

SENATE BILL 887

M5, M3, C8

0lr2235
CF 0lr1377

By: **Senators West, Elfreth, Kelley, and Pinsky**

Introduced and read first time: February 3, 2020

Assigned to: Finance and Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Generation – Transition From Fossil Fuels – Carbon Dioxide Emissions**
3 **Rate and Transition Account**

4 FOR the purpose of prohibiting the carbon dioxide emissions rate for certain affected
5 electric generating units from exceeding a certain amount; establishing the Fossil
6 Fuel Community Transition Account; specifying the purpose and authorized uses of
7 the Account; requiring the Department of Commerce to establish certain policies and
8 procedures for the administration of the Account; providing for the funding of the
9 Account; establishing the Fossil Fuel Community Transition Account Advisory
10 Board; providing for the composition, chair, and staffing of the Board; providing for
11 the term of a Board member; requiring the Board to meet a certain minimum number
12 of times each year; prohibiting a member of the Board from receiving certain
13 compensation, but authorizing the reimbursement of certain expenses; requiring the
14 Board to review the Department’s proposals for grant awards from the Account and
15 make certain recommendations; requiring the Department to consider certain
16 recommendations of the Board when making certain decisions about awarding
17 grants from the Account; requiring the Department to report, on or before a certain
18 date each year, to the Governor, the Board, and the General Assembly; requiring the
19 Maryland Energy Administration to use the Maryland Strategic Energy Investment
20 Fund to provide funding for certain grants awarded under the Account; altering the
21 allocations of certain proceeds received by the Maryland Strategic Energy
22 Investment Fund from the sale of certain allowances under the Regional Greenhouse
23 Gas Initiative; providing for the application of certain provisions of this Act; defining
24 certain terms; and generally relating to the transition from fossil fuels for electric
25 generation.

26 BY adding to

27 Article – Environment

28 Section 2–10A–01 through 2–10A–03 to be under the new subtitle “Subtitle 10A.
29 Carbon Dioxide Emissions”

30 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2013 Replacement Volume and 2019 Supplement)

2 BY adding to

3 Article – Economic Development

4 Section 5–1701 through 5–1704 to be under the new subtitle “Subtitle 17. Fossil Fuel
5 Community Transition Account”

6 Annotated Code of Maryland

7 (2018 Replacement Volume and 2019 Supplement)

8 BY repealing and reenacting, without amendments,

9 Article – State Government

10 Section 9–20B–01(a), (b), (e), and (f)

11 Annotated Code of Maryland

12 (2014 Replacement Volume and 2019 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – State Government

15 Section 9–20B–05(f) and (g)

16 Annotated Code of Maryland

17 (2014 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 – Environment**

21 **SUBTITLE 10A. CARBON DIOXIDE EMISSIONS.**

22 **2–10A–01.**

23 **IN THIS SUBTITLE, “AFFECTED ELECTRIC GENERATING UNIT”:**

24 **(1) MEANS AN ELECTRIC GENERATING UNIT IN THE STATE THAT**
25 **PRIMARILY BURNS COAL AS FUEL; AND**

26 **(2) INCLUDES:**

27 **(i) BRANDON SHORES UNITS 1 AND 2;**

28 **(ii) CHALK POINT UNITS 1 AND 2;**

29 **(iii) DICKERSON UNITS 1, 2, AND 3;**

30 **(iv) H.A. WAGNER UNITS 2 AND 3;**

1 (V) MORGANTOWN UNITS 1 AND 2; AND

2 (VI) WARRIOR RUN UNIT 1.

3 2-10A-02.

4 THIS SUBTITLE APPLIES TO:

5 (1) ON AND AFTER OCTOBER 1, 2023, CHALK POINT UNITS 1 AND 2,
6 DICKERSON UNITS 1, 2, AND 3, AND H.A. WAGNER UNITS 2 AND 3;

7 (2) ON AND AFTER OCTOBER 1, 2024, MORGANTOWN UNITS 1 AND 2;

8 (3) ON AND AFTER OCTOBER 1, 2025, BRANDON SHORES UNITS 1
9 AND 2; AND

10 (4) ON AND AFTER MARCH 1, 2030, WARRIOR RUN UNIT 1.

