

# SENATE BILL 357

C5, M5

3lr1651  
CF 3lr1652

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By: **Senator Klausmeier**

Introduced and read first time: January 30, 2023

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Solar Energy – Compliance Fees**

3 FOR the purpose of altering the compliance fee for a shortfall from the required percentage  
4 of energy from Tier 1 renewable sources to be derived from solar energy for the  
5 renewable energy portfolio standard in certain years; and generally relating to the  
6 renewable energy portfolio standard and compliance fees.

7 BY repealing and reenacting, without amendments,  
8 Article – Public Utilities  
9 Section 7–703(b)(25)  
10 Annotated Code of Maryland  
11 (2020 Replacement Volume and 2022 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Public Utilities  
14 Section 7–705(b)  
15 Annotated Code of Maryland  
16 (2020 Replacement Volume and 2022 Supplement)

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

19 **Article – Public Utilities**

20 7–703.

21 (b) Except as provided in subsections (e) and (f) of this section, the renewable  
22 energy portfolio standard shall be as follows:

23 (25) in 2030 and later:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (i) 50% from Tier 1 renewable sources, including:
- 2 1. at least 14.5% derived from solar energy;
- 3 2. an amount set by the Commission under § 7-704.2(a) of  
4 this subtitle derived from offshore wind energy, including at least 1,200 megawatts of  
5 Round 2 offshore wind projects; and
- 6 3. at least 1% derived from post-2022 geothermal systems;
- 7 and
- 8 (ii) 2.5% from Tier 2 renewable sources.
- 9 7-705.

10 (b) (1) This subsection does not apply to a shortfall from the required Tier 1  
11 renewable sources that is to be derived from post-2022 geothermal systems.

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

- 16 (i) except as provided in item (ii) of this paragraph, a compliance fee  
17 of:
- 18 1. the following amounts for each kilowatt-hour of shortfall  
19 from required Tier 1 renewable sources other than the shortfall from the required Tier 1  
20 renewable sources that is to be derived from solar energy:
- 21 A. 4 cents through 2016;
- 22 B. 3.75 cents in 2017 and 2018;
- 23 C. 3 cents in 2019 through 2023;
- 24 D. 2.75 cents in 2024;
- 25 E. 2.5 cents in 2025;
- 26 F. 2.475 cents in 2026;
- 27 G. 2.45 cents in 2027;
- 28 H. 2.25 cents in 2028 and 2029; and
- 29 I. 2.235 cents in 2030 and later;



- 1                                   B.     0.5 cents in 2009 and 2010;
- 2                                   C.     0.4 cents in 2011 and 2012;
- 3                                   D.     0.3 cents in 2013 and 2014;
- 4                                   E.     0.25 cents in 2015 and 2016; and
- 5                                   F.     except as provided in paragraph (3) of this subsection, 0.2
- 6 cents in 2017 and later; and
- 7                                   2.     nothing for any shortfall from required Tier 2 renewable
- 8 sources.

9                                   (3)    For industrial process load, the compliance fee for each kilowatt-hour

10 of shortfall from required Tier 1 renewable sources is nothing for the year following any

11 year during which, after final calculations, the net rate impact per megawatt-hour from

12 Round 1 offshore wind projects exceeded \$1.65 in 2012 dollars.

13                                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

14 October 1, 2023.