

# HOUSE BILL 1349

M5, C5

0lr2729  
CF SB 890

---

By: **Delegate Adams**

Introduced and read first time: February 7, 2020

Assigned to: Economic Matters

---

## A BILL ENTITLED

AN ACT concerning

### **Clean Energy Attribute Credits and Procurement**

FOR the purpose of establishing a clean energy attribute credit standard for certain purposes; repealing certain provisions relating to the renewable energy portfolio standard; stating certain findings of the General Assembly; stating certain policies of the State regarding certain energy sources and markets; requiring the Public Service Commission to appoint an independent administrator for certain purposes with certain qualifications and certain duties; providing for the term and reappointment of the independent administrator; establishing certain annual targets for procurement of clean energy attribute credits in certain years; requiring the independent administrator to procure certain credits in certain years; requiring certain credits to be cleared in a competitive auction format; providing for the requirements of the auction; authorizing the independent administrator to procure certain additional credits for certain purposes and in a certain manner; authorizing the independent administrator to procure certain voluntary purchases; authorizing the independent administrator to procure certain credits in certain combined or regional auctions under certain circumstances; requiring the Commission to set the social cost of carbon at certain levels in certain years; providing for the application of the social cost of carbon to calculate a certain procurement cap in a certain manner; establishing a certain cap on the annual cost of complying with this Act in certain years; providing that the owner of certain clean energy resources may participate in certain auctions under this Act; providing for the conversion of certain credits under prior law to be converted and applied to certain goals; providing for the qualification of certain resources for procurement of certain clean energy attribute credits; providing for the location of certain clean energy resources for certain purposes; requiring an energy supplier to document certain credits in a certain tracking system and manner; requiring the independent administrator to establish a procedure for forecasting and acquiring certain credits; providing that the Commission, through the independent administrator, has certain authority to take certain steps; requiring the Commission and the independent administrator to develop a certain program in a certain manner; authorizing the independent

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



administrator to recover certain costs in a certain manner; requiring all electricity suppliers in the State to procure certain credits; authorizing certain persons to submit certain bids as a voluntary buyer; requiring the independent administrator to conduct certain clean energy attribute credit procurement auctions in certain manners for certain years and durations; authorizing the owner of a new clean energy resource to secure certain commitments over a term of years in a certain manner; providing for the conduct of certain auctions during a certain transition period; providing that the results of certain auctions are subject to the approval of the independent administrator; requiring certain buyers to be responsible for certain payments; providing for the construction of this Act; repealing a certain requirement regarding oversight of compliance with certain solar requirements; making conforming changes; defining certain terms and altering certain definitions; providing that existing obligations or contract rights may not be impaired by this Act; making the provisions of this Act severable; providing for a delayed effective date; and generally relating to the competitive clean energy attribute credit standard.

BY repealing

Article – Public Utilities

Section 7–701(h), (n), (o), (p–1), and (p–2) and 7–702 through 7–705

Annotated Code of Maryland

(2010 Replacement Volume and 2019 Supplement)

BY renumbering

Article – Public Utilities

Section 7–701(c) through (g), (i) through (m), and (p) through (s) and 7–706,  
respectively

to be Section 7–701(g) through (j), (m) through (t), and (v) through (x) and 7–707,  
respectively

Annotated Code of Maryland

(2010 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 7–701(a) and (b)

Annotated Code of Maryland

(2010 Replacement Volume and 2019 Supplement)

BY adding to

Article – Public Utilities

Section 7–701(c) through (f), (i), (k), (l), and (u) and 7–702 through 7–706

Annotated Code of Maryland

(2010 Replacement Volume and 2019 Supplement)

(As enacted by Section 2 of this Act)

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 7–701(g), (h), (j), (m) through (p), (r) through (t), and (v) through (x)  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2019 Supplement)  
 (As enacted by Section 2 of this Act)

BY repealing and reenacting, with amendments,  
 Article – Public Utilities  
 Section 7–701(q) and 7–707  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2019 Supplement)  
 (As enacted by Section 2 of this Act)

BY repealing and reenacting, with amendments,  
 Article – Public Utilities  
 Section 7–708 through 7–711 and 7–713  
 Annotated Code of Maryland  
 (2010 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 That Section(s) 7–701(h), (n), (o), (p–1), and (p–2) and 7–702 through 7–705 of  
 Article – Public Utilities of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7–701(c) through  
 (g), (i) through (m), and (p) through (s) and 7–706, respectively, of Article – Public Utilities  
 of the Annotated Code of Maryland be renumbered to be Section(s) 7–701(g) through (j),  
 (m) through (t), and (v) through (x) and 7–707, respectively.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
 as follows:

### **Article – Public Utilities**

7–701.

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

(b) “Administration” means the Maryland Energy Administration.

**(c) “BATTERY STORAGE PROJECT” MEANS A PROJECT DESIGNED TO ABSORB, STORE, AND DISCHARGE ELECTRIC ENERGY GENERATED FROM A CLEAN ENERGY RESOURCE.**

**(d) “CARBON CAPTURE RESOURCE” MEANS AN ELECTRIC GENERATING FACILITY THAT:**

**(1) USES FOSSIL FUELS AS A FEEDSTOCK; AND**

**(2) CAPTURES AND SEQUESTERS CARBON DIOXIDE EMISSIONS SO THAT NET CARBON DIOXIDE EMISSIONS ARE REDUCED TO BELOW 20% OF THE EMISSIONS RATE OF A NEW NATURAL GAS COMBINED CYCLE PLANT.**

**(E) (1) “CLEAN ENERGY ATTRIBUTE CREDIT” OR “CREDIT” MEANS A CREDIT EQUAL TO THE ENVIRONMENTAL ATTRIBUTES OF ONE MEGAWATT–HOUR OF ENERGY REDUCTION OR GENERATION PRODUCED FROM A CLEAN ENERGY RESOURCE.**