11 2-10A-03.

12 THE CARBON DIOXIDE EMISSIONS RATE FOR AN AFFECTED ELECTRIC
13 GENERATING UNIT MAY NOT EXCEED 180 POUNDS PER MILLION BRITISH THERMAL
14 UNITS.

15 Article – Economic Development

16 SUBTITLE 17. FOSSIL FUEL COMMUNITY TRANSITION ACCOUNT.

17 5-1701.

18 (A) “ACCOUNT” MEANS THE FOSSIL FUEL COMMUNITY TRANSITION
19 ACCOUNT.

20 (B) (1) “AFFECTED COUNTY” MEANS A COUNTY THAT IS IMPACTED BY
21 THE PERMANENT RETIREMENT OF AN ELECTRIC GENERATING UNIT.

22 (2) “AFFECTED COUNTY” INCLUDES:

23 (I) ALLEGANY COUNTY;

24 (II) ANNE ARUNDEL COUNTY;

25 (III) CHARLES COUNTY;

1 (IV) MONTGOMERY COUNTY; AND

2 (V) PRINCE GEORGE'S COUNTY.

3 (C) "BOARD" MEANS THE FOSSIL FUEL COMMUNITY TRANSITION
4 ACCOUNT ADVISORY BOARD.

5 (D) "ELECTRIC GENERATING UNIT" MEANS AN ELECTRIC GENERATING
6 UNIT IN THE STATE THAT PRIMARILY BURNS FOSSIL FUEL.

7 5-1702.

8 (A) THERE IS A FOSSIL FUEL COMMUNITY TRANSITION ACCOUNT.

9 (B) THE PURPOSE OF THE ACCOUNT IS TO PROVIDE GRANTS TO SUPPORT:

10 (1) INDIVIDUALS TRANSITIONING FROM EMPLOYMENT WITH AN
11 ELECTRIC GENERATING UNIT; AND

12 (2) COMMUNITIES THAT ARE IMPACTED BY THE PERMANENT
13 RETIREMENT OF AN ELECTRIC GENERATING UNIT.

14 (C) THE DEPARTMENT SHALL ESTABLISH POLICIES AND PROCEDURES FOR
15 THE ADMINISTRATION OF THE ACCOUNT, INCLUDING:

16 (1) THE GRANT APPLICATION PROCESS; AND

17 (2) CRITERIA FOR AWARDING GRANTS UNDER THIS SECTION.

18 (D) THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9-20B-05(F)
19 OF THE STATE GOVERNMENT ARTICLE.

20 (E) THE ACCOUNT MAY BE USED ONLY FOR AWARDING GRANTS
21 CONSISTENT WITH THE PURPOSES OF THE ACCOUNT, INCLUDING GRANTS FOR:

22 (1) WORKER RETRAINING OR OTHER ASSISTANCE PROGRAMS,
23 INCLUDING INDUSTRY- AND UNION-SPONSORED APPRENTICESHIP PROGRAMS,
24 PROGRAMS WITHIN THE DEPARTMENT, AND PROGRAMS AT HISTORICALLY BLACK
25 COLLEGES AND UNIVERSITIES;

26 (2) CLEAN ENERGY OR ENERGY EFFICIENCY PROJECTS IF THE
27 PROJECT:

1 (I) IS LOCATED IN AN AFFECTED COUNTY; AND

2 (II) EMPLOYS INDIVIDUALS WHO HAVE COMPLETED AN
3 APPROVED RETRAINING OR OTHER ASSISTANCE PROGRAM;

4 (3) PROJECTS INVOLVING THE DECOMMISSIONING OF AN ELECTRIC
5 GENERATING UNIT IF THE PROJECT EMPLOYS INDIVIDUALS WHO HAVE COMPLETED
6 AN APPROVED RETRAINING OR OTHER ASSISTANCE PROGRAM;

