

HOUSE BILL 656

C5

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By: **Delegates Korman, Fraser-Hidalgo, Gutierrez, Hixson, Lam, Lierman, McIntosh, Miele, Proctor, B. Robinson, Rosenberg, West, and K. Young**

Introduced and read first time: February 12, 2015

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Energy Storage – Fuel Cells**
3 **(Stored Energy and Power (StEP) Act)**

4 FOR the purpose of requiring the Public Service Commission to establish a pilot program
5 to encourage the use of fuel cells for energy storage in the State; authorizing a certain
6 generator to request to participate in the pilot program; requiring a generator that
7 participates in the pilot program to establish a fuel cell demonstration project;
8 authorizing the Commission to provide incentives for participation in the pilot
9 program; authorizing the Commission to, on or before a certain date, offer an
10 electricity supplier a credit of a certain amount toward meeting the renewable energy
11 portfolio standard for energy from a fuel cell; requiring the Commission to submit a
12 certain report to the Governor and certain committees of the General Assembly on
13 or before a certain date each year; altering the definition of “Tier 1 renewable source”
14 to include a fuel cell that produces energy from solar, wind, or ocean; requiring that
15 an electricity supplier receive credit toward meeting the renewable energy portfolio
16 standard for energy stored in a fuel cell when the energy enters the electric
17 distribution grid; requiring the Commission, in cooperation with the Maryland
18 Energy Administration, to study the use of fuel cells for energy storage in the State;
19 requiring that the study include certain information; requiring the Commission to
20 submit the study to the Governor and certain committees of the General Assembly
21 on or before a certain date; defining certain terms; providing for the termination of
22 certain provisions of this Act; and generally relating to fuel cells.

23 BY adding to

24 Article – Public Utilities

25 Section 7–211(n), 7–701(b–1), and 7–704(j)

26 Annotated Code of Maryland

27 (2010 Replacement Volume and 2014 Supplement)

28 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Public Utilities
2 Section 7–701(a)
3 Annotated Code of Maryland
4 (2010 Replacement Volume and 2014 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – Public Utilities
7 Section 7–701(r)
8 Annotated Code of Maryland
9 (2010 Replacement Volume and 2014 Supplement)

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

12 **Article – Public Utilities**

13 7–211.

14 **(N) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE**
15 **MEANINGS INDICATED.**

16 **(II) “FUEL CELL” HAS THE MEANING STATED IN § 7–701 OF THIS**
17 **TITLE.**

18 **(III) “TIER 1 RENEWABLE SOURCE” HAS THE MEANING STATED**
19 **IN § 7–701 OF THIS TITLE.**

20 **(2) ON OR BEFORE JUNE 30, 2015, BY REGULATION OR ORDER, THE**
21 **COMMISSION SHALL ESTABLISH A PILOT PROGRAM TO ENCOURAGE THE USE OF**
22 **FUEL CELLS FOR ENERGY STORAGE IN THE STATE.**

23 **(3) (I) AN IN–STATE GENERATOR THAT GENERATES ELECTRICITY**
24 **FROM A TIER 1 RENEWABLE SOURCE MAY REQUEST TO PARTICIPATE IN THE PILOT**
25 **PROGRAM.**

26 **(II) AN IN–STATE GENERATOR THAT PARTICIPATES IN THE**
27 **PILOT PROGRAM SHALL ESTABLISH A FUEL CELL DEMONSTRATION PROJECT.**

28 **(4) THE COMMISSION MAY PROVIDE INCENTIVES FOR AN IN–STATE**
29 **GENERATOR TO PARTICIPATE IN THE PILOT PROGRAM.**

30 **(5) ON OR BEFORE OCTOBER 1, 2018, THE COMMISSION MAY OFFER**
31 **AN ELECTRICITY SUPPLIER A 200% CREDIT TOWARD MEETING THE RENEWABLE**
32 **ENERGY PORTFOLIO STANDARD FOR ENERGY FROM A FUEL CELL.**