**(2) “CLEAN ENERGY ATTRIBUTE CREDIT” DOES NOT INCLUDE THE PHYSICAL ENERGY PRODUCTION OF THE ENERGY.**

**(F) “CLEAN ENERGY RESOURCE” MEANS:**

**(1) A BATTERY STORAGE PROJECT;**

**(2) A CARBON CAPTURE RESOURCE;**

**(3) A NUCLEAR RESOURCE;**

**(4) A QUALIFIED OFFSHORE WIND PROJECT;**

**(5) A TIER 1 RENEWABLE SOURCE;**

**(6) A TIER 2 RENEWABLE SOURCE; OR**

**(7) ANY OTHER RESOURCES THAT THE COMMISSION APPROVES AS PRODUCING NET ZERO–CARBON EMISSION ENERGY.**

**(g) “Fund” means the Maryland Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article.**

**(h) “Geothermal heating and cooling system” means a system that:**

**(1) exchanges thermal energy from groundwater or a shallow ground source to generate thermal energy through a geothermal heat pump or a system of geothermal heat pumps interconnected with any geothermal extraction facility that is:**

**(i) a closed loop or a series of closed loop systems in which fluid is permanently confined within a pipe or tubing and does not come in contact with the outside environment; or**

**(ii) an open loop system in which ground or surface water is**

circulated in an environmentally safe manner directly into the facility and returned to the same aquifer or surface water source;

(2) meets or exceeds the current federal Energy Star product specification standards;

(3) replaces or displaces inefficient space or water heating systems whose primary fuel is electricity or a nonnatural gas fuel source;

(4) replaces or displaces inefficient space cooling systems that do not meet federal Energy Star product specification standards;

(5) is manufactured, installed, and operated in accordance with applicable government and industry standards; and

(6) does not feed electricity back to the grid.

**(I) “INDEPENDENT ADMINISTRATOR” MEANS A QUALIFIED PERSON THAT THE COMMISSION APPOINTS TO CONDUCT CLEAN ENERGY AUCTIONS UNDER THIS SUBTITLE.**

(j) “Industrial process load” means the consumption of electricity by a manufacturing process at an establishment classified in the manufacturing sector under the North American Industry Classification System, Codes 31 through 33.

**(K) “NEW CLEAN ENERGY RESOURCE” MEANS A CLEAN ENERGY RESOURCE THAT HAS NOT YET BEGUN OPERATION AS OF THE FIRST TIME THAT THE RESOURCE COMMITS TO SELL CLEAN ENERGY ATTRIBUTE CREDITS WITHIN A CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTION.**

**(L) “NUCLEAR RESOURCE” MEANS A RESOURCE THAT PRODUCES ELECTRICITY FROM NUCLEAR FISSION.**

(m) “Offshore wind energy” means energy generated by a qualified offshore wind project.

(n) “Old growth timber” means timber from a forest:

(1) at least 5 acres in size with a preponderance of old trees, of which the oldest exceed at least half the projected maximum attainable age for the species; and

(2) that exhibits several of the following characteristics:

(i) shade-tolerant species are present in all age and size classes;

(ii) randomly distributed canopy gaps are present;

(iii) a high degree of structural diversity characterized by multiple growth layers reflecting a broad spectrum of ages is present;

(iv) an accumulation of dead wood of varying sizes and stages of decomposition accompanied by decadence in live dominant trees is present; and

(v) pit and mound topography can be observed.

(o) “PJM region” means the control area administered by the PJM Interconnection, as the area may change from time to time.

(p) “Poultry litter” means the fecal and urinary excretions of poultry, including wood shavings, sawdust, straw, rice hulls, and other bedding material for the disposition of manure.

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

(1) is located **NOT LESS THAN 10 MILES OFF THE COAST OF THE STATE** on the outer continental shelf of the Atlantic Ocean in an area that the United States Department of the Interior designates for leasing after coordination and consultation with the State in accordance with § 388(a) of the Energy Policy Act of 2005; and

(2) interconnects to the PJM Interconnection grid at a point located on the Delmarva Peninsula.

(r) (1) “Qualifying biomass” means a nonhazardous, organic material that is available on a renewable or recurring basis, and is:

(i) waste material that is segregated from inorganic waste material and is derived from sources including:

1. except for old growth timber, any of the following forest–related resources:

A. mill residue, except sawdust and wood shavings;

B. precommercial soft wood thinning;

C. slash;

D. brush; or

E. yard waste;

2. a pallet, crate, or dunnage;
3. agricultural and silvicultural sources, including tree crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or
4. gas produced from the anaerobic decomposition of animal waste or poultry waste; or
  - (ii) a plant that is cultivated exclusively for purposes of being used at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

(2) “Qualifying biomass” includes biomass listed in paragraph (1) of this subsection that is used for co-firing, subject to § 7-704(d) of this subtitle.

(3) “Qualifying biomass” does not include:

- (i) unsegregated solid waste or postconsumer wastepaper; or
- (ii) an invasive exotic plant species.

(s) “Thermal biomass system” means a system that:

(1) uses:

(i) primarily animal manure, including poultry litter, and associated bedding to generate thermal energy; and

(ii) food waste or qualifying biomass for the remainder of the feedstock;

(2) is used in the State; and

(3) complies with all applicable State and federal statutes and regulations, as determined by the appropriate regulatory authority.

(t) “Renewable on-site generator” means a person who generates electricity on site from a Tier 1 renewable source or a Tier 2 renewable source for the person’s own use.

**(U) “SOCIAL COST OF CARBON” MEANS THE FACTOR ESTABLISHED BY THE COMMISSION UNDER § 7-704(G) OF THIS SUBTITLE TO ADJUST THE CAP ON THE ANNUAL COST OF COMPLYING WITH THIS SUBTITLE.**

(v) (1) “Solar water heating system” means a system that:

(i) consists of glazed liquid-type flat-plate or tubular solar collectors or concentrating solar thermal collectors as defined and certified to the OG-100

standard of the Solar Ratings and Certification Corporation;

(ii) generates energy using solar radiation for the purpose of heating water; and

(iii) does not feed electricity back to the electric grid.

(2) “Solar water heating system” does not include a system that generates energy using solar radiation for the sole purpose of heating a hot tub or swimming pool.

