

How renewable energy credits work

Maryland lawmakers, hoping to boost green energy in the state, approved a program in 2004 that gives money from electricity bills to firms that generate power from renewable sources. **Here's how it works.**

Facilities generate electricity from renewable sources. For each megawatt they produce, they can sell a certificate known as a renewable energy credit.



The sale of the credits is a significant revenue source for renewable energy generators. Proceeds have totaled \$60M for black liquor, \$23M for trash incineration and \$58M for wind.



The state requires utilities to buy the certificates. By 2020, they will have to buy enough certificates to equal 25 percent of the power they sell.



Utilities pass the cost of buying certificates on to ratepayers. By 2020, average cost to the residential customer is expected to reach between 77 cents and \$3 per month.

SOURCE: Public Service Commission

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