJECTS TO BE ADDRESSED IN THE
 5 SUPPLEMENTAL STUDY SHALL INCLUDE:

6 (I) ALL RELEVANT SUBJECTS LISTED IN SUBSECTIONS (B) AND
 7 (C) OF THIS SECTION; AND

8 (II) AN ASSESSMENT OF WHETHER ~~CERTAIN~~ ANY IN-STATE
 9 INDUSTRIES COULD BE DISPLACED OR NEGATIVELY ECONOMICALLY IMPACTED BY
 10 A 100% RENEWABLE ENERGY PORTFOLIO STANDARD, AND RECOMMENDATIONS ON
 11 HOW TO PROVIDE AND FUND A ~~JUST~~ COMPARABLE TRANSITION FOR WORKERS,
 12 INCLUDING WAGE AND BENEFIT PACKAGES, AND COMMUNITIES THAT RELY ON
 13 THOSE INDUSTRIES THAT COULD FACE DISPLACEMENT OR BE NEGATIVELY
 14 ECONOMICALLY IMPACTED.

15 (3) ON COMPLETION OF THE SUPPLEMENTAL STUDY, THE PROGRAM
 16 SHALL USE THE FINDINGS OF THE STUDY TO PUBLISH ~~A COMPREHENSIVE PLAN~~
 17 ~~WITH SPECIFIC RECOMMENDATIONS THAT, IF EXECUTED, WOULD HAVE THE STATE~~
 18 ~~ACHIEVE~~ RECOMMENDATIONS REGARDING THE FEASIBILITY OF IMPLEMENTING A
 19 RENEWABLE ENERGY PORTFOLIO STANDARD OF 100% BY 2040.

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

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

26 (4) ON OR BEFORE JANUARY 1, 2024, THE PROGRAM SHALL SUBMIT
 27 THE SUPPLEMENTAL STUDY TO THE GOVERNOR AND, IN ACCORDANCE WITH §
 28 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

29 Article – State Government

30 9-20B-01.

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

1 (d) "Clean energy industry" means a group of employers AND BUILDING AND
2 TRADE ASSOCIATIONS that are associated by their promotion of:

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

5 (i) electricians;

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

7 (iii) plumbers; and

8 (iv) energy auditors; and

9 (2) renewable and clean energy resources.

10 9-20B-05.

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

12 (f) The Administration shall use the Fund:

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

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

16 (ii) renewable and clean energy resources;

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

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

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

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

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

27 (3) to provide supplemental funds for low-income energy assistance
28 through the Electric Universal Service Program established under § 7-512.1 of the Public

1 Utilities Article and other electric assistance programs in the Department of Human
2 Services;

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~(I) UP TO \$250,000 EACH YEAR FOR 2 YEARS STARTING IN~~
 2 ~~FISCAL YEAR 2021 TO APPRENTICESHIP SPONSORS TO CREATE CLEAN ENERGY~~
 3 ~~APPRENTICESHIPS; AND~~

4 ~~(H) UP TO \$250,000 EACH YEAR FOR 2 YEARS STARTING IN~~
 5 ~~FISCAL YEAR 2021 TO CAREER AND TECHNICAL EDUCATION SCHOOLS TO LAUNCH~~
 6 ~~AND UPGRADE RELEVANT CAREER AND TECHNICAL EDUCATION PROGRAMS;~~

7 ~~(I1) TO PROVIDE THE LESSER OF \$500,000 OR THE ACTUAL TOTAL~~
 8 ~~AMOUNT OF TAX CREDITS CLAIMED UNDER § 10-742 OF THE TAX GENERAL~~
 9 ~~ARTICLE FOR APPRENTICESHIPS IN THE CLEAN ENERGY INDUSTRY IN EACH OF~~
 10 ~~FISCAL YEARS 2021 AND 2022 \$1,500,000 FOR GRANTS TO PRE-APPRENTICESHIP~~
 11 ~~JOBS TRAINING PROGRAMS UNDER § 11-708.1(C)(2) OF THE LABOR AND~~
 12 ~~EMPLOYMENT ARTICLE STARTING IN FISCAL YEAR 2021 UNTIL ALL AMOUNTS ARE~~
 13 ~~SPENT; AND~~