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

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

(2) wind;

(3) qualifying biomass;

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

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

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

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

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

(9) poultry litter-to-energy;

(10) waste-to-energy;

(11) refuse-derived fuel; and

(12) thermal energy from a thermal biomass system.

(x) “Tier 2 renewable source” means hydroelectric power other than pump storage generation.

**(A) THE GENERAL ASSEMBLY FINDS THAT:**

**(1) THE STATE SEEKS TO BE A NATIONAL LEADER IN PROMOTING ELECTRICITY GENERATION THAT EMITS ZERO GREENHOUSE GAS EMISSIONS, CONSISTENT WITH TARGETS SET UNDER THE PARIS CLIMATE AGREEMENT, AND DESIRES TO PURSUE IMMEDIATE ACTION ON POLICIES THAT WILL GROW THE CLEAN ENERGY SECTOR WHILE MINIMIZING CONSUMER COSTS;**

**(2) THE POLICY OF THE STATE SHOULD BE TO ADOPT ELECTRICITY SECTOR CARBON EMISSION TARGETS AIMED AT ELIMINATING ALL NET CARBON EMISSIONS FROM THE STATE'S ELECTRIC ENERGY SUPPLY BY 2040, WHILE ENCOURAGING JOB GROWTH AND PRIVATE SECTOR INNOVATION;**

**(3) THE UNIFORM AMERICAN EXPERIENCE IS THAT COMPETITIVE MARKETS DRIVE INNOVATION IN THE ELECTRICITY SECTOR AND THAT COMPETITIVE WHOLESALE AND RETAIL ELECTRIC MARKETS HAVE DELIVERED EXTRAORDINARY BENEFITS FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CONSUMERS, INCLUDING TENS OF BILLIONS OF DOLLARS IN SAVINGS AS A RESULT OF COMPETITION AND CUSTOMER CHOICE;**

**(4) THE STATE SEEKS TO USE THESE SAME MARKET PRINCIPLES IN ITS QUEST TO ELIMINATE CARBON EMISSIONS FROM ITS ELECTRICITY SECTOR;**

**(5) THE STATE HAS DETERMINED THAT, GOING FORWARD, EVERY INCREMENT OF CLEAN ELECTRICITY HAS THE SAME VALUE TO FIGHTING CLIMATE CHANGE;**

**(6) MARKET SOLUTIONS PROVIDE INCENTIVES TO POTENTIAL DEVELOPERS, INNOVATORS, AND ENTREPRENEURS TO INVEST IN ZERO CARBON RESOURCES, AND SHOULD BE EMBRACED;**

**(7) THE LOWEST-COST PATH TO DECARBONIZATION IS BEST IDENTIFIED BY PROVIDING OPPORTUNITIES FOR INNOVATION AND BROAD COMPETITION AMONG ALL CLEAN ENERGY RESOURCE TYPES;**

**(8) ACHIEVING THE STATE'S CLEAN ENERGY GOALS WHILE PROTECTING CONSUMERS AND JOBS WILL REQUIRE HARNESSING THE POWER OF THE COMPETITIVE MARKETPLACE TO FIND THE FASTEST, LOWEST COST, AND MOST EFFECTIVE DECARBONIZATION SOLUTIONS;**

**(9) THE STATE'S ENERGY POLICY SHOULD CONTINUE TO EMPOWER CONSUMERS TO ACCESS A COMPETITIVE MARKETPLACE FOR CLEAN ELECTRICITY**

SO THAT CONSUMERS MAY INDIVIDUALLY CHOOSE TO MEET OR EXCEED THE STATEWIDE DECARBONIZATION TARGETS;

(10) THE STATE'S CLEAN ENERGY MARKET OF THE FUTURE SHOULD BE STRUCTURED TO COMPENSATE EXISTING CARBON-FREE RESOURCES FOR THEIR ENVIRONMENTAL ATTRIBUTES, AS WELL AS ALLOW PROJECT FINANCING FOR, AND SUPPORT THE DEVELOPMENT OF, NEW AND INNOVATIVE CLEAN ENERGY RESOURCES; AND

(11) IT IS IN THE PUBLIC INTEREST TO:

(I) ACCELERATE THE DECARBONIZATION OF THE ELECTRICITY SECTOR, IF IT IS POSSIBLE TO DO SO AT LOW PRICES; AND

(II) ALLOW INDIVIDUAL CONSUMERS, MUNICIPALITIES, AND OTHER ENTITIES TO EXCEED THE PORTION OF CARBON-FREE ENERGY SUPPLY MANDATED BY THE STATE THROUGH VOLUNTARY PARTICIPATION IN A CLEAN ENERGY MARKET.

(B) IT IS THE POLICY OF THE STATE THAT:

(1) THE STATE SHOULD EMBRACE A TECHNOLOGICALLY INCLUSIVE APPROACH TO DECARBONIZING ITS ELECTRICITY SECTOR, WHEREVER POSSIBLE;

(2) MARYLAND SHOULD CONTINUE TO PROMOTE THE DEVELOPMENT OF A COMPETITIVE CLEAN ENERGY MARKET, WITH A PROCUREMENT APPROACH THAT ALLOWS ALL PROJECTS AND IDEAS TO COMPETE AGAINST ONE ANOTHER ON A LEVEL PLAYING FIELD TO DELIVER THE HIGHEST VALUE CLEAN ENERGY SOLUTIONS AT THE LOWEST COST TO CONSUMERS; AND

(3) THE LOWEST-COST ENVIRONMENTAL ATTRIBUTES SHOULD BE PROCURED FROM THE FULL RANGE OF AVAILABLE CARBON-FREE RESOURCES ON A FAIR AND COMPETITIVE BASIS.

7-703.

(A) AFTER ISSUING A REQUEST FOR PROPOSALS, THE COMMISSION SHALL APPOINT AN INDEPENDENT ADMINISTRATOR TO CARRY OUT ITS RESPONSIBILITIES UNDER THIS SUBTITLE.

