

# SENATE BILL 560

M5, C5  
SB 548/19 – FIN

01r0890  
CF HB 438

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By: **Senators Hough, Bailey, Carozza, Carter, Eckardt, Edwards, Elfreth, Ellis, Gallion, Guzzone, Hester, Kagan, Kelley, King, Kramer, Lam, Lee, Patterson, Peters, Pinsky, Ready, Salling, Serafini, Simonaire, Smith, Sydnor, Washington, West, Young, and Zucker**  
Introduced and read first time: January 31, 2020  
Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Eligible Sources**

3 FOR the purpose of altering the eligibility of certain sources of energy for the creation of  
4 credits under the renewable energy portfolio standard; removing certain sources  
5 from the definition of a “Tier 1 renewable source”; providing that existing obligations  
6 or contract rights may not be impaired by this Act; providing for the application of  
7 this Act; and generally relating to the renewable energy portfolio standard.

8 BY repealing and reenacting, without amendments,  
9 Article – Public Utilities  
10 Section 7–701(a)  
11 Annotated Code of Maryland  
12 (2010 Replacement Volume and 2019 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Public Utilities  
15 Section 7–701(r) and 7–704(a)  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2019 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.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



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

3 (1) solar energy, including energy from photovoltaic technologies and solar  
4 water heating systems;

5 (2) wind;

6 (3) qualifying biomass;

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

9 (5) geothermal, including energy generated through geothermal exchange  
10 from or thermal energy avoided by, groundwater or a shallow ground source;

11 (6) ocean, including energy from waves, tides, currents, and thermal  
12 differences;

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

15 (8) a small hydroelectric power plant of less than 30 megawatts in capacity  
16 that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;

17 (9) poultry litter-to-energy; **AND**

18 (10) **[waste-to-energy;**

19 (11) refuse-derived fuel; and

20 (12)] thermal energy from a thermal biomass system.

21 7-704.

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

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

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

27 (2) (i) Energy from a Tier 1 renewable source under § 7-701(r)(1), (5),  
28 **OR (9)[, (10), or (11)]** of this subtitle is eligible for inclusion in meeting the renewable energy  
29 portfolio standard only if the source is connected with the electric distribution grid serving

1 Maryland.

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

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

10 (4) Energy from a Tier 2 renewable source under § 7-701(s) of this subtitle  
11 is eligible for inclusion in meeting the renewable energy portfolio standard through 2020 if  
12 it is generated at a system or facility that existed and was operational as of January 1,  
13 2004, even if the facility or system was not capable of generating electricity on that date.

14 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation  
15 or contract right may not be impaired in any way by this Act.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2020, and shall be applicable to all renewable energy portfolio standard  
18 compliance years beginning after December 31, 2020.