

SENATE BILL 304

C5, P1

11r0709

By: **Senators Manno and Garagiola**

Introduced and read first time: January 31, 2011

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Surcharge – Retail Residential Electric Customers**

3 FOR the purpose of establishing a certain renewable energy surcharge on electricity
4 consumption above a certain amount by residential retail electric customers;
5 requiring the Public Service Commission to authorize electric companies to add
6 the full amount of the surcharge to the customers' bills; requiring electric
7 companies to collect the surcharge and provide a certain rebate to certain
8 customers in a certain manner; requiring the Comptroller to collect the revenue
9 from the surcharge and place it in the Maryland Renewable Energy Benefit
10 Fund; establishing the Fund for certain purposes; providing that the Fund is a
11 special, nonlapsing fund; requiring the Maryland Energy Administration to
12 administer the Fund; requiring the Treasurer to hold separately and the
13 Comptroller to account for the Fund; providing the sources of funding for the
14 Fund; stating the purpose of the Fund; providing for the allocation of money
15 from the Fund; requiring the Treasurer to invest the money of the Fund in a
16 certain manner; requiring any investment earnings of the Fund to be paid into
17 the Fund; and generally relating to a renewable energy surcharge.

18 BY adding to

19 Article – Public Utilities
20 Section 7–801 through 7–805 to be under the new subtitle “Subtitle 8.
21 Renewable Energy Surcharge”
22 Annotated Code of Maryland
23 (2010 Replacement Volume)

24 BY adding to

25 Article – State Government
26 Section 9–2009
27 Annotated Code of Maryland
28 (2009 Replacement Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utilities**

4 **SUBTITLE 8. RENEWABLE ENERGY SURCHARGE.**

5 **7–801.**

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) “CUSTOMER” MEANS A RESIDENTIAL RETAIL ELECTRIC CUSTOMER.

9 (C) “TIER 1 RENEWABLE SOURCE” HAS THE MEANING STATED IN §
10 7–701 OF THIS TITLE.

11 **7–802.**

12 ELECTRICITY CONSUMPTION BY A RESIDENTIAL RETAIL ELECTRIC
13 CUSTOMER THAT EXCEEDS 1,000 KILOWATT–HOURS IN A MONTH IS SUBJECT TO
14 A RENEWABLE ENERGY SURCHARGE OF \$0.013 PER KILOWATT–HOUR.

15 **7–803.**

16 THE COMMISSION SHALL AUTHORIZE ELECTRIC COMPANIES TO ADD THE
17 FULL AMOUNT OF THE RENEWABLE ENERGY SURCHARGE TO CUSTOMERS’
18 BILLS.

19 **7–804.**

20 EACH ELECTRIC COMPANY SHALL:

21 (1) COLLECT THE RENEWABLE ENERGY SURCHARGE; AND

22 (2) PROVIDE A REBATE OF \$0.01 PER KILOWATT–HOUR ON
23 CUSTOMERS’ ELECTRIC BILLS TO CUSTOMERS SUBJECT TO THE SURCHARGE
24 WHO ELECT TO PURCHASE ELECTRICITY GENERATED FROM A TIER 1
25 RENEWABLE SOURCE.

26 **7–805.**

27 REVENUES FROM THE RENEWABLE ENERGY SURCHARGE SHALL BE
28 COLLECTED BY THE COMPTROLLER AND PLACED IN THE MARYLAND

1 **RENEWABLE ENERGY BENEFIT FUND ESTABLISHED UNDER § 9-2009 OF THE**
2 **STATE GOVERNMENT ARTICLE.**

3 **Article – State Government**

4 **9-2009.**

5 **(A) THERE IS A MARYLAND RENEWABLE ENERGY BENEFIT FUND.**

6 **(B) THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

7 **(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
8 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

9 **(2) THE TREASURER SHALL HOLD THE FUND SEPARATELY AND**
10 **THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

11 **(D) THE FUND CONSISTS OF:**

12 **(1) REVENUE FROM THE RENEWABLE ENERGY SURCHARGE**
13 **COLLECTED UNDER § 7-805 OF THE PUBLIC UTILITIES ARTICLE;**

14 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

15 **(3) MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE**
16 **FOR THE BENEFIT OF THE FUND; AND**

17 **(4) INTEREST AND INVESTMENT EARNINGS ON THE FUND.**

18 **(E) THE PURPOSE OF THE FUND IS TO PROMOTE ENERGY EFFICIENCY**
19 **AND THE DEVELOPMENT AND DEPLOYMENT OF RENEWABLE ENERGY**
20 **GENERATION TECHNOLOGY IN THE STATE.**

21 **(F) REVENUE FROM THE FUND SHALL BE ALLOCATED AS FOLLOWS:**

22 **(1) THE ADMINISTRATION SHALL CREDIT NOT MORE THAN**
23 **\$4,000,000, TO:**

24 **(I) THE SOLAR ENERGY GRANT PROGRAM ESTABLISHED**
25 **UNDER § 9-2007 OF THIS SUBTITLE;**

26 **(II) THE GEOTHERMAL HEAT PUMP GRANT PROGRAM**
27 **ESTABLISHED UNDER § 9-2008 OF THIS SUBTITLE; AND**

1 **(III) THE WINDSWEPT GRANT PROGRAM ADMINISTERED BY**
2 **THE ADMINISTRATION; AND**

3 **(2) THE ADMINISTRATION SHALL USE THE REMAINDER OF THE**
4 **MONEY IN THE FUND TO AWARD AN ANNUAL GRANT TO THE MARYLAND CLEAN**
5 **ENERGY CENTER ESTABLISHED UNDER § 10-806 OF THE ECONOMIC**
6 **DEVELOPMENT ARTICLE TO SUPPORT:**

7 **(I) THE MARYLAND HOME ENERGY LOAN PROGRAM;**

8 **(II) THE CLEAN ENERGY INNOVATION FUND; AND**

9 **(III) OTHER PROGRAMS ADMINISTERED BY THE MARYLAND**
10 **CLEAN ENERGY CENTER THAT PROMOTE:**

11 **1. THE PURCHASE OF POWER GENERATED FROM**
12 **RENEWABLE SOURCES BY END USERS;**

13 **2. ENERGY EFFICIENCY; AND**

14 **3. JOB CREATION AND BUSINESS DEVELOPMENT**
15 **RELATED TO COMMERCIALY AVAILABLE RENEWABLE ENERGY PRODUCTS AND**
16 **SERVICES.**

17 **(G) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN**
18 **THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

19 **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID**
20 **INTO THE FUND.**

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