(B) IN APPOINTING THE INDEPENDENT ADMINISTRATOR, THE COMMISSION:

(1) MAY NOT BE REQUIRED TO ACCEPT THE LOWEST RESPONSIBLE BID; AND

(2) SHALL ENSURE THAT THE PERSON SELECTED AS THE INDEPENDENT ADMINISTRATOR POSSESSES THE NECESSARY EXPERTISE AND EXPERIENCE IN:

(I) CONDUCTING POWER AUCTIONS;

(II) TRACKING RENEWABLE ENERGY ATTRIBUTES;

(III) ENSURING CREDIT REQUIREMENTS; AND

(IV) IMPLEMENTING SETTLEMENTS.

(c) (1) THE TERM OF THE INDEPENDENT ADMINISTRATOR IS 5 YEARS.

(2) AN INDEPENDENT ADMINISTRATOR MAY BE REAPPOINTED AFTER A REQUEST FOR PROPOSALS AND REVIEW BY THE COMMISSION.

7-704.

(A) FOR PURPOSES OF THIS SUBTITLE, THE DELIVERY YEAR FOR CLEAN ENERGY ATTRIBUTE CREDITS BEGINS JUNE 1.

(B) (1) BEGINNING JUNE 1, 2021, THE ANNUAL TARGET PROCUREMENT OF CLEAN ENERGY ATTRIBUTE CREDITS SHALL BE:

(I) SUBJECT TO THE COST CAP SET FORTH IN SUBSECTION (H) OF THIS SECTION;

(II) EQUAL TO A PERCENTAGE OF TOTAL ELECTRICITY CONSUMPTION REPORTED FOR EACH ELECTRICITY SUPPLIER IN THE STATE; AND

(III) INCREASE IN ACCORDANCE WITH THE SCHEDULE IN PARAGRAPH (2) OF THIS SUBSECTION, SO THAT BY THE DELIVERY YEAR BEGINNING JUNE 1, 2040, THE INDEPENDENT ADMINISTRATOR WILL PROCURE CLEAN ENERGY ATTRIBUTE CREDITS IN AN AMOUNT EQUAL TO 100% OF THE TOTAL ELECTRICITY SALES BY ELECTRICITY SUPPLIERS IN THE STATE, PLUS ANY ADDITIONAL VOLUMES PROCURED ON BEHALF OF VOLUNTARY BUYERS.

(2) THE TARGET PROCUREMENT OF CLEAN ENERGY ATTRIBUTE CREDITS FOR A DELIVERY YEAR SHALL BE AT LEAST:

- (I) 50% IN 2021;**
- (II) 52.6% IN 2022;**
- (III) 55.3% IN 2023;**
- (IV) 57.9% IN 2024;**
- (V) 60.5% IN 2025;**
- (VI) 63.2% IN 2026;**
- (VII) 65.8% IN 2027;**
- (VIII) 68.4% IN 2028;**
- (IX) 71.1% IN 2029;**
- (X) 73.7% IN 2030;**
- (XI) 76.3% IN 2031;**
- (XII) 78.9% IN 2032;**
- (XIII) 81.6% IN 2033;**
- (XIV) 84.2% IN 2034;**
- (XV) 86.8% IN 2035;**
- (XVI) 89.5% IN 2036;**
- (XVII) 92.1% IN 2037;**
- (XVIII) 94.7% IN 2038;**
- (XIX) 97.4% IN 2039; AND**
- (XX) 100% IN 2040 AND LATER.**

**(C) (1) SUBJECT TO THE COST CAP UNDER SUBSECTION (H) OF THIS SECTION, THE INDEPENDENT ADMINISTRATOR SHALL ATTEMPT TO PROCURE CLEAN**

ENERGY ATTRIBUTE CREDITS IN A QUANTITY THAT MEETS OR EXCEEDS THE ANNUAL TARGET PROCUREMENT FOR EACH DELIVERY YEAR.

(2) THE ACTUAL QUANTITY OF CLEAN ENERGY ATTRIBUTE CREDITS THAT AN ELECTRICITY SUPPLIER IS REQUIRED TO PROCURE IN ANY GIVEN YEAR SHALL EQUAL THE PERCENTAGE OF THE TOTAL ELECTRICITY CONSUMPTION IN THE STATE CONSISTENT WITH THE PROCUREMENT LEVELS THAT THE INDEPENDENT ADMINISTRATOR PROCURES CLEAN ENERGY ATTRIBUTE CREDITS THROUGH THE COMPETITIVE AUCTION CONDUCTED IN ACCORDANCE WITH THIS SECTION.

(D) (1) ALL CLEAN ENERGY ATTRIBUTE CREDITS SHALL BE CLEARED IN A COMPETITIVE AUCTION FORMAT.

(2) IN THE AUCTION:

(I) THE LOWEST-PRICE CLEAN ENERGY ATTRIBUTE CREDITS ARE PROCURED FIRST; AND

(II) ALL CLEARED VOLUMES ARE PROCURED AT A UNIFORM PRICE, REGARDLESS OF THE TECHNOLOGY, AGE, OR OTHER ATTRIBUTES OF THE CLEAN ENERGY RESOURCE THAT GENERATES THE CLEAN ENERGY ATTRIBUTE CREDIT.

(E) (1) IF THE INDEPENDENT ADMINISTRATOR IS ABLE TO OBTAIN THE TARGET VOLUME OF CLEAN ENERGY ATTRIBUTE CREDITS IN ANY GIVEN DELIVERY YEAR AT A TOTAL COST THAT IS LESS THAN THE COST CAP UNDER SUBSECTION (H) OF THIS SECTION, THE INDEPENDENT ADMINISTRATOR MAY PROCURE ADDITIONAL CLEAN ENERGY ATTRIBUTE CREDITS WITHIN EACH PROCUREMENT AUCTION, SUBJECT TO THE COST CAP, BASED ON A DEMAND CURVE FOR CLEAN ENERGY ATTRIBUTE CREDITS THE INDEPENDENT ADMINISTRATOR DEVELOPS AND THE COMMISSION APPROVES.