7 (4) FOR UP TO 3 YEARS FOLLOWING THE PERMANENT RETIREMENT
8 OF AN ELECTRIC GENERATING UNIT, PAYMENTS TO AN AFFECTED COUNTY TO
9 OFFSET LOSSES IN TAX REVENUE DUE TO THE PERMANENT RETIREMENT OF THE
10 UNIT;

11 (5) PAYMENTS TO INDIVIDUALS WHO ARE WITHIN 3 YEARS OF
12 RETIREMENT AGE TO PROVIDE SUPPLEMENTAL RETIREMENT SECURITY; AND

13 (6) PAYMENTS TO INDIVIDUALS TO FILL WAGE GAPS DURING THE
14 TRANSITION TO NEW EMPLOYMENT.

15 5-1703.

16 (A) THERE IS A FOSSIL FUEL TRANSITION ACCOUNT ADVISORY BOARD.

17 (B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

18 (1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;

19 (2) THE SECRETARY OF THE ENVIRONMENT, OR THE SECRETARY'S
20 DESIGNEE;

21 (3) THE CHAIR OF THE COMMISSION ON ENVIRONMENTAL JUSTICE
22 AND SUSTAINABLE COMMUNITIES, OR THE CHAIR'S DESIGNEE;

23 (4) ONE MEMBER OF THE SENATE, APPOINTED BY THE PRESIDENT OF
24 THE SENATE;

25 (5) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE
26 SPEAKER OF THE HOUSE OF DELEGATES;

27 (6) TWO MEMBERS OF A LOCAL GOVERNING BODY OF AN AFFECTED
28 COUNTY, DESIGNATED BY THE MARYLAND ASSOCIATION OF COUNTIES; AND

1 **(7) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR:**

2 **(I) ONE REPRESENTATIVE OF THE INTERNATIONAL**
3 **BROTHERHOOD OF ELECTRICAL WORKERS;**

4 **(II) ONE REPRESENTATIVE OF THE AMERICAN FEDERATION OF**
5 **LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS;**

6 **(III) ONE REPRESENTATIVE OF THE INTERNATIONAL**
7 **ASSOCIATION OF SHEET METAL, AIR, RAIL, AND TRANSPORTATION WORKERS;**

8 **(IV) ONE REPRESENTATIVE OF THE CLEAN ENERGY INDUSTRY;**
9 **AND**

10 **(V) ONE REPRESENTATIVE OF THE ENERGY EFFICIENCY**
11 **INDUSTRY.**

12 **(C) THE GOVERNOR SHALL APPOINT THE CHAIR OF THE BOARD.**

13 **(D) (1) THE TERM OF MEMBER IS 3 YEARS.**

14 **(2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY**
15 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2020.**

16 **(E) THE BOARD SHALL MEET AT LEAST TWICE EACH YEAR.**

17 **(F) (1) THE BOARD SHALL REVIEW THE DEPARTMENT'S PROPOSALS FOR**
18 **GRANT AWARDS FROM THE ACCOUNT AND MAKE RECOMMENDATIONS TO THE**
19 **DEPARTMENT CONCERNING ANY PROPOSED GRANT AWARD.**

20 **(2) THE DEPARTMENT SHALL CONSIDER THE BOARD'S**
21 **RECOMMENDATIONS WHEN MAKING DECISIONS ABOUT AWARDING GRANTS FROM**
22 **THE ACCOUNT.**

23 **(G) A MEMBER OF THE BOARD:**

24 **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;**
25 **BUT**

26 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
27 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

1 1. changes in the price of electricity over time; or

2 2. incentives designed to induce lower electricity use at times
3 of high wholesale market prices or when system reliability is jeopardized;

4 (2) to provide targeted programs, projects, activities, and investments to
5 reduce electricity consumption by customers in the low-income and moderate-income
6 residential sectors;

7 (3) to provide supplemental funds for low-income energy assistance
8 through the Electric Universal Service Program established under § 7-512.1 of the Public
9 Utilities Article and other electric assistance programs in the Department of Human
10 Services;

