

# SENATE BILL 964

C5

11r3060

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By: **Senator Astle**

Introduced and read first time: March 3, 2011

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy – Poultry Litter – Net Energy Metering and Renewable**  
3 **Energy Portfolio Standard**

4 FOR the purpose of altering the definition of eligible customer-generator to include a  
5 person who owns and operates, leases and operates, or contracts with a third  
6 party that owns and operates, a certain poultry litter electric generating facility;  
7 stating the findings of the General Assembly; altering the renewable energy  
8 portfolio standard to require certain percentages of energy derived from Tier 1  
9 renewable sources to be derived from poultry litter-to-energy sources in certain  
10 years; requiring an owner of a certain poultry litter-to-energy system who  
11 chooses to sell poultry litter-to-energy renewable energy credits to first offer  
12 the credits for sale to a certain electricity supplier or electric company; defining  
13 a certain term; and generally relating to the use of poultry litter-to-energy  
14 systems in net energy metering and the renewable energy portfolio standard.

15 BY repealing and reenacting, with amendments,  
16 Article – Public Utilities  
17 Section 7-306(a), 7-702, 7-703(b), and 7-704(a)(2)  
18 Annotated Code of Maryland  
19 (2010 Replacement Volume)

20 BY repealing and reenacting, without amendments,  
21 Article – Public Utilities  
22 Section 7-701(a) and (l)  
23 Annotated Code of Maryland  
24 (2010 Replacement Volume)

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

27 **Article – Public Utilities**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-306.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) "Biomass" means "qualified biomass" as defined in § 7-701 of this  
4 title.

5 (3) "Eligible customer-generator" means a customer that owns and  
6 operates, leases and operates, or contracts with a third party that owns and operates a  
7 biomass, micro combined heat and power, **POULTRY LITTER**, solar, fuel cell, or wind  
8 electric generating facility that:

9 (i) is located on the customer's premises or contiguous property;

10 (ii) is interconnected and operated in parallel with an electric  
11 company's transmission and distribution facilities; and

12 (iii) is intended primarily to offset all or part of the customer's  
13 own electricity requirements.

14 (4) "Fuel cell" means an electric generating facility that:

15 (i) includes integrated power plant systems containing a stack,  
16 tubular array, or other functionally similar configuration used to electrochemically  
17 convert fuel to electric energy; and

18 (ii) may include:

19 1. an inverter and fuel processing system; and

20 2. other plant equipment to support the plant's  
21 operation or its energy conversion, including heat recovery equipment.

22 (5) "Generation credit" means a credit associated with the generation  
23 of electricity produced in excess of the electricity consumed by an eligible  
24 customer-generator in one billing period.

25 (6) "Micro combined heat and power" means the simultaneous or  
26 sequential production of useful thermal energy and electrical or mechanical power not  
27 exceeding 30 kilowatts.

28 (7) "Net energy metering" means measurement of the difference  
29 between the electricity that is supplied by an electric company and the electricity that  
30 is generated by an eligible customer-generator and fed back to the electric grid over  
31 the eligible customer-generator's billing period.

1                   **(8) “POULTRY LITTER” MEANS “POULTRY LITTER–TO–ENERGY”**  
2 **AS DEFINED IN § 7–701 OF THIS TITLE.**

3 7–701.

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

5           (1) “Tier 1 renewable source” means one or more of the following types of  
6 energy sources:

7                   (1) solar;

8                   (2) wind;

9                   (3) qualifying biomass;

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

12                   (5) geothermal;

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

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

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

20                   (9) poultry litter–to–energy.

21 7–702.

22           (a) It is the intent of the General Assembly to:

23                   (1) recognize the economic, environmental, fuel diversity, and security  
24 benefits of renewable energy resources;

25                   (2) establish a market for electricity from these resources in  
26 Maryland; and

27                   (3) lower the cost to consumers of electricity produced from these  
28 resources.

