SENATE BILL 526

By: Senator Feldman
Introduced and read first time: January 28, 2022
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Electricity – Offshore Wind Renewable Energy Credits

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

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

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–704.2(c)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

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

Article – Public Utilities

7–701.

(a) In this subtitle the following words have the meanings indicated.
(g) “Offshore wind renewable energy credit” or “OREC” means a renewable energy credit equal to the generation attributes of 1 megawatt–hour of electricity that is derived from offshore wind energy.

7–704.2.

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

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

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

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

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

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

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

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

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