

HB1256/853121/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1256
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 5 down through “date;” in line 7 and substitute “requiring a certain electric company to file certain time-of-use tariffs with the Public Service Commission on or before a certain date; requiring a certain electric company to attempt to achieve a certain enrollment target for certain tariffs by a certain date; authorizing the Commission to require the automatic enrollment of certain customers in a time-of-use tariff, on an opt-out basis;”; strike beginning with “prohibiting” in line 9 down through “system;” in line 11 and substitute “requiring a certain electric company to require a customer to apply for interconnection with the electric distribution system under certain circumstances;”; in line 12, strike “each” and substitute “a certain”; in line 16, after “date;” insert “authorizing a certain electric company to propose and the Commission to approve certain performance mechanisms for a certain purpose under certain circumstances;”; in lines 17 and 20, in each instance, strike “an” and substitute “a certain”; in line 17, strike “by a certain date;”; strike beginning with “prohibiting” in line 21 down through “metering;” in line 23; in line 27, strike “7-1008” and substitute “7-1007”; after line 24, insert:

“BY repealing and reenacting, without amendments,
Article - Public Utilities
Section 1-101(a)
Annotated Code of Maryland
(2020 Replacement Volume and 2023 Supplement)”;

and in line 27, after “Section” insert “1-101(p-1); and”.

AMENDMENT NO. 2

On page 2, after line 3, insert:

“1-101.

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

(P-1) “INVESTOR-OWNED ELECTRIC COMPANY” MEANS AN ELECTRIC COMPANY THAT IS NOT A MUNICIPAL ELECTRIC UTILITY OR AN ELECTRIC COOPERATIVE.”;

and strike in their entirety lines 22 through 25, inclusive, and substitute:

“(II) AN AGGREGATOR ACTING AT THE DIRECTION OF AN ELECTRIC COMPANY.”.

On page 3, in line 16, after the second “SOURCE” insert “THAT DOES NOT RELEASE GREENHOUSE GASES”; in line 21, after “(III)” insert “IS PAIRED WITH AN ENERGY STORAGE DEVICE THAT”; and in line 23, after “SYSTEM” insert “UNLESS, FOR THE PURPOSE OF ELIGIBILITY FOR NET ENERGY METERING, THE DEVICE IS REQUIRED TO BE CHARGED ONLY FROM THE RENEWABLE SOURCE”.

On page 4, in line 1, strike “INCLUDES” and substitute “MAY INCLUDE”.

On pages 5 and 6, strike in their entirety the lines beginning with line 5 on page 5 through line 3 on page 6, inclusive, and substitute:

“7-1003.

(A) (1) ON OR BEFORE JULY 1, 2025, EACH INVESTOR-OWNED ELECTRIC COMPANY SHALL FILE WITH THE COMMISSION ONE OR MORE TIME-OF-USE TARIFFS FOR APPROPRIATE CUSTOMER CLASSES, TO BE MADE AVAILABLE TO CUSTOMERS ON AN OPT-IN BASIS.

(2) EACH TIME-OF-USE TARIFF SHALL ESTABLISH A SUFFICIENT PRICE DISCOUNT FOR OFF-PEAK HOURS COMPARED TO PEAK HOURS, AS DETERMINED BY THE MARKET OR AN INVESTOR-OWNED ELECTRIC COMPANY'S COST OF SERVICE, TO ENCOURAGE CUSTOMERS TO ADJUST ELECTRICITY USE TO OFF-PEAK HOURS.

(B) (1) (I) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL PROPOSE WITH EACH TARIFF OR TARIFFS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION A REASONABLE ENROLLMENT TARGET TO TRY TO ACHIEVE BY JANUARY 1, 2028.

(II) THE INVESTOR-OWNED ELECTRIC COMPANY SHALL ATTEMPT TO ACHIEVE THE ENROLLMENT TARGET THROUGH A COMBINATION OF MARKETING, CUSTOMER EDUCATION, AND OTHER MEANS TO COMMUNICATE THE BENEFITS AND RISKS OF TIME-OF-USE RATES.

(2) (I) THE COMMISSION MAY REQUIRE AN INVESTOR-OWNED ELECTRIC COMPANY TO AUTOMATICALLY ENROLL IN A TIME-OF-USE TARIFF CUSTOMERS THAT RECEIVE AN INCENTIVE FROM THE INVESTOR-OWNED ELECTRIC COMPANY AS PART OF A BENEFICIAL ELECTRIFICATION PROGRAM.