11 (4) to provide rate relief by offsetting electricity rates of residential
12 customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the
13 Public Utilities Article;

14 (5) to provide grants, loans, and other assistance and investment as
15 necessary and appropriate to implement the purposes of the Program as set forth in §
16 9-20B-03 of this subtitle;

17 (6) to implement energy-related public education and outreach initiatives
18 regarding reducing energy consumption and greenhouse gas emissions;

19 (7) to provide rebates under the Electric Vehicle Recharging Equipment
20 Rebate Program established under § 9-2009 of this title;

21 (8) to provide grants to encourage combined heat and power projects at
22 industrial facilities;

23 (9) subject to subsections (f-1) and (f-3) of this section, to provide
24 \$7,000,000 in funding for access to capital for small, minority, women-owned, and
25 veteran-owned businesses in the clean energy industry under § 5-1501 of the Economic
26 Development Article, allocated in annual increments as follows:

27 (i) \$200,000 in fiscal year 2021;

28 (ii) \$500,000 in fiscal year 2022;

29 (iii) \$500,000 in fiscal year 2023;

30 (iv) \$1,000,000 in fiscal year 2024; and

31 (v) \$1,200,000 in each fiscal year from 2025 through 2028;

32 (10) subject to subsections (f-2) and (f-3) of this section, to invest in

1 pre-apprenticeship, youth apprenticeship, and registered apprenticeship programs to
2 establish career paths in the clean energy industry under § 11-708.1 of the Labor and
3 Employment Article, as follows:

4 (i) \$1,500,000 for grants to pre-apprenticeship jobs training
5 programs under § 11-708.1(c)(2) of the Labor and Employment Article starting in fiscal
6 year 2021 until all amounts are spent; and

7 (ii) \$6,500,000 for grants to youth apprenticeship jobs training
8 programs and registered apprenticeship jobs training programs under § 11-708.1(c)(4) of
9 the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;
10 [and]

11 **(11) TO PROVIDE FUNDING FOR GRANTS AWARDED UNDER THE FOSSIL**
12 **FUEL COMMUNITY TRANSITION ACCOUNT ESTABLISHED UNDER § 5-1702 OF THE**
13 **ECONOMIC DEVELOPMENT ARTICLE; AND**

14 **[(11)] (12)** to pay the expenses of the Program.

15 (g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g)
16 of the Environment Article shall be allocated as follows:

17 (1) at least 50% shall be credited to an energy assistance account to be used
18 for the Electric Universal Service Program and other electricity assistance programs in the
19 Department of Human Services;

20 (2) at least **[20%] 10%** shall be credited to a low and moderate income
21 efficiency and conservation programs account and to a general efficiency and conservation
22 programs account for energy efficiency and conservation programs, projects, or activities
23 and demand response programs, of which at least one-half shall be targeted to the low and
24 moderate income efficiency and conservation programs account for:

25 (i) the low-income residential sector at no cost to the participants
26 of the programs, projects, or activities; and

27 (ii) the moderate-income residential sector;

28 (3) at least **[20%] 10%** shall be credited to a renewable and clean energy
29 programs account for:

30 (i) renewable and clean energy programs and initiatives;

31 (ii) energy-related public education and outreach; and

32 (iii) climate change and resiliency programs; **[and]**

1 **(4) AT LEAST 20% TO AWARD GRANTS FROM THE FOSSIL FUEL**
2 **COMMUNITY TRANSITION ACCOUNT ESTABLISHED UNDER § 5-1702 OF THE**
3 **ECONOMIC DEVELOPMENT ARTICLE; AND**

4 **[(4)] (5)** up to 10%, but not more than \$5,000,000, shall be credited to an
5 administrative expense account for costs related to the administration of the Fund,
6 including the review of electric company plans for achieving electricity savings and demand
7 reductions that the electric companies are required under law to submit to the
8 Administration.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial
10 appointed members of the Fossil Fuel Transition Account Advisory Board shall expire as
11 follows:

12 (1) four members in 2022; and

13 (2) four members in 2023.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2020.