1 **(6) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE COMMISSION**
2 **SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE**
3 **STATE GOVERNMENT ARTICLE, THE SENATE FINANCE COMMITTEE AND THE**
4 **HOUSE ECONOMIC MATTERS COMMITTEE ON THE STATUS OF THE PILOT PROGRAM**
5 **AND THE COMMISSION’S FINDINGS, INCLUDING OBSTACLES TO IMPLEMENTATION**
6 **OR SUCCESS OF THE PILOT PROGRAM.**

7 7-701.

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

9 **(B-1) “FUEL CELL” MEANS A BATTERY STORAGE SYSTEM THAT STORES**
10 **ENERGY GENERATED FROM:**

11 **(1) SOLAR ENERGY, INCLUDING ENERGY FROM PHOTOVOLTAIC**
12 **TECHNOLOGIES AND SOLAR WATER HEATING SYSTEMS;**

13 **(2) WIND;**

14 **(3) QUALIFYING BIOMASS;**

15 **(4) METHANE FROM THE ANAEROBIC DECOMPOSITION OF ORGANIC**
16 **MATERIALS IN A LANDFILL OR WASTEWATER TREATMENT PLANT; OR**

17 **(5) OCEAN, INCLUDING ENERGY FROM WAVES, TIDES, CURRENTS,**
18 **AND THERMAL DIFFERENCES.**

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

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

23 (2) wind;

24 (3) qualifying biomass;

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

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

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

1 (7) a fuel cell that produces electricity from a Tier 1 renewable source
2 under item **(1), (2), (3) [or], (4), OR (6)** of this subsection;

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

5 (9) poultry litter-to-energy;

6 (10) waste-to-energy;

7 (11) refuse-derived fuel; and

8 (12) thermal energy from a thermal biomass system.

9 7-704.

10 **(J) AN ELECTRICITY SUPPLIER SHALL RECEIVE CREDIT TOWARD MEETING**
11 **THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR ENERGY STORED IN A FUEL**
12 **CELL WHEN THE ENERGY ENTERS THE ELECTRIC DISTRIBUTION GRID, NOT WHEN**
13 **THE ENERGY IS GENERATED.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That:

15 (a) (1) The Public Service Commission, in cooperation with the Maryland
16 Energy Administration, shall study the use of fuel cells for energy storage in the State.

17 (2) The study shall include:

18 (i) a determination of whether a fuel cell used to store energy
19 generated from geothermal energy, Tier 1 hydroelectric energy, poultry litter-to-energy,
20 waste-to-energy, refuse-derived fuel, or thermal energy from a thermal biomass system
21 should be considered a Tier 1 renewable source for purposes of meeting the State's
22 renewable energy portfolio standard;

23 (ii) a determination of whether a nonelectrochemical stored energy
24 source should be considered a Tier 1 or Tier 2 renewable source for purposes of the State's
25 renewable energy portfolio standard;

26 (iii) an examination of the challenges that fuel cell projects encounter
27 when trying to become part of PJM Interconnection;

28 (iv) a recommendation of whether the State should establish a fuel
29 cell component in the State's renewable energy portfolio standard similar to California
30 Assembly Bill 2514 of 2010 and California Public Service Commission's Rulemaking
31 10-12-0007 of 2013;

1 (v) a survey of approaches used in other states to encourage the use
2 of fuel cells to store energy; and

3 (vi) any other information that the Commission or Administration
4 considers necessary.

5 (b) On or before December 31, 2015, the Commission shall submit the study to
6 the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate
7 Finance Committee and the House Economic Matters Committee.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2015. Section 2 of this Act shall remain effective for a period of 1 year and 1 month and,
10 at the end of June 30, 2016, with no further action required by the General Assembly,
11 Section 2 of this Act shall be abrogated and of no further force and effect.