

# HOUSE BILL 622

C5, M5

2lr1749  
CF SB 526

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By: **Delegate Brooks**

Introduced and read first time: January 31, 2022

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Offshore Wind Renewable Energy Credits**

3 FOR the purpose of altering the process for purchasing offshore wind renewable energy  
4 credits to satisfy the offshore wind energy component of the renewable energy  
5 portfolio standard; requiring the Public Service Commission to adopt regulations  
6 establishing a certain cost recovery mechanism; and generally relating to offshore  
7 wind and the renewable energy portfolio standard.

8 BY repealing and reenacting, without amendments,

9 Article – Public Utilities

10 Section 7–701(a) and (g)

11 Annotated Code of Maryland

12 (2020 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Public Utilities

15 Section 7–704.2(c)

16 Annotated Code of Maryland

17 (2020 Replacement Volume and 2021 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.

23 (g) “Offshore wind renewable energy credit” or “OREC” means a renewable  
24 energy credit equal to the generation attributes of 1 megawatt–hour of electricity that is

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 derived from offshore wind energy.

2 7-704.2.

3 (c) (1) Each [electricity supplier] **ELECTRIC COMPANY** shall [purchase from  
4 the escrow account established under this section the number of ORECs required] **ACT AS**  
5 **AN AGENT ON BEHALF OF ELECTRICITY SUPPLIERS TO FACILITATE THE TRANSFER**  
6 **OF OREC FUNDING PAYMENTS FROM RATEPAYERS TO OFFSHORE WIND**  
7 **DEVELOPERS** to satisfy the offshore wind energy component of the renewable energy  
8 portfolio standard under § 7-703(b)(12) through (25) of this subtitle.

9 (2) (i) Subject to any escrow account reserve requirement the  
10 Commission establishes, if there are insufficient ORECs available to satisfy the suppliers'  
11 OREC obligation, the overpayment shall be distributed to electric companies to be refunded  
12 or credited to each ratepayer based on the ratepayer's consumption of electricity supply  
13 that is subject to the renewable energy portfolio standard.

14 (ii) Subject to any escrow account reserve requirement the  
15 Commission establishes, the calculation of an electricity supplier's OREC purchase  
16 obligation shall be based on final electricity sales data as reported by the PJM  
17 Interconnection as measured at the customer meter.

18 (3) For each OREC for which a qualified offshore wind project receives  
19 payment, a qualified offshore wind project shall:

20 (i) sell all energy, capacity, and ancillary services associated with  
21 the creation of ORECs into the markets operated by PJM Interconnection; and

22 (ii) distribute the proceeds received from the sales to PJM  
23 Interconnection markets, under item (i) of this paragraph to electric companies to be  
24 refunded or credited to each ratepayer based on the ratepayer's consumption of electricity  
25 supply that is subject to the renewable energy portfolio standard.

26 **(4) THE COMMISSION SHALL ADOPT REGULATIONS TO ESTABLISH A**  
27 **COST RECOVERY MECHANISM THAT ALLOWS EACH ELECTRIC COMPANY TO ACT AS**  
28 **AN AGENT ON BEHALF OF ELECTRICITY SUPPLIERS FOR OREC FUNDING PAYMENTS**  
29 **FROM RATEPAYERS.**

30 **[(4)] (5)** Notwithstanding § 7-709 of this subtitle, the Commission shall  
31 adopt regulations regarding the transfer and expiration of ORECs created by a qualified  
32 offshore wind project in excess of the OREC pricing schedule.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 October 1, 2022.