

SENATE BILL 526

C5, M5

2lr1728
CF 2lr1749

By: **Senator Feldman**

Introduced and read first time: January 28, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Offshore Wind Renewable Energy Credits**

3 FOR the purpose of altering the process for purchasing offshore wind renewable energy
4 credits to satisfy the offshore wind energy component of the renewable energy
5 portfolio standard; requiring the Public Service Commission to adopt regulations
6 establishing a certain cost recovery mechanism; and generally relating to offshore
7 wind and the renewable energy portfolio standard.

8 BY repealing and reenacting, without amendments,

9 Article – Public Utilities

10 Section 7–701(a) and (g)

11 Annotated Code of Maryland

12 (2020 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Public Utilities

15 Section 7–704.2(c)

16 Annotated Code of Maryland

17 (2020 Replacement Volume and 2021 Supplement)

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

19 That the Laws of Maryland read as follows:

20 **Article – Public Utilities**

21 7–701.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (g) “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 7–704.2.

5 (c) (1) Each [electricity supplier] **ELECTRIC COMPANY** shall [purchase from
6 the escrow account established under this section the number of ORECs required] **ACT AS**
7 **AN AGENT ON BEHALF OF ELECTRICITY SUPPLIERS TO FACILITATE THE TRANSFER**
8 **OF OREC FUNDING PAYMENTS FROM RATEPAYERS TO OFFSHORE WIND**
9 **DEVELOPERS** to satisfy the offshore wind energy component of the renewable energy
10 portfolio standard under § 7–703(b)(12) through (25) of this subtitle.

11 (2) (i) Subject to any escrow account reserve requirement the
12 Commission establishes, if there are insufficient ORECs available to satisfy the suppliers’
13 OREC obligation, the overpayment shall be distributed to electric companies to be refunded
14 or credited to each ratepayer based on the ratepayer’s consumption of electricity supply
15 that is subject to the renewable energy portfolio standard.

16 (ii) Subject to any escrow account reserve requirement the
17 Commission establishes, the calculation of an electricity supplier’s OREC purchase
18 obligation shall be based on final electricity sales data as reported by the PJM
19 Interconnection as measured at the customer meter.

20 (3) For each OREC for which a qualified offshore wind project receives
21 payment, a qualified offshore wind project shall:

22 (i) sell all energy, capacity, and ancillary services associated with
23 the creation of ORECs into the markets operated by PJM Interconnection; and

24 (ii) distribute the proceeds received from the sales to PJM
25 Interconnection markets, under item (i) of this paragraph to electric companies to be
26 refunded or credited to each ratepayer based on the ratepayer’s consumption of electricity
27 supply that is subject to the renewable energy portfolio standard.

28 **(4) THE COMMISSION SHALL ADOPT REGULATIONS TO ESTABLISH A**
29 **COST RECOVERY MECHANISM THAT ALLOWS EACH ELECTRIC COMPANY TO ACT AS**
30 **AN AGENT ON BEHALF OF ELECTRICITY SUPPLIERS FOR OREC FUNDING PAYMENTS**
31 **FROM RATEPAYERS.**

32 **[(4)] (5)** Notwithstanding § 7–709 of this subtitle, the Commission shall
33 adopt regulations regarding the transfer and expiration of ORECs created by a qualified
34 offshore wind project in excess of the OREC pricing schedule.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 2022.