

# SENATE BILL 168

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CF HB 98

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By: **Senator Kelley**

Introduced and read first time: January 13, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Renewable Energy Portfolio Standard – Qualifying Biomass**

3 FOR the purpose of altering the definition of “qualifying biomass” for purposes of excluding  
4 energy derived from certain material from being eligible for meeting certain Tier 1  
5 obligations under the renewable energy portfolio standard; providing that existing  
6 obligations or contract rights may not be impaired by this Act; providing for the  
7 application of this Act; and generally relating to electricity and the renewable energy  
8 portfolio standard.

9 BY repealing and reenacting, without amendments,  
10 Article – Public Utilities  
11 Section 7–701(a) and (r) and 7–704(a)  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2019 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Public Utilities  
16 Section 7–701(l)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2019 Supplement)

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

21 **Article – Public Utilities**

22 7–701.

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

24 (l) (1) “Qualifying biomass” means a nonhazardous, organic material that is

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 available on a renewable or recurring basis, and is:

2 (i) waste material that is segregated from inorganic waste material  
3 and is derived from sources including:

4 1. except for old growth timber, any of the following  
5 forest-related resources:

6 A. [mill residue, except sawdust and wood shavings;

7 B.] precommercial soft wood thinning;

8 [C.] B. slash;

9 [D.] C. brush; or

10 [E.] D. yard waste;

11 2. a pallet, crate, or dunnage;

12 3. agricultural and silvicultural sources, including tree  
13 crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues;  
14 or

15 4. gas produced from the anaerobic decomposition of animal  
16 waste or poultry waste; or

17 (ii) a plant that is cultivated exclusively for purposes of being used  
18 at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

19 (2) “Qualifying biomass” includes biomass listed in paragraph (1) of this  
20 subsection that is used for co-firing, subject to § 7–704(d) of this subtitle.

21 (3) “Qualifying biomass” does not include:

22 (i) unsegregated solid waste or postconsumer wastepaper; or

23 (ii) an invasive exotic plant species.

24 (r) “Tier 1 renewable source” means one or more of the following types of energy  
25 sources:

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

28 (2) wind;

(3) qualifying biomass;

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

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

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

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

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

(9) poultry litter-to-energy;

(10) waste-to-energy;

(11) refuse-derived fuel; and

(12) thermal energy from a thermal biomass system.

7-704.

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

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

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

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

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

(3) Energy from a Tier 1 renewable source under § 7-701(r)(8) of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it is

1 generated at a dam that existed as of January 1, 2004, even if a system or facility that is  
2 capable of generating electricity did not exist on that date.

3 (4) Energy from a Tier 2 renewable source under § 7–701(s) of this subtitle  
4 is eligible for inclusion in meeting the renewable energy portfolio standard through 2020 if  
5 it is generated at a system or facility that existed and was operational as of January 1,  
6 2004, even if the facility or system was not capable of generating electricity on that date.

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

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 October 1, 2020, and shall apply to all renewable energy portfolio standard compliance  
11 years beginning January 1, 2021, or later.