(II) THE COMMISSION SHALL REQUIRE AN INVESTOR-OWNED ELECTRIC COMPANY TO PROVIDE TO CUSTOMERS THAT ARE AUTOMATICALLY ENROLLED IN A TIME-OF-USE TARIFF IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH NOTICE AND AN OPPORTUNITY TO OPT OUT OF THE TIME-OF-USE TARIFF.

(C) ON OR BEFORE JULY 1, 2026, EACH INVESTOR-OWNED ELECTRIC COMPANY SHALL SUBMIT A REPORT TO THE COMMISSION EVALUATING:

(Over)

(1) THE POTENTIAL TO AVOID OR DEFER ELECTRIC DISTRIBUTION SYSTEM CAPITAL PROJECTS THROUGH THE USE OF TIME-OF-USE RATES, DEMAND-RESPONSE AND DEMAND-SIDE PROGRAMS, AND RENEWABLE ON-SITE GENERATING SYSTEMS; AND

(2) THE MERITS AND FEASIBILITY OF TRANSITIONING ALL CUSTOMERS TO A TIME-OF-USE TARIFF ON AN OPT-OUT BASIS.

(D) IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON OR BEFORE DECEMBER 31, 2027, THE COMMISSION SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY ON:

(1) THE IMPACTS OF OPT-IN TIME-OF-USE TARIFFS ON THE ELECTRIC DISTRIBUTION SYSTEM;

(2) THE TIMELINE, FEASIBILITY, AND MERITS OF TRANSITIONING ALL CUSTOMERS TO A TIME-OF-USE TARIFF ON AN OPT-OUT BASIS; AND

(3) WHETHER A FULL TRANSITION TO TIME-OF-USE RATES IS JUSTIFIED.

(E) AN INVESTOR-OWNED ELECTRIC COMPANY MAY RECOVER ALL REASONABLE AND PRUDENT COSTS, INCLUDING MARKETING COSTS, TO ACHIEVE ITS PROPOSED ENROLLMENT TARGETS AND EXECUTE ITS RESPONSIBILITIES IN ACCORDANCE WITH THIS SECTION.

(F) FOR GOOD CAUSE SHOWN, THE COMMISSION MAY DELAY FOR A REASONABLE PERIOD OF TIME THE DEADLINE FOR AN INVESTOR-OWNED ELECTRIC COMPANY TO COMPLY WITH THE PROVISIONS OF THIS SECTION.

(G) (1) A MUNICIPAL ELECTRIC UTILITY OR ELECTRIC COOPERATIVE MAY FILE WITH THE COMMISSION ONE OR MORE TIME-OF-USE TARIFFS IN THE SAME MANNER AS AN INVESTOR-OWNED ELECTRIC COMPANY UNDER THIS SECTION.

(2) IF A MUNICIPAL ELECTRIC UTILITY OR ELECTRIC COOPERATIVE ELECTS TO FILE WITH THE COMMISSION A TIME-OF-USE TARIFF UNDER THIS SECTION, THE PROVISIONS OF THIS SECTION THAT APPLY TO AN INVESTOR-OWNED ELECTRIC COMPANY SHALL ALSO APPLY TO THE MUNICIPAL ELECTRIC UTILITY OR ELECTRIC COOPERATIVE.”.

On page 6, in line 5, strike “APRIL” and substitute “MAY”; in line 6, after “TO” insert “:

(1)”;

in lines 8 and 10, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; in lines 13, 14, 23, and 30, in each instance, strike “ELECTRIC” and substitute “INVESTOR-OWNED ELECTRIC”; in line 16, strike the first “ELECTRIC” and substitute “INVESTOR-OWNED ELECTRIC”; in line 13, after “COMPANY” insert “;AND

(2) PROVIDE INVESTOR-OWNED ELECTRIC COMPANIES WITH ADEQUATE TIME TO ENSURE ELECTRIC DISTRIBUTION SYSTEM RELIABILITY IN ADVANCE OF THE INTERCONNECTIONS DESCRIBED IN ITEM (1) OF THIS SUBSECTION”;

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in line 17, strike “(A)” and substitute “(A)(1)(II)”; in the same line, strike “BUT” and substitute “AND”; strike in their entirety lines 18 through 20, inclusive, and substitute:

“(2) SHALL REQUIRE A CUSTOMER TO APPLY FOR INTERCONNECTION IF THE CUSTOMER CONFIGURES A BIDIRECTIONAL ELECTRIC VEHICLE SYSTEM TO PROVIDE ELECTRICITY TO THE ELECTRIC DISTRIBUTION SYSTEM.

