

HOUSE BILL 467

M5

1lr1092
CF SB 316

By: **Delegate Rogers**

Introduced and read first time: January 15, 2021

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2021

CHAPTER _____

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – ~~Hydroelectric Power~~ Alterations and**
3 **Compliance Fees**

4 FOR the purpose of altering the renewable energy portfolio standard for certain years;
5 extending indefinitely the renewable energy portfolio standard percentage derived
6 from Tier 2 renewable sources; repealing the limit on the period of time during which
7 energy from a Tier 2 renewable source is eligible for inclusion in meeting the
8 renewable energy portfolio standard; altering the compliance fee for a shortfall from
9 the required percentage of energy from certain Tier 1 renewable sources for the
10 renewable energy portfolio standard in certain years; making a technical change;
11 providing for the application of this Act; providing that existing obligations or
12 contract rights may not be impaired by this Act; and generally relating to the
13 renewable energy portfolio standard.

14 BY repealing and reenacting, without amendments,
15 Article – Public Utilities
16 Section 7–701(a), (s)(8), and (t) and 7–703(b)(15)
17 Annotated Code of Maryland
18 (2020 Replacement Volume and 2020 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Public Utilities
21 Section 7–703(b)(16) through (25) ~~and~~, 7–704(a)(4), and 7–705(b)(2)
22 Annotated Code of Maryland
23 (2020 Replacement Volume and 2020 Supplement)

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

3 **Article – Public Utilities**

4 7–701.

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

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

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

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

12 7–703.

13 (b) Except as provided in subsection (e) of this section, the renewable energy
14 portfolio standard shall be as follows:

15 (15) in 2020:

16 (i) 28% from Tier 1 renewable sources, including:

17 1. at least 6% derived from solar energy; and

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

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

21 (16) in 2021[,]:

22 (I) 30.8% from Tier 1 renewable sources, including:

23 [(i)] 1. at least 7.5% derived from solar energy; and

24 [(ii)] 2. an amount set by the Commission under § 7–704.2(a) of
25 this subtitle derived from offshore wind energy; AND

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

1 (17) in 2022[.]:

2 (I) ~~33.1%~~ 30.1% from Tier 1 renewable sources, including:

3 [(i)] 1. at least ~~8.5%~~ 5.5% derived from solar energy; and

4 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
5 this subtitle derived from offshore wind energy; AND

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

7 (18) in 2023[.]:

8 (I) ~~35.4%~~ 31.9% from Tier 1 renewable sources, including:

9 [(i)] 1. at least ~~9.5%~~ 6% derived from solar energy; and

10 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
11 this subtitle derived from offshore wind energy; AND

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

13 (19) in 2024[.]:

14 (I) ~~37.7%~~ 33.7% from Tier 1 renewable sources, including:

15 [(i)] 1. at least ~~10.5%~~ 6.5% derived from solar energy; and

16 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
17 this subtitle derived from offshore wind energy; AND

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

19 (20) in 2025[.]:

20 (I) ~~40%~~ 35.5% from Tier 1 renewable sources, including:

21 [(i)] 1. at least ~~11.5%~~ 7% 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 10%, derived from offshore wind energy; AND

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

25 (21) in 2026[.]:

1 (I) ~~42.5%~~ 38% from Tier 1 renewable sources, including:

2 [(i)] 1. at least ~~12.5%~~ 8% derived from solar energy; and

3 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
4 this subtitle derived from offshore wind energy, including at least 400 megawatts of Round
5 2 offshore wind projects; AND

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

7 (22) in 2027[,]:

8 (I) ~~45.5%~~ 41.5% from Tier 1 renewable sources, including:

9 [(i)] 1. at least ~~13.5%~~ 9.5% derived from solar energy; and

10 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
11 this subtitle derived from offshore wind energy, including at least 400 megawatts of Round
12 2 offshore wind projects; AND

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

14 (23) in 2028[,]:

15 (I) ~~47.5%~~ 43% from Tier 1 renewable sources, including:

16 [(i)] 1. at least ~~14.5%~~ 11% derived from solar energy; and

17 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
18 this subtitle derived from offshore wind energy, including at least 800 megawatts of Round
19 2 offshore wind projects; AND

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

21 (24) in 2029[,]:

22 (I) ~~49.5%~~ 47.5% from Tier 1 renewable sources, including:

23 [(i)] 1. at least ~~14.5%~~ 12.5% derived from solar energy; and

24 [(ii)] 2. an amount set by the Commission under § 7-704.2(a) of
25 this subtitle derived from offshore wind energy, including at least 800 megawatts of Round
26 2 offshore wind projects; and

(II) 2.5% FROM TIER 2 RENEWABLE SOURCES; AND

(25) in 2030 and later[,]:

(I) 50% from Tier 1 renewable sources, including:

[(i)] 1. at least 14.5% derived from solar energy; and

[(ii)] 2. an amount set by the Commission under § 7-704.2(a) of this subtitle derived from offshore wind energy, including at least 1,200 megawatts of Round 2 offshore wind projects; **AND**

(II) 2.5% FROM TIER 2 RENEWABLE SOURCES.

7-704.

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

7-705.

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

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

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

A. 4 cents through 2016;

B. 3.75 cents in 2017 and 2018;

C. 3 cents in 2019 through 2023;

D. 2.75 cents in 2024;

E. 2.5 cents in 2025;

HOUSE BILL 467

1 F. 2.475 cents in 2026;

2 G. 2.45 cents in 2027;

3 H. 2.25 cents in 2028 and 2029; and

4 I. 2.235 cents in 2030 and later;

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

7 A. 45 cents in 2008;

8 B. 40 cents in 2009 through 2014;

9 C. 35 cents in 2015 and 2016;

10 D. 19.5 cents in 2017;

11 E. 17.5 cents in 2018;

12 F. 10 cents in 2019;

13 G. 10 cents in 2020;

14 H. 8 cents in 2021;

15 I. 6 cents in 2022;

16 J. [4.5] **6** cents in 2023;

17 K. [4] **6** cents in 2024;

18 L. [3.5] **5.5** cents in 2025;

19 M. [3] **4.5** cents in 2026;

20 N. [2.5] **3.5** cents in 2027 [and 2028];

21 O. [2.25] **3.25** cents in [2029] **2028**; [and]

22 P. [2.235] **2.5** cents in [2030 and later] **2029**; and

23 **Q. 2.25 CENTS IN 2030 AND LATER; AND**

