
Maryland Energy Legislation

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2004 SESSION LAWS

- Renewable Energy Portfolio Act – This recent law (Chapter 487 Acts of 2004 (SB 869)) goes into effect next year and requires the implementation of:
 1. Renewable Energy Portfolio Standard – requires any electricity supplier to include a specified amount of renewable energy as part of its portfolio of generating fuels for sale
 2. Maryland Renewable Energy Fund – requires any electricity supplier to pay a compliance fee if they do not achieve the standard
 3. Renewable Energy Credit Trading System – allows electricity suppliers to trade renewable energy credits with each other to meet the energy portfolio standard

- Energy Efficiency Standards Act – Legislation enacted into law last year (Chapters 2 and 5 Acts of 2004 (SB 394/HB 747 of 2003)) providing for the establishment of minimum energy efficiency standards for specified several new household and commercial products (e.g. light fixtures, ceiling fans, refrigerators, air-conditioning equipment, and clothes washers). In 2005, this law was amended and modified to reflect special requirements and situations.

2005 SESSION LEGISLATION

A. Energy Efficiency

- State Construction-High Performance Buildings (SB 92) – This legislation requires State agencies to consider building high performance or “green” buildings.

B. Electricity Generation

- Biomass Generating Facilities (HB 1331) – This legislation added biomass (e.g. wood and agricultural waste) electric generating facilities to the systems eligible for net energy metering. Net energy metering is the difference between electric company produced energy and energy produced by a consumer’s generator and given to an electric company. Solar power and wind power are already eligible for net energy metering.

C. Tax Credits

- Income Tax Credit for Green Buildings (HB 975) – Expanded eligibility for the green building tax credit program – this program allows businesses that construct or rehabilitate a building that conforms to specific standards intended to save energy and to mitigate environmental impact to take a credit for a portion of the cost.
- Electric and Hybrid Vehicles (SB 12) – This legislation sought, unsuccessfully, to provide for a credit against the vehicle excise tax for qualified electric or hybrid vehicles.

D. Emissions Pollution

- Emissions of Four Pollutants from Power Plants (SB 744/HB 1169) – This legislation sought, unsuccessfully, to establish power plant emissions limits for sulfur dioxide, carbon dioxide, mercury, and nitrogen oxide.

E. Renewable Fuels

- Renewable Fuels Promotion Act (HB 1346) – This legislation sought, unsuccessfully, to authorize the payment of credits to producers of ethanol and biodiesel that meet certain requirements. Domestically produced, renewable fuels that could reduce the nation’s reliance on foreign oil and have potential environmental benefits.

STATE AGENCIES ADDRESSING ENERGY ISSUES

- The Public Service Commission regulates public utilities – specifically, gas, electric, telephone, water, and sewage disposal companies. It is best known for its role in setting utility rates and the construction and oversight of power plants in the State.

Fiscal 2006 Operating Budget of \$11.6 million

- The Office of the People’s Council is an independent state agency that 1) represents Maryland's residential consumer interests in regulatory and court proceedings, 2) investigates and resolves consumer complaint with utility services, and 3) helps consumers locate financial aid for utility bills.

Fiscal 2006 Operating Budget of \$2.6 million

- Maryland Energy Administration is responsible for developing resources and policies that will maximize energy conservation through increased efficiency and use of renewable resources.

Fiscal 2006 Operating Budget of \$5.8 million

- Other State agencies with energy programs include:

Department of General Services – promote energy efficiency in State building construction and operation.

Department of Natural Resources - studies the environmental impacts of power plant construction.

Department of Human Services – provides financial assistance to the disadvantaged for energy costs.

POTENTIAL 2006 SESSION ISSUES

- **Electric Utility Deregulation/Restructuring.** Until the General Assembly passed legislation five years ago, Maryland consumers did not have the right to choose their electric supplier. Now they do have a choice. This movement to a competitive market has been difficult and the General Assembly has been quite involved.
- **Rising Costs of Energy.** A variety of forms of energy, including natural gas and heating oil, are experiencing a dramatic increase in cost. Legislators are hearing from their constituents about the burden these additional costs are placing on individuals and the business community. (Due to a variety of reasons, including Hurricane Katrina and rising international demand).
- **Limiting Power Plant Emissions**
- **Energy Efficient State Buildings.** Promoting energy efficiency in State buildings to mitigate rising State agency energy expenses.

FOR MORE INFORMATION

Maryland General Assembly - <http://mlis.state.md.us/>
(Information about individual bills, laws, and the General Assembly.)

Department of Legislative Services - <http://dls.state.md.us/index.html>

Maryland Energy Administration - <http://www.energy.state.md.us/>

Public Service Commission - <http://www.psc.state.md.us/>

Office of the People's Council - <http://www.opc.state.md.us/>

Department of General Services - <http://www.dgs.state.md.us/>