

# SENATE BILL 690

C5

(1lr2589)

## ENROLLED BILL

— Finance/Economic Matters —

Introduced by ~~Senator Middleton~~ Senators Middleton, Astle, Glassman, Kelley, Kittleman, Klausmeier, Mathias, Muse, and Pugh

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 **Renewable Energy Portfolio – Waste-to-Energy *and Refuse-Derived Fuel***

3 FOR the purpose of expanding the definition of a Tier 1 renewable source to include  
4 waste-to-energy *and refuse-derived fuel*; altering the definition of a Tier 2  
5 renewable source to exclude waste-to-energy; providing that a Tier 1 source  
6 using waste-to-energy or refuse-derived fuel is eligible for inclusion in meeting  
7 a certain standard only if the source is connected with the distribution grid  
8 serving Maryland; and generally relating to waste-to-energy, *refuse-derived*  
9 *fuel*, and Tier 1 renewable sources applied to the renewable energy portfolio  
10 standard.

11 BY repealing and reenacting, with amendments,  
12 Article – Public Utilities  
13 Section 7-701(l) and (m) and 7-704(a) and (f)

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 Annotated Code of Maryland  
2 (2010 Replacement Volume)

3 BY repealing and reenacting, without amendments,  
4 Article – Public Utilities  
5 Section 7–703(b)(6) through (17)  
6 Annotated Code of Maryland  
7 (2010 Replacement Volume)

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

10 **Article – Public Utilities**

11 7–701.

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

14 (1) solar;

15 (2) wind;

16 (3) qualifying biomass;

17 (4) methane from the anaerobic decomposition of organic materials in  
18 a landfill or wastewater treatment plant;

19 (5) geothermal;

20 (6) ocean, including energy from waves, tides, currents, and thermal  
21 differences;

22 (7) a fuel cell that produces electricity from a Tier 1 renewable source  
23 under item (3) or (4) of this subsection;

24 (8) a small hydroelectric power plant of less than 30 megawatts in  
25 capacity that is licensed or exempt from licensing by the Federal Energy Regulatory  
26 Commission; **[and]**

27 (9) poultry litter–to–energy; ~~AND~~

28 **(10) WASTE–TO–ENERGY; AND**

29 **(11) REFUSE–DERIVED FUEL.**

1 (m) "Tier 2 renewable source" means [one or more of the following types of  
2 energy sources:

3 (1)] hydroelectric power other than pump storage generation[; and

4 (2) waste-to-energy].

5 7-703.

6 (b) The renewable energy portfolio standard shall be as follows:

7 (6) in 2011, 5.0% from Tier 1 renewable sources, including at least  
8 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

9 (7) in 2012, 6.5% from Tier 1 renewable sources, including at least  
10 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

11 (8) in 2013, 8.2% from Tier 1 renewable sources, including at least  
12 0.2% derived from solar energy, and 2.5% from Tier 2 renewable sources;

13 (9) in 2014, 10.3% from Tier 1 renewable sources, including at least  
14 0.3% derived from solar energy, and 2.5% from Tier 2 renewable sources;

15 (10) in 2015, 10.5% from Tier 1 renewable sources, including at least  
16 0.4% derived from solar energy, and 2.5% from Tier 2 renewable sources;

17 (11) in 2016, 12.7% from Tier 1 renewable sources, including at least  
18 0.5% derived from solar energy, and 2.5% from Tier 2 renewable sources;

19 (12) in 2017, 13.1% from Tier 1 renewable sources, including at least  
20 0.55% derived from solar energy, and 2.5% from Tier 2 renewable sources;

21 (13) in 2018, 15.8% from Tier 1 renewable sources, including at least  
22 0.9% derived from solar energy, and 2.5% from Tier 2 renewable sources;

23 (14) in 2019, 17.4% from Tier 1 renewable sources, including at least  
24 1.2% derived from solar energy, and 0% from Tier 2 renewable sources;

25 (15) in 2020, 18% from Tier 1 renewable sources, including at least  
26 1.5% derived from solar energy, and 0% from Tier 2 renewable sources;

27 (16) in 2021, 18.7% from Tier 1 renewable sources, including at least  
28 1.85% derived from solar energy, and 0% from Tier 2 renewable sources; and

29 (17) in 2022 and later, 20% from Tier 1 renewable sources, including at  
30 least 2% derived from solar energy, and 0% from Tier 2 renewable sources.

1 7-704.

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

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

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

8 (2) (i) 1. Except as provided in subparagraph 2 of this  
9 subparagraph, energy from a Tier 1 renewable source under § 7-701(l)(1), [or] (9),  
10 ~~AND (10), OR (11)~~ of this subtitle is eligible for inclusion in meeting the renewable  
11 energy portfolio standard only if the source is connected with the electric distribution  
12 grid serving Maryland.

13 2. On or before December 31, 2011, energy from a Tier 1  
14 renewable source under § 7-701(l)(1) of this subtitle that is not connected with the  
15 electric distribution grid serving Maryland is eligible for inclusion in meeting the  
16 renewable energy portfolio standard only if offers for solar credits from Maryland grid  
17 sources are not made to the electricity supplier that would satisfy requirements under  
18 the standard and only to the extent that such offers are not made.

19 (ii) If the owner of a solar generating system in this State  
20 chooses to sell solar renewable energy credits from that system, the owner must first  
21 offer the credits for sale to an electricity supplier or electric company that shall apply  
22 them toward compliance with the renewable energy portfolio standard under § 7-703  
23 of this subtitle.

24 (3) Energy from a Tier 1 renewable source under § 7-701(l)(8) of this  
25 subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it  
26 is generated at a dam that existed as of January 1, 2004, even if a system or facility  
27 that is capable of generating electricity did not exist on that date.

28 (4) Energy from a Tier 2 renewable source under § 7-701(m)[(1) or (2)]  
29 of this subtitle is eligible for inclusion in meeting the renewable energy portfolio  
30 standard through 2018 if it is generated at a system or facility that existed and was  
31 operational as of January 1, 2004, even if the facility or system was not capable of  
32 generating electricity on that date.

33 (f) (1) In order to create a renewable energy credit, a Tier 1 renewable  
34 source or Tier 2 renewable source must substantially comply with all applicable  
35 environmental and administrative requirements, including air quality, water quality,

1 solid waste, and right-to-know provisions, permit conditions, and administrative  
2 orders.

3 (2) (i) This paragraph applies to Tier [2] 1 renewable sources that  
4 incinerate solid waste.

5 (ii) At least 80% of the solid waste incinerated at a Tier [2] 1  
6 renewable source facility shall be collected from:

7 1. for areas in Maryland, jurisdictions that achieve the  
8 recycling rates required under § 9-505 of the Environment Article; and

9 2. for other states, jurisdictions for which the electricity  
10 supplier demonstrates recycling substantially comparable to that required under §  
11 9-505 of the Environment Article, in accordance with regulations of the Commission.

12 (iii) An electricity supplier may report credits received under  
13 this paragraph based on compliance by the facility with the percentage requirement of  
14 subparagraph (ii) of this paragraph during the year immediately preceding the year in  
15 which the electricity supplier receives the credit to apply to the standard.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2011.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.