29           (b) The General Assembly finds that:

1 (1) the benefits of electricity from renewable energy resources,  
2 including long-term decreased emissions, a healthier environment, increased energy  
3 security, and decreased reliance on and vulnerability from imported energy sources,  
4 accrue to the public at large; [and]

5 (2) **THE BENEFITS OF CONVERTING POULTRY LITTER TO**  
6 **RENEWABLE ENERGY PRODUCED BY VIABLE COMMERCIALY PROVEN**  
7 **TECHNOLOGY, RATHER THAN USE AS A LAND-APPLIED FERTILIZER, MAY**  
8 **REDUCE THE NITROGEN AND PHOSPHORUS RUNOFF POLLUTION TO THE**  
9 **CHESAPEAKE BAY, ITS TRIBUTARIES, AND OTHER WATERS OF THE STATE AND**  
10 **FURTHER THE STATE'S PROGRESS TOWARD ACHIEVING ESTABLISHED STATE**  
11 **AND FEDERAL NUTRIENT REDUCTION GOALS; AND**

12 (3) electricity suppliers and consumers share an obligation to develop  
13 a minimum level of these resources in the electricity supply portfolio of the State.

14 7-703.

15 (b) The renewable energy portfolio standard shall be as follows:

16 (1) in 2006, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
17 renewable sources;

18 (2) in 2007, 1% from Tier 1 renewable sources and 2.5% from Tier 2  
19 renewable sources;

20 (3) in 2008, 2.005% from Tier 1 renewable sources, including at least  
21 0.005% derived from solar energy, and 2.5% from Tier 2 renewable sources;

22 (4) in 2009, 2.01% from Tier 1 renewable sources, including at least  
23 0.01% derived from solar energy, and 2.5% from Tier 2 renewable sources;

24 (5) in 2010, 3.025% from Tier 1 renewable sources, including at least  
25 0.025% derived from solar energy, and 2.5% from Tier 2 renewable sources;

26 (6) in 2011, 5.0% from Tier 1 renewable sources, including at least  
27 0.05% derived from solar energy, and 2.5% from Tier 2 renewable sources;

28 (7) in 2012, 6.5% from Tier 1 renewable sources, including at least  
29 0.1% derived from solar energy, and 2.5% from Tier 2 renewable sources;

30 (8) in 2013, 8.2% from Tier 1 renewable sources, including at least  
31 0.2% derived from solar energy **AND 0.1% FROM POULTRY LITTER-TO-ENERGY,**  
32 and 2.5% from Tier 2 renewable sources;

1           (9)    in 2014, 10.3% from Tier 1 renewable sources, including at least  
2 0.3% derived from solar energy **AND 0.1% FROM POULTRY LITTER-TO-ENERGY**,  
3 and 2.5% from Tier 2 renewable sources;

4           (10)   in 2015, 10.5% from Tier 1 renewable sources, including at least  
5 0.4% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
6 and 2.5% from Tier 2 renewable sources;

7           (11)   in 2016, 12.7% from Tier 1 renewable sources, including at least  
8 0.5% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
9 and 2.5% from Tier 2 renewable sources;

10          (12)   in 2017, 13.1% from Tier 1 renewable sources, including at least  
11 0.55% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
12 and 2.5% from Tier 2 renewable sources;

13          (13)   in 2018, 15.8% from Tier 1 renewable sources, including at least  
14 0.9% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
15 and 2.5% from Tier 2 renewable sources;

16          (14)   in 2019, 17.4% from Tier 1 renewable sources, including at least  
17 1.2% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
18 and 0% from Tier 2 renewable sources;

19          (15)   in 2020, 18% from Tier 1 renewable sources, including at least  
20 1.5% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
21 and 0% from Tier 2 renewable sources;

22          (16)   in 2021, 18.7% from Tier 1 renewable sources, including at least  
23 1.85% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
24 and 0% from Tier 2 renewable sources; and

25          (17)   in 2022 and later, 20% from Tier 1 renewable sources, including at  
26 least 2% derived from solar energy **AND 0.7% FROM POULTRY LITTER-TO-ENERGY**,  
27 and 0% from Tier 2 renewable sources.

28   7-704.

29           (a)   (2)   (i)   1.    Except as provided in subparagraph 2 of this  
30 subparagraph, energy from a Tier 1 renewable source under § 7-701(l)(1) or (9) of this  
31 subtitle is eligible for inclusion in meeting the renewable energy portfolio standard  
32 only if the source is connected with the electric distribution grid serving Maryland.

33                               2.    On or before December 31, 2011, energy from a Tier 1  
34 renewable source under § 7-701(l)(1) of this subtitle that is not connected with the  
35 electric distribution grid serving Maryland is eligible for inclusion in meeting the  
36 renewable energy portfolio standard only if offers for solar credits from Maryland grid

1 sources are not made to the electricity supplier that would satisfy requirements under  
2 the standard and only to the extent that such offers are not made.

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

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 October 1, 2011.