(2) IF THE INDEPENDENT ADMINISTRATOR PROCURES ADDITIONAL CREDITS UNDER PARAGRAPH (1) OF THIS SUBSECTION, A HIGHER AMOUNT OF CLEAN ENERGY ATTRIBUTE CREDITS WILL BE PROCURED AS PRICES DECREASE, IN A MANNER THAT THE PRICE OF EACH CLEAN ENERGY CREDIT ATTRIBUTE PROCURED AND THE TOTAL COST OF ALL CLEAN ENERGY CREDIT ATTRIBUTES BOTH DECREASE AS MORE CLEAN ENERGY ATTRIBUTE CREDITS ARE PROCURED.

(F) (1) (I) THE INDEPENDENT ADMINISTRATOR SHALL ALSO PROCURE CLEAN ENERGY ATTRIBUTE CREDITS FOR ANY ELIGIBLE PERSON THAT SUBMITS A QUALIFYING VOLUNTARY PURCHASE BID TO PURCHASE IN ANY AUCTION UNDER THE GUIDELINES THAT THE INDEPENDENT ADMINISTRATOR ESTABLISHES AND THE

**COMMISSION ADOPTS BY REGULATION OR ORDER.**

**(II) A PERSON IS ELIGIBLE TO SUBMIT A BID IF THE PERSON SATISFIES CREDIT AND OTHER ELIGIBILITY REQUIREMENTS THAT THE INDEPENDENT ADMINISTRATOR ESTABLISHES AND THE COMMISSION ADOPTS BY REGULATION OR ORDER.**

**(2) (I) A QUALIFYING VOLUNTARY PURCHASE BID SHALL SPECIFY THE MAXIMUM AUCTION CLEARING PRICE AT WHICH THE BUYER WISHES TO PROCURE THE SPECIFIED NUMBER OF CLEAN ENERGY ATTRIBUTE CREDITS.**

**(II) THE VOLUNTARY PURCHASE BIDS SHALL BE COMBINED WITH THE SLOPING STATE DEMAND BID UNDER SUBSECTION (E) OF THIS SECTION TO DEVELOP AN AGGREGATE DEMAND CURVE FOR THE PROCUREMENT AUCTION.**

**(3) (I) A VOLUNTARY PURCHASE BID WILL CLEAR IN ANY AUCTION WHERE THE CLEARING PRICE IS BELOW THE BID PRICE.**

**(II) IF THE PURCHASE BID CLEARS, THE PURCHASER WILL BE OBLIGATED TO PAY THE AUCTION CLEARING PRICE FOR THE CLEARED VOLUME.**

**(G) IF THE COMMISSION FINDS IT TO BE IN THE PUBLIC INTEREST, THE INDEPENDENT ADMINISTRATOR MAY SATISFY THE REQUIREMENTS OF THIS SECTION TO PROCURE CLEAN ENERGY ATTRIBUTE CREDITS VOLUMES BY PROCURING CLEAN ENERGY ATTRIBUTE CREDITS:**

**(1) IN A COMBINED AUCTION WITH OTHER JURISDICTIONS;**

**(2) IN A COMBINED AUCTION WITH ANY INTERREGIONAL, INDEPENDENT ENTITIES; OR**

**(3) WITHIN ANOTHER CENTRALIZED AUCTION WITH A SUBSTANTIALLY SIMILAR AUCTION DESIGN THAT THE COMMISSION AND THE INDEPENDENT ADMINISTRATOR DETERMINE TO BE ACCEPTABLE UNDER THIS SECTION.**

**(H) (1) (I) THE COMMISSION SHALL SET THE SOCIAL COST OF CARBON.**

**(II) THE SOCIAL COST OF CARBON:**

**1. MAY NOT BE LOWER THAN \$20 PER MEGAWATT-HOUR IN 2021;**

2. SHALL INCREASE BY 4% EACH YEAR THROUGH 2025;

AND

3. MAY BE ADJUSTED THEREAFTER BY THE COMMISSION FOR GOOD CAUSE BASED ON A DETERMINATION OF THE MONETIZED DAMAGES ASSOCIATED WITH AN INCREMENTAL INCREASE IN CARBON EMISSIONS IN A GIVEN YEAR, INCLUDING CHANGES IN NET AGRICULTURAL PRODUCTIVITY, HUMAN HEALTH, PROPERTY DAMAGES FROM INCREASED FLOOD RISK, AND THE VALUE OF ECOSYSTEM SERVICES DUE TO CLIMATE CHANGE.

(III) THE SOCIAL COST OF CARBON, AS USED IN THIS SUBTITLE FOR THE PURPOSE OF ESTABLISHING PRICING PARAMETERS IN THE CLEAN ENERGY ATTRIBUTE PROCUREMENT AUCTIONS, SUBTRACTS FROM THE ESTIMATED VALUE ANY PORTION OF THE DAMAGES DESCRIBED IN SUBPARAGRAPH (II)3 OF THIS PARAGRAPH THAT ARE ALREADY INTERNALIZED INTO ELECTRICITY MARKET PRICES THROUGH THE APPLICATION OF A STATE, REGIONAL, OR FEDERAL CARBON PRICING OR CAP-AND-TRADE PROGRAM.

(2) (I) PRICES AWARDED FOR CLEAN ENERGY ATTRIBUTE CREDITS TO SATISFY THE REQUIREMENTS OF THIS SECTION ARE SUBJECT TO A PRICE CAP.

(II) THE PRICE CAP IS EQUAL TO 1.5 TIMES THE SOCIAL COST OF CARBON.

(III) THE PRICE CAP, MULTIPLIED BY THE TARGET PROCUREMENT VOLUME DEFINED IN SUBSECTION (B) OF THIS SECTION, IS THE MAXIMUM PROGRAM COST FOR ACHIEVING THE CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT TARGET IN THE GIVEN DELIVERY YEAR.

7-705.

(A) (1) THE OWNER OF A CLEAN ENERGY RESOURCE IS ELIGIBLE TO PARTICIPATE IN THE CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTIONS CONDUCTED BY THE INDEPENDENT ADMINISTRATOR UNDER THIS SUBTITLE IF THE CLEAN ENERGY RESOURCE MEETS ALL APPLICABLE REQUIREMENTS THE INDEPENDENT ADMINISTRATOR ESTABLISHES AND THE COMMISSION APPROVES.

