A BILL ENTITLED

AN ACT concerning


FOR the purpose of including a zero–emission energy resource as a Tier 1 renewable source eligible for meeting certain Tier 1 obligations under the renewable energy portfolio standard; requiring the Maryland Energy Administration, in consultation with the Public Service Commission, the Department of the Environment, and the Department of Natural Resources, to conduct a study on carbon capture, use, and sequestration; and generally relating to zero–emission energy resources and a study on the development of carbon capture, use, and sequestration in the State.

BY repealing and reenacting, without amendments,
Article – Public Utilities
Section 7–701(a) and 7–704(a)(1)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–701(s)(12) and (13) and 7–704(a)(2)(i)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

BY adding to
Article – Public Utilities
Section 7–701(s)(14) and (u)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
That the Laws of Maryland read as follows:

Article – Public Utilities

7–701.

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

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

(12) thermal energy from a thermal biomass system; [and]

(13) raw or treated wastewater used as a heat source or sink for a heating or cooling system; AND

(14) ELECTRICITY PRODUCED BY A ZERO–EMISSION ENERGY RESOURCE.

(U) “ZERO–EMISSION ENERGY RESOURCE” MEANS A NATURAL GAS OR QUALIFYING BIOMASS GENERATING STATION WITH A CONCOMITANT CARBON CAPTURE SYSTEM TO THE EXTENT THE CAPTURED CARBON DIOXIDE OFFSETS THE CARBON OUTPUT OF THE GENERATING STATION AND IS INDEFINITELY SEQUESTERED THROUGH ANOTHER METHOD.

7–704.

(a) (1) Energy from a Tier 1 renewable source:

(i) is eligible for inclusion in meeting the renewable energy portfolio standard regardless of when the generating system or facility was placed in service; and

(ii) may be applied to the percentage requirements of the standard for either Tier 1 renewable sources or Tier 2 renewable sources.

(2) (i) Energy from a Tier 1 renewable source under § 7–701(s)(1), (5), (9), (10), [or] (11), OR (14) of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard only if the source is connected with the electric distribution grid serving Maryland.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Energy Administration, in consultation with the Public Service Commission, the Department of the Environment, and the Department of Natural Resources, shall study regulatory and statutory impediments to the adoption of carbon capture, use, and sequestration and the corresponding establishment and growth of the
carbon capture, use, and sequestration industry in the State, including:

(1) determining the appropriate State entity to regulate the creation of a sequestration facility, including the reservoirs, carbon dioxide injection wells, monitoring wells, underground equipment, and surface buildings and equipment used in carbon sequestration and any necessary and reasonable aerial buffer and subsurface monitoring zones for the surface buildings and equipment;

(2) determining the appropriate State entity to regulate the injection process;

(3) determining the appropriate State entity to regulate and monitor a sequestration facility when and after the well is plugged or is otherwise no longer to be used for the injection of carbon dioxide;

(4) establishment of a novel permitting process specifically for the siting of subterranean carbon sequestration and all associated infrastructure and equipment, including an application process that provides for public meetings;

(5) creation of a system of accountability for a person who owns or operates a sequestration facility;

(6) identifying and defining parties anticipated to be involved in the development and operation of a sequestration facility;

(7) identifying necessary environmental protections;

(8) identifying the property rights required for the subterranean injection of carbon dioxide;

(9) determining options for the limitation of liability for carbon capture facilities; and

(10) creation of a mechanism to protect the public from unrecoverable damages.

(b) The Maryland Energy Administration shall solicit stakeholder involvement for the study and hold a minimum of four public meetings to allow for public participation and comment.

(c) On or before December 31, 2022, the Maryland Energy Administration shall report its findings, including recommendations for statutory or regulatory changes, to the General Assembly in accordance with § 2–1257 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect January 1, 2023.
SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2022.