SENATE BILL 903

By: Senators Hershey and Edwards
Introduced and read first time: February 7, 2022
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning


FOR the purpose of altering the components of fuels that qualify a generating facility as a Tier 1 renewable source under the renewable energy portfolio standard by altering the definitions of “qualifying biomass” and “thermal biomass system”; and generally relating to the renewable energy portfolio standard.

BY repealing and reenacting, without amendments,

Article – Natural Resources
Section 5–101(a) and (l)
Annotated Code of Maryland
(2018 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, without amendments,

Article – Public Utilities
Section 7–701(a) and 7–704(d), (f)(1), and (i)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities
Section 7–701(l) and (r)
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 – Natural Resources

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.
In this title the following words have the meanings indicated.

“Silvicultural product” or “forest product” means any raw material yielded by a forest, including:

1. Timber;
2. Timber products; and
3. Any other forest materials, such as lumber, poles, pulpwood, firewood, and pine straw.

Article – Public Utilities

In this subtitle the following words have the meanings indicated.

“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;
   [D.] C. [brush] NATURAL WOOD WASTE AS DEFINED IN COMAR 26.04.09.02; or
   [E.] D. 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;

(ii) black liquor, or any product derived from black liquor; or

(iii) an invasive exotic plant species.

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

(1) uses AS FUEL:

(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]; OR

(III) FOOD WASTE;

(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.

7–704.

(d) An electricity supplier shall receive credit toward meeting the renewable
energy portfolio standard for electricity derived from the biomass fraction of biomass
co-fired with other fuels.

(f) (1) In order to create a renewable energy credit, a Tier 1 renewable source
or Tier 2 renewable source must substantially comply with all applicable environmental
and administrative requirements, including air quality, water quality, solid waste, and
right–to–know provisions, permit conditions, and administrative orders.
(i) (1) Energy from a thermal biomass system is eligible for inclusion in meeting the renewable energy portfolio standard.

(2) (i) A person that owns and operates a thermal biomass system that uses anaerobic digestion is eligible to receive a renewable energy credit.

(ii) A person that owns and operates a thermal biomass system that uses a thermochemical process is eligible to receive a renewable energy credit if the person demonstrates to the Maryland Department of the Environment that the operation of the thermal biomass system:

1. is not significantly contributing to local or regional air quality impairments; and

2. will substantially decrease emissions of oxides of nitrogen beyond that achieved by a direct burn combustion unit through the use of precombustion techniques, combustion techniques, or postcombustion techniques.

(3) A person that is eligible to receive a renewable energy credit under paragraph (2) of this subsection shall receive a renewable energy credit equal to the amount of energy, converted from BTUs to kilowatt–hours, that is generated by the thermal biomass system and used on site.

(4) The total amount of energy generated and consumed for a residential, nonresidential, or commercial thermal biomass system shall be measured by an on–site meter that meets the required performance standards established by the Commission.

(5) The Commission shall adopt regulations for the metering, verification, and reporting of the output of thermal biomass systems.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all renewable energy portfolio standard compliance years starting on or after January 1, 2022.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.