

~~(I) THE DEPARTMENT SHALL GRANT UP TO 75% OF THE ALLOWANCES TO THE OWNERS OF THE AFFECTED FACILITIES IN PROPORTION TO THEIR 2004 EMISSIONS;~~

~~(II) THE DEPARTMENT SHALL AUCTION AT LEAST 25% OF THE ALLOWANCES, WITH THE PROCEEDS DEPOSITED IN THE MARYLAND CARBON REDUCTION FUND ESTABLISHED UNDER § 9-2000 OF THE STATE GOVERNMENT ARTICLE;~~

~~(III) EFFECTIVE JANUARY 1, 2009, A PERSON THAT OWNS, LEASES, OPERATES, OR CONTROLS AN AFFECTED FACILITY MAY NOT EMIT MORE CARBON DIOXIDE THAN THE TOTAL ALLOWANCES HELD BY THE PERSON;~~

~~(IV) EFFECTIVE JANUARY 1, 2015, THE NUMBER OF TONS OF CARBON DIOXIDE REPRESENTED BY EACH ALLOWANCE SHALL BE REDUCED BY 2.5% PER YEAR, SUCH THAT EACH ALLOWANCE IN 2018 WILL REPRESENT 10% LESS THAN EACH ALLOWANCE IN 2014;~~

~~(V) FOR THE PURPOSES OF THIS SUBSECTION, CARBON DIOXIDE EMISSIONS SHALL BE CALCULATED USING FUEL USE DATA AS REPORTED ON FORM 906, SUBMITTED TO THE U.S. ENERGY INFORMATION ADMINISTRATION; AND~~

~~(VI) UP TO 3.3% OF THE EMISSIONS OF CARBON DIOXIDE OF AN AFFECTED FACILITY MAY BE OFFSET BY CREDITS OBTAINED FROM ANY SPONSOR OF AN EMISSIONS REDUCTION OR CARBON SEQUESTRATION PROJECT THAT IS FOUND BY THE SECRETARY TO MEET ALL APPLICABLE CRITERIA FOR SUCH PROJECTS IN ACCORDANCE WITH THE REGIONAL GREENHOUSE GAS INITIATIVE; AND~~

~~(2) ESTABLISH A SYSTEM FOR OFFSETTING THE CARBON DIOXIDE EMISSIONS OF STATEWIDE ELECTRICITY IMPORTS ABOVE THE AMOUNT OF ELECTRICITY IMPORTED IN 2004 AS FOLLOWS:~~

~~(I) A LOAD SERVING ENTITY IN THE STATE THAT CONTRACTS TO PURCHASE ELECTRIC POWER GENERATED IN A STATE OTHER THAN MARYLAND OR STATES PARTICIPATING IN THE REGIONAL GREENHOUSE GAS INITIATIVE IN ORDER TO REPLACE ELECTRIC POWER FORMERLY PURCHASED FROM AN AFFECTED FACILITY, SHALL OFFSET THE CARBON DIOXIDE EMISSIONS OF THAT POWER; AND~~

~~(II) THE AMOUNT OF CARBON DIOXIDE EMISSIONS ATTRIBUTED TO POWER GENERATED IN A STATE OTHER THAN MARYLAND OR A STATE PARTICIPATING IN THE REGIONAL GREENHOUSE GAS INITIATIVE SHALL BE CALCULATED ACCORDING TO THE AVERAGE CARBON DIOXIDE EMISSIONS OF THE ELECTRICITY GENERATED BY THE PERSON SELLING THE POWER IN THE REGION IN WHICH SUCH POWER IS GENERATED.~~

(2) IF THE DEPARTMENT, IN CONSULTATION WITH THE PUBLIC SERVICE COMMISSION, DETERMINES THAT PARTICIPATION IN THE REGIONAL GREENHOUSE GAS INITIATIVE WILL COMPROMISE THE RELIABILITY OF THE ELECTRIC SYSTEM IN THE STATE, THE STATE MAY WITHDRAW FROM THE INITIATIVE, AS PROVIDED IN THE DECEMBER 20, 2005 MEMORANDUM OF UNDERSTANDING OF THE INITIATIVE, AT ANY TIME AFTER JANUARY 1, 2009.