

[(c)] (D) (1) Except as authorized under paragraph (2) of this subsection, a renewable energy credit shall exist for 3 years from the date created.

(2) A renewable energy credit may be diminished or extinguished before the expiration of 3 years by:

- (i) the electricity supplier that received the credit;
- (ii) a nonaffiliated entity of the electricity supplier:

1. that purchased the credit from the electricity supplier receiving the credit; or

2. to whom the electricity supplier otherwise transferred the credit; or

(iii) demonstrated noncompliance by the generating facility with the requirements of § [7-704(g)] 7-704(F) of this subtitle.

[(d)] (E) Notwithstanding subsection [(c)(2)(iii)] (D)(2)(III) of this section, and only if the demonstrated noncompliance does not result in environmental degradation, an electricity supplier that reasonably includes in its annual report under § 7-705 of this subtitle a renewable energy credit that is extinguished for noncompliance with § [7-704(g)(1)] 7-704(F)(1) or (2) of this subtitle:

- (1) may continue to rely on that credit for that year; but
- (2) for later years must:

(i) demonstrate a return to compliance of the generating facility under § [7-704(g)] 7-704(F) of this subtitle; or

(ii) replace the credit with a renewable energy credit from another source.

[(e)] (F) The Commission by regulation shall establish requirements for documentation and verification of renewable energy credits by licensed electricity suppliers and other generators that create and receive credits for compliance with the standards for Tier 1 [renewable sources and], Tier 2, ~~AND TIER 3~~ renewable sources.

~~7-712.~~

~~Subject to § 2-1246 of the State Government Article, on or before February 1 of each year the Commission shall report to the General Assembly on the status of~~