(2) ALL ALTERNATIVE ENERGY CREDITS OR CLEAN ENERGY CREDITS SECURED UNDER PRIOR LAW, INCLUDING RENEWABLE ENERGY CREDITS, SOLAR RENEWABLE ENERGY CREDITS, AND OFFSHORE WIND RENEWABLE ENERGY CREDITS, SHALL BE:

(I) CONVERTED INTO THEIR EQUIVALENT CLEAN ENERGY ATTRIBUTE CREDITS BY THE INDEPENDENT ADMINISTRATOR; AND

(II) APPLIED TO MEET THE TARGETED PROCUREMENT GOAL FOR THE APPLICABLE DELIVERY YEAR UNDER § 7-704 OF THIS SUBTITLE.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A CLEAN ENERGY ATTRIBUTE CREDIT MAY BE PROCURED FROM ANY PERSON THAT OWNS A CLEAN ENERGY RESOURCE THAT IS:

(I) LOCATED IN THE STATE; OR

(II) INTERCONNECTED WITH THE ELECTRIC DISTRIBUTION GRID SERVING THE STATE.

(2) (I) ANY QUALIFIED OFFSHORE WIND PROJECT SHALL BE ELIGIBLE TO FULFILL OBLIGATIONS OF ALL ELECTRICITY SUPPLIERS IN THE STATE UNDER THIS SUBTITLE.

(II) A NONNUCLEAR CLEAN ENERGY RESOURCE THAT IS LOCATED OUTSIDE THE STATE BUT LOCATED WITHIN THE PJM REGION IS ELIGIBLE TO FULFILL THE COMPLIANCE OBLIGATION OF AN ELECTRICITY SUPPLIER UNDER THIS SUBTITLE.

(3) AN ELECTRICITY SUPPLIER SHALL DOCUMENT, THROUGH THE PJM GENERATION ATTRIBUTE TRACKING SYSTEM (GATS) OR ANOTHER TRACKING SYSTEM THAT THE COMMISSION APPROVES, THAT A CREDIT SUBMITTED TO SATISFY THE TARGETED PROCUREMENT GOAL UNDER THIS SUBTITLE WAS NOT USED TO SATISFY ANOTHER STATE'S RENEWABLE ENERGY PORTFOLIO STANDARD OR OTHER CLEAN ELECTRICITY GOAL.

#### 7-706.

(A) (1) IN CONSULTATION WITH THE COMMISSION, THE INDEPENDENT ADMINISTRATOR SHALL ESTABLISH PROCEDURES FOR FORECASTING THE REQUIRED QUANTITY AND ACQUIRING CLEAN ENERGY ATTRIBUTE CREDITS.

(2) THE COMMISSION, THROUGH THE INDEPENDENT ADMINISTRATOR, SHALL HAVE THE AUTHORITY TO TAKE ALL STEPS NECESSARY TO IMPLEMENT THIS SECTION CONSISTENT WITH APPLICABLE FEDERAL TARIFFS.

(3) THE INDEPENDENT ADMINISTRATOR AND THE COMMISSION

SHALL JOINTLY DESIGN, DEVELOP, AND IMPLEMENT THE CLEAN ENERGY ATTRIBUTE CREDIT PROGRAM IN A WAY THAT IS COST-EFFECTIVE AND THAT MAINTAINS AND PROMOTES THE DEVELOPMENT OF THE COMPETITIVE RETAIL ELECTRIC MARKET IN THE STATE.

(4) THE INDEPENDENT ADMINISTRATOR MAY RECOVER THE COSTS OF CONDUCTING THE PROCUREMENT AUCTIONS AND ANY RELATED ACTIVITIES ON A PRO RATA BASIS FROM CUSTOMERS AND VOLUNTARY BUYERS THAT HAVE BEEN ALLOCATED PROCURED VOLUMES.

(B) (1) ALL ELECTRICITY SUPPLIERS IN THE STATE SHALL PROCURE CLEAN ENERGY ATTRIBUTE CREDITS.

(2) (I) ANY PERSON MAY SUBMIT TO THE INDEPENDENT ADMINISTRATOR A BID TO PURCHASE CLEAN ENERGY ATTRIBUTE CREDITS BEFORE ANY PROCUREMENT AUCTION AS A VOLUNTARY BUYER, WITHIN AN AUCTION TIMELINE AND PROCESS ESTABLISHED BY THE INDEPENDENT ADMINISTRATOR.

(II) THE INDEPENDENT ADMINISTRATOR SHALL PROCESS VOLUNTARY PURCHASE BIDS IN ACCORDANCE WITH THE STANDARDS ESTABLISHED FOR ELECTRICITY SUPPLIERS THAT ARE REQUIRED TO PROCURE CLEAN ENERGY ATTRIBUTE CREDITS UNDER THIS SUBTITLE.

(3) (I) BEGINNING WITH THE PROCUREMENT FOR THE DELIVERY YEAR BEGINNING JUNE 1, 2021, THE INDEPENDENT ADMINISTRATOR SHALL CONDUCT CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTIONS TO PROCURE CLEAN ENERGY ATTRIBUTE CREDITS TO SATISFY THE OBLIGATIONS OF THIS SECTION.

(II) AFTER AN INITIAL TRANSITION PERIOD, THE INDEPENDENT ADMINISTRATOR SHALL CONDUCT ONE CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTION IN JANUARY OF EACH YEAR.

(4) THE CLEAN ENERGY ATTRIBUTE CREDIT AUCTIONS WILL SECURE VOLUMES OF CLEAN ENERGY ATTRIBUTE CREDITS FROM CLEAN ENERGY RESOURCES THROUGH COMMITMENTS OF 1-YEAR DURATION THAT COMMENCE IN THE DELIVERY YEAR THAT OCCURS 3 YEARS AFTER THE PROCUREMENT AUCTION.

