

HOUSE BILL 864

C5

2lr1479

By: **Delegate Boyce**

Introduced and read first time: February 7, 2022

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Renewable Energy Credits – Solar**
3 **Energy Sources**

4 FOR the purpose of altering the eligibility of solar energy sources for meeting certain
5 portions of Tier 1 requirements of the renewable energy portfolio standard; and
6 generally relating to solar energy and the renewable energy portfolio standard.

7 BY repealing and reenacting, without amendments,
8 Article – Public Utilities
9 Section 7–701(a) and (s)
10 Annotated Code of Maryland
11 (2020 Replacement Volume and 2021 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Public Utilities
14 Section 7–704(a)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2021 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 7–701.

21 (a) In this subtitle the following words have the meanings indicated.

22 (s) “Tier 1 renewable source” means one or more of the following types of energy
23 sources:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (2) wind;

4 (3) qualifying biomass;

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

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

9 (6) ocean, including energy from waves, tides, currents, and thermal
10 differences;

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

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

15 (9) poultry litter-to-energy;

16 (10) waste-to-energy;

17 (11) refuse-derived fuel;

18 (12) thermal energy from a thermal biomass system; and

19 (13) raw or treated wastewater used as a heat source or sink for a heating
20 or cooling 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(s)(1), (5)]
28 **§ 7-701(S)(5)**, (9), (10), or (11) of this subtitle is eligible for inclusion in meeting the
29 renewable energy portfolio standard only if the source is connected with the electric
30 distribution grid serving Maryland.

1 (ii) Energy from a Tier 1 renewable source under § 7-701(s)(13) of
2 this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard
3 only if the source:

4 1. is connected with the electric distribution grid serving
5 Maryland; or

6 2. processes wastewater from Maryland residents.

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

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

15 **(4) ENERGY FROM A TIER 1 RENEWABLE SOURCE UNDER §**
16 **7-701(S)(1) OF THIS SUBTITLE IS ELIGIBLE FOR INCLUSION IN MEETING THE**
17 **PERCENTAGE DERIVED FROM SOLAR ENERGY OF THE RENEWABLE ENERGY**
18 **PORTFOLIO STANDARD ONLY IF THE SOURCE IS CONNECTED WITH THE ELECTRIC**
19 **DISTRIBUTION GRID SERVING MARYLAND.**

20 ~~[(4)]~~ **(5)** Energy from a Tier 2 renewable source under § 7-701(t) of this
21 subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it is
22 generated at a system or facility that existed and was operational as of January 1, 2004,
23 even if the facility or system was not capable of generating electricity on that date.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
25 renewable energy portfolio standard compliance years starting on or after January 1, 2022.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2022.