14 (II) \$6,500,000 FOR GRANTS TO YOUTH APPRENTICESHIP JOBS
 15 TRAINING PROGRAMS AND REGISTERED APPRENTICESHIP JOBS TRAINING
 16 PROGRAMS UNDER § 11-708.1(C)(4) OF THE LABOR AND EMPLOYMENT ARTICLE
 17 STARTING IN FISCAL YEAR 2021 UNTIL ALL AMOUNTS ARE SPENT; AND

18 [(9)] ~~(12)~~ (11) to pay the expenses of the Program.

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

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

26 (2) FUNDING THAT IS PROVIDED FOR ACCESS TO CAPITAL FOR
 27 SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES UNDER
 28 SUBSECTION (F)(9) OF THIS SECTION SHALL BE USED TO PROVIDE GRANTS TO
 29 ELIGIBLE FUND MANAGERS TO PROVIDE INVESTMENT CAPITAL, INCLUDING EQUITY
 30 AND SIMILAR INVESTMENTS, AND LOANS TO SMALL, MINORITY, WOMEN-OWNED,
 31 AND VETERAN-OWNED BUSINESSES IN THE STATE IN THE CLEAN ENERGY
 32 INDUSTRY.

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
 2 1, 2017. It shall remain effective for a period of [3] 6 years and 1 month and, at the end of
 3 June 30, [2020] 2023, with no further action required by the General Assembly, this Act
 4 shall be abrogated and of no further force and effect.

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

7 Article – Public Utilities

8 7-701.

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

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

12 (10) [waste-to-energy;

13 (11) refuse-derived fuel; and

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

15 7-704.

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

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

24 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read~~
 25 ~~as follows:~~

26 ~~Article – Public Utilities~~

27 ~~7-701.~~

28 (r) ~~“Tier 1 renewable source” means one or more of the following types of energy~~
 29 ~~sources:~~

1 ~~(1) solar energy, including energy from photovoltaic technologies and solar~~
2 ~~water heating systems;~~

3 ~~(2) wind;~~

4 ~~(3) qualifying biomass;~~

5 ~~(4) methane from the anaerobic decomposition of organic materials in a~~
6 ~~landfill or wastewater treatment plant;~~

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

9 ~~(6) ocean, including energy from waves, tides, currents, and thermal~~
10 ~~differences;~~

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

13 ~~(8) a small hydroelectric power plant of less than 30 megawatts in capacity~~
14 ~~that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;~~

15 ~~(9) poultry litter to energy; AND~~

16 ~~(10) waste to energy;~~

17 ~~(11) refuse derived fuel; and~~

18 ~~(12)] thermal energy from a thermal biomass system.~~

19 ~~7-704.~~

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

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

28 SECTION ~~3~~ 2 3. AND BE IT FURTHER ENACTED, That a presently existing
29 obligation or contract right may not be impaired in any way by this Act.

30 SECTION ~~4~~ 3 4. AND BE IT FURTHER ENACTED, That, if any provision of this
31 Act or the application thereof to any person or circumstance is held invalid for any reason

1 in a court of competent jurisdiction, the invalidity does not affect other provisions or any
2 other application of this Act that can be given effect without the invalid provision or
3 application, and for this purpose the provisions of this Act are declared severable.

4 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
5 apply to all renewable energy portfolio standard compliance years beginning after
6 December 31, 2019.

7 ~~SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take~~
8 ~~effect January 1, 2020.~~

9 SECTION ~~6.~~ 4. 6. AND BE IT FURTHER ENACTED, That, ~~except as provided in~~
10 ~~Section 5 of this Act,~~ this Act shall take effect October 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.