(C) (1) THE OWNER OF A NEW CLEAN ENERGY RESOURCE THAT SECURES A COMMITMENT TO SELL CLEAN ENERGY ATTRIBUTE CREDITS THROUGH A CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTION MAY ELECT TO EXTEND THE TERM OF THE COMMITMENT FOR UP TO A TOTAL OF 7 YEARS AT THE OWNER'S SOLE DISCRETION.

**(2) IN THAT CASE, THE AUCTION CLEARING PRICE AWARDED FOR THE FIRST YEAR MAY BE EARNED BY THE NEW CLEAN ENERGY RESOURCE FOR ALL SUBSEQUENT YEARS OF THE COMMITMENT, UP TO THE MAXIMUM OF 7 YEARS.**

**(3) AFTER THE COMMITMENT UNDER PARAGRAPH (2) OF THIS SUBSECTION IS COMPLETED, THE NEW CLEAN ENERGY RESOURCE MAY CONTINUE TO PARTICIPATE IN FUTURE CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTIONS IN COMPETITION WITH OTHER CLEAN ENERGY RESOURCES TO EARN COMMITMENTS OF 1-YEAR DURATION.**

**(D) (1) FOR AN INITIAL TRANSITION PERIOD UNTIL THE FULL 3-YEAR FORWARD PERIOD IS ACHIEVED, THE INDEPENDENT ADMINISTRATOR SHALL CONDUCT INITIAL CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTIONS APPROXIMATELY EVERY 6 MONTHS TO SECURE CLEAN ENERGY ATTRIBUTE CREDITS FOR DELIVERY IN THE DELIVERY YEARS COMMENCING JUNE 1 OF 2021, 2022, AND 2023, AND EACH SUBSEQUENT DELIVERY YEAR UNTIL THE FULL 3-YEAR FORWARD PERIOD IS ACHIEVED.**

**(2) CONTRACTS RESULTING FROM THE INITIAL CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTIONS MUST BE CONSISTENT WITH THE TERMS SET FORTH IN THIS SECTION.**

**(E) (1) THE RESULTS OF EACH CLEAN ENERGY ATTRIBUTE CREDIT PROCUREMENT AUCTION SHALL BE SUBJECT TO APPROVAL BY THE INDEPENDENT ADMINISTRATOR.**

**(2) ON APPROVAL OF THE RESULTS OF AN ANNUAL AUCTION, EACH ELECTRICITY SUPPLIER OR OTHER VOLUNTARY BUYER ALLOCATED A PROCURED VOLUME FROM THE AUCTION SHALL BE RESPONSIBLE FOR PAYING ITS PRO RATA SHARE OF THE COSTS TO PAY CLEAN ENERGY RESOURCES.**

**(3) WINNING SELLERS OF CLEAN ENERGY SUPPLY SHALL EARN PAYMENTS FOR CLEAN ENERGY ATTRIBUTE CREDITS CLEARED IN THE AUCTION:**

**(I) UNDER A SETTLEMENTS APPROACH THE INDEPENDENT ADMINISTRATOR ESTABLISHES; AND**

**(II) SUBJECT TO DELIVERY REQUIREMENTS THE INDEPENDENT ADMINISTRATOR ESTABLISHES.**

7-707.

**(a) (1) Except as provided in paragraph (2) of this subsection, in accordance**

with the obligation to provide standard offer service through the bid process created under § 7-510 of this title, the Commission shall allow an electricity supplier to recover actual dollar-for-dollar costs incurred[, including a compliance fee under § 7-705 of this subtitle,] in complying with [a State-mandated renewable energy portfolio standard] **THIS SUBTITLE**.

(2) In accordance with the Phase II settlement agreement approved by the Commission in Order No. 78710 in Case No. 8908 on September 30, 2003, for any full-service agreement executed before the **FORMER** renewable energy **PORTFOLIO** standard under this subtitle applies to an electric company, the electric company and its wholesale electricity suppliers may pass through their commercially reasonable additional costs, if any, associated with complying with the standard, **OR THE CLEAN ENERGY ATTRIBUTE CREDIT REQUIREMENTS UNDER THIS SUBTITLE**, through the end of the year of standard offer service in which the requirement took effect.

(b) [An electricity supplier may recover a compliance fee if:

(1) the payment of a compliance fee is the least-cost measure to customers as compared to the purchase of Tier 1 renewable sources to comply with a renewable energy portfolio standard;

(2) there are insufficient Tier 1 renewable sources available for the electricity supplier to comply with a renewable energy portfolio standard; or

(3) a wholesale electricity supplier defaults or otherwise fails to deliver renewable energy credits under a supply contract approved by the Commission.

(c) Any cost recovery under this section:

(1) for all electricity suppliers, may be in the form of a generation surcharge payable by all current electricity supply customers, except as otherwise provided in § 7-704(e) of this subtitle;

(2) shall be disclosed to customers in a manner to be determined by the Commission; and

(3) may not include the costs for a power purchase contract under the federal Public Utility Regulatory Policy Act contemplated in rates or restructuring proceedings.

(d)] (1) In accordance with regulations adopted by the Commission in consultation with the Department of Commerce, the Commission may waive the recovery of all or part of the [compliance] **CLEAN ENERGY ATTRIBUTE CREDIT** fee assessed on the load of a particular industrial or nonretail commercial customer for a particular year, based on a demonstration by the applicant of an extreme economic hardship that significantly impairs the continued operation of the applicant.

(2) Any [compliance] **CLEAN ENERGY ATTRIBUTE CREDIT** fee recovery that is waived under this subsection may not be assessed against other customers.

(3) An electricity supplier is not liable for any [compliance] **CLEAN ENERGY ATTRIBUTE CREDIT** fee that is waived under this subsection.

7-708.

(a) (1) The Commission shall establish and maintain a market-based renewable electricity trading system to facilitate the creation and transfer of [renewable] **CLEAN energy ATTRIBUTE** credits.

(2) To the extent practicable, the trading system shall be consistent with and operate in conjunction with the trading system developed by PJM Interconnection, Inc., if available.