(C) A MUNICIPAL ELECTRIC UTILITY OR AN ELECTRIC COOPERATIVE MAY COMPLY WITH THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION IN THE SAME MANNER AS AN INVESTOR-OWNED ELECTRIC COMPANY.”;

in line 22, strike “(1)”; in lines 25 and 26, strike “ON A PAY-FOR-PERFORMANCE BASIS” and substitute “THROUGH AN INCENTIVE MECHANISM DETERMINED BY THE COMMISSION”; strike in their entirety lines 27 through 29, inclusive; and in line 30, after “(1)” insert “(I)”.

On page 7, strike beginning with “ON” in line 2 down through “SYSTEMS” in line 3 and substitute “THROUGH A MECHANISM DETERMINED BY THE COMMISSION”; in line 4, strike “(2)” and substitute “(II)”; in line 5, strike “PARAGRAPH (1) OF THIS SUBSECTION” and substitute “SUBPARAGRAPH (I) OF THIS PARAGRAPH”; strike beginning with “ACCORDING” in line 7 down through “YEAR” in line 8; strike in their entirety lines 9 through 13, inclusive, and substitute:

“(2) (I) A MUNICIPAL ELECTRIC UTILITY OR AN ELECTRIC COOPERATIVE MAY ESTABLISH A PILOT PROGRAM, TEMPORARY TARIFF, OR PERFORMANCE MECHANISM UNDER THIS SECTION.

(II) IF A MUNICIPAL ELECTRIC UTILITY OR ELECTRIC COOPERATIVE ESTABLISHES A PILOT PROGRAM, TEMPORARY TARIFF, OR

PERFORMANCE MECHANISM UNDER THIS SECTION, THE PROVISIONS OF THIS SECTION AND §§ 7-1006 AND 7-1007 OF THIS SUBTITLE THAT APPLY TO AN INVESTOR-OWNED ELECTRIC COMPANY SHALL ALSO APPLY TO THE MUNICIPAL ELECTRIC UTILITY OR ELECTRIC COOPERATIVE.

(c) (1) NOTWITHSTANDING ANY PROVISION OF THIS SUBTITLE, AN INVESTOR-OWNED ELECTRIC COMPANY MAY PROPOSE AND SUBMIT TO THE COMMISSION A PERFORMANCE MECHANISM TO COVER THE COST OF USING DISTRIBUTED ENERGY RESOURCES OR AN AGGREGATOR OF DISTRIBUTED ENERGY RESOURCES UNDER THIS SUBTITLE.

(2) THE COMMISSION MAY APPROVE A PERFORMANCE MECHANISM SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION IF THE COMMISSION DETERMINES THAT THE PERFORMANCE MECHANISM IS IN THE PUBLIC INTEREST.”;

in line 14, strike “ON OR BEFORE OCTOBER 1, 2025, THE” and substitute “THE”; in lines 16, 19, and 31, in each instance, strike “ELECTRIC” and substitute “INVESTOR-OWNED ELECTRIC”; in line 17, after “COMPANY” insert “IN AN EXPEDITED MANNER”; in line 18, strike “THE COMMISSION SHALL” and substitute “IF THE COMMISSION DETERMINES THAT TRANSITIONING A PILOT PROGRAM OR TEMPORARY TARIFF TO A PERMANENT PROGRAM OR TARIFF IS IN THE PUBLIC INTEREST, THE COMMISSION MAY”; in line 22, strike “EACH” and substitute “IF THE COMMISSION DETERMINES THE TRANSITION TO A PERMANENT PROGRAM OR TARIFF IS IN THE PUBLIC INTEREST, EACH”; and in line 24, strike “SHALL” and substitute “MAY”.

On page 8, after line 7, insert:

“(F) THE CUMULATIVE NAMEPLATE CAPACITY OF RENEWABLE ON-SITE GENERATING SYSTEMS PARTICIPATING IN A PILOT PROGRAM OR TEMPORARY

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TARIFF APPROVED UNDER THIS SECTION MAY NOT EXCEED 2% OF THE INVESTOR-OWNED ELECTRIC COMPANY'S HIGHEST RECORDED COINCIDENT PEAK DEMAND.”;

and in lines 9, 19, 22, and 25, in each instance, after “AN” insert “INVESTOR-OWNED”.

On page 9, in lines 3, 16, 23, and 25, in each instance, strike “ELECTRIC” and substitute “INVESTOR-OWNED ELECTRIC”; and in line 18, strike “A PILOT PROGRAM OR TEMPORARY TARIFF” and substitute “AND ADMINISTERING A PROGRAM”.

On pages 9 and 10, strike in their entirety the lines beginning with line 29 on page 9 through line 13 on page 10, inclusive.