(3) The Commission may contract with a for-profit or a nonprofit entity to assist in the administration of the electricity trading system required under paragraph (1) of this subsection.

(b) (1) The system shall include a registry of pertinent information regarding all:

(i) available [renewable] **CLEAN energy ATTRIBUTE** credits; and

(ii) [renewable] **CLEAN energy ATTRIBUTE** credit transactions among electricity suppliers in the State, including:

1. the creation and application of [renewable] **CLEAN energy ATTRIBUTE** credits;

2. the number of [renewable] **CLEAN energy ATTRIBUTE** credits sold or transferred; and

3. the price paid for the sale or transfer of [renewable] **CLEAN energy ATTRIBUTE** credits.

(2) (i) The registry shall provide current information to electricity suppliers and the public on the status of [renewable] **CLEAN energy ATTRIBUTE** credits created, sold, or transferred in the State.

(ii) Registry information shall be available by computer network access through the Internet.

7-709.

(a) An electricity supplier may use accumulated [renewable] CLEAN energy **ATTRIBUTE** credits to meet the renewable energy portfolio standard, including credits created by a renewable on-site generator.

(b) A [renewable] CLEAN energy **ATTRIBUTE** credit may be sold or otherwise transferred.

(c) [(1) (i) If an electricity supplier purchases solar renewable energy credits directly from a renewable on-site generator with a capacity that exceeds 10 kilowatts to meet the solar component of the Tier 1 renewable energy portfolio standard, the duration of the contract term for the solar renewable energy credits may not be less than 15 years.

(ii) The minimum required term under subparagraph (i) of this paragraph does not affect the ability of the parties to negotiate a price for a solar renewable energy credit that varies over time in any manner.

(2) (i) An electricity supplier that purchases solar renewable energy credits from a renewable on-site generator with a capacity not exceeding 10 kilowatts shall purchase the credits with a single initial payment representing the full estimated production of the system for the life of the contract.

(ii) The Commission shall:

1. develop a method for estimating annual production from the type of system described in subparagraph (i) of this paragraph and allocating the credits to the electricity supplier in a manner that is consistent with the duration of the contract; and

2. determine the rate for a payment made to a renewable on-site generator under subparagraph (i) of this paragraph.

(d)] (1) Except as authorized under paragraph (2) of this subsection **OR § 7-706(C) OF THIS SUBTITLE**, a [renewable] CLEAN energy **ATTRIBUTE** credit shall exist for 3 years from the date created.

(2) A [renewable] CLEAN energy **ATTRIBUTE** credit may be diminished or extinguished before the expiration of 3 years by:

(i) the electricity supplier that received the credit;

(ii) a nonaffiliated entity of the electricity supplier:

1. that purchased the credit from the electricity supplier receiving the credit; or

2. to whom the electricity supplier otherwise transferred the credit; or

(iii) demonstrated noncompliance by the generating facility with the requirements of [§ 7-704(f) of] this subtitle.

[(e) Notwithstanding subsection (d)(2)(iii) of this section, and only if the demonstrated noncompliance does not result in environmental degradation, an electricity supplier that reasonably includes in its annual report under § 7-705 of this subtitle a renewable energy credit that is extinguished for noncompliance with § 7-704(f)(1) or (2) of this subtitle:

(1) may continue to rely on that credit for that year; but

(2) for later years must:

(i) demonstrate a return to compliance of the generating facility under § 7-704(f) of this subtitle; or

(ii) replace the credit with a renewable energy credit from another source.

(f) (D) The Commission by regulation shall establish requirements for documentation and verification of [renewable] CLEAN energy ATTRIBUTE credits by licensed electricity suppliers and other generators that create and receive credits for compliance with [the standards for Tier 1 renewable sources and Tier 2 renewable sources] THIS SUBTITLE.

**(E) BEGINNING WITH THE DELIVERY YEAR STARTING JUNE 1, 2021, AND NOTWITHSTANDING ANY OTHER CONTRARY PROVISION OF THIS SUBTITLE:**

**(1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO ALTER ANY PERSON'S RIGHTS OR OBLIGATIONS UNDER CONTRACTS EXECUTED BEFORE JANUARY 1, 2021, FOR THE PURCHASE OR SALE OF CREDITS UNDER THE RENEWABLE ENERGY PORTFOLIO STANDARD; AND**

**(2) THE QUANTITIES OR RENEWABLE ENERGY CREDITS AND OFFSHORE RENEWABLE ENERGY CREDITS PROCURED UNDER THOSE CONTRACTS SHALL BE SUBTRACTED FROM THE MINIMUM QUANTITY OF CLEAN ENERGY ATTRIBUTE CREDITS TO BE PROCURED BY ELECTRICITY SUPPLIERS.**

7-710.

The Commission may impose an administrative fee on a [renewable] CLEAN energy

**ATTRIBUTE** credit transaction, but the amount of the fee may not exceed the Commission's actual direct cost of processing the transaction.

7-711.

[(a)] The Commission has the same power and authority with respect to an electricity supplier under this subtitle that the Commission has with respect to any public service company under this division for the purposes of investigating and examining the electricity supplier to determine compliance with this subtitle and with other applicable law.

[(b) (1)] Beginning January 1, 2008, the Commission shall designate an individual to be responsible for the oversight of compliance with the requirements of Tier 1 renewable sources that are to be derived from solar energy.

(2) The individual designated under paragraph (1) of this subsection shall:

(i) develop the program for the requirements for Tier 1 renewable sources derived from solar energy;

(ii) provide education and outreach to promote the use of solar energy; and

(iii) make policy recommendations to the Commission regarding improving the State's use of solar energy, including the development of clear, simple, and straightforward forms, requirements, and procedures to facilitate participation by homeowners and small businesses in deployment of solar generation in the State.]

7-713.

The Commission shall adopt regulations to [implement the provisions of] **CARRY OUT** this subtitle.

**SECTION 4. AND BE IT FURTHER ENACTED,** That a presently existing obligation or contract right may not be impaired in any way by this Act.

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

**SECTION 6. AND BE IT FURTHER ENACTED,** That this Act shall take effect January 1, 2021.