

# HOUSE BILL 1393

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By: **Delegate Crosby**

Introduced and read first time: February 9, 2024

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electric System Planning – Scope and Funding**

3 FOR the purpose of altering the scope of certain policy goals with regard to energy systems;  
4 requiring the Public Service Commission to report on certain projects relating to  
5 certain goals; altering the scope of certain funds that may be used for certain projects  
6 related to the electric system; requiring the Commission to adopt regulations or issue  
7 rules to require pursuit of federal funds in a certain manner; requiring the  
8 Commission to adopt regulations to require investment in certain demand-side  
9 reliability and efficiency improvement methods; altering the scope of projects to  
10 which certain labor standards apply; and generally relating to public utilities and  
11 electric system projects.

12 BY repealing and reenacting, with amendments,

13 Article – Public Utilities

14 Section 7–801 through 7–804 to be under the amended subtitle “Subtitle 8. Electric  
15 System Planning”

16 Annotated Code of Maryland

17 (2020 Replacement Volume and 2023 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article – Labor and Employment

20 Section 3–416

21 Annotated Code of Maryland

22 (2016 Replacement Volume and 2023 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

24 That the Laws of Maryland read as follows:

25 **Article – Public Utilities**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Subtitle 8. Electric [Distribution] System Planning.

2 7–801.

3 It is the goal of the State that the electric [distribution] system support, in a  
4 cost-effective manner, the State’s policy goals with regard to:

- 5 (1) greenhouse gas reduction;
- 6 (2) renewable energy;
- 7 (3) decreasing dependence on electricity imported from other states; and
- 8 (4) achieving energy [distribution] **SYSTEM** resiliency, efficiency, and  
9 reliability.

10 7–802.

11 On or before December 1, 2024, and each December 1 thereafter, the Commission  
12 shall submit a report, in accordance with § 2–1257 of the State Government Article, to the  
13 General Assembly with information regarding the current status of [electric distribution  
14 system evolution] **PROJECTS DESIGNED TO PROMOTE THE GOALS IDENTIFIED IN THIS**  
15 **SECTION**, including information on [electric distribution system] planning processes and  
16 implementation that promote, as specific goals, the following:

- 17 (1) measures to decrease greenhouse gas emissions incident to electric  
18 distribution, including high levels of distributed energy resources and electric vehicles;
- 19 (2) giving priority to vulnerable communities in the development of  
20 distributed energy resources and electric vehicle infrastructure;
- 21 (3) energy efficiency;
- 22 (4) meeting anticipated increases in load;
- 23 (5) incorporation of energy storage technology as appropriate and prudent  
24 to:
- 25 (i) support efficiency and reliability of the electric [distribution]  
26 system; and
- 27 (ii) provide additional capacity to accommodate increased  
28 distributed renewable electricity generation in connection with electric **TRANSMISSION**  
29 **AND** distribution system modernization;
- 30 (6) efficient management of load variability;

- 1 (7) electric [distribution] system resiliency and reliability;
- 2 (8) bidirectional power flows;
- 3 (9) demand response and other nonwire and noncapital alternatives;
- 4 (10) increased use of distributed energy resources, including electric  
5 vehicles;
- 6 (11) transparent stakeholder participation in ongoing electric [distribution]  
7 system planning processes; and
- 8 (12) any other issues the Commission considers appropriate.

9 7–803.

10 (a) The General Assembly strongly encourages the electric companies of the State  
11 to pursue diligently federal funds to meet the State’s policy goals for the electric  
12 [distribution] system, including funds made available under [§§ 40101, 40103, and 40107  
13 of] the federal Infrastructure Investment and Jobs Act **OR THE FEDERAL INFLATION**  
14 **REDUCTION ACT**.

15 (b) The Commission and the Maryland Energy Administration shall provide  
16 assistance and support to electric companies for applying for and obtaining access to federal  
17 and other available funds to meet the State’s policy goals [for the electric distribution  
18 system].

19 (c) The Maryland Energy Administration shall identify funding sources that may  
20 be available to electric companies to implement the State’s policy goals under § 7–802 of  
21 this subtitle, including funding for:

22 (1) increasing the efficiency of electric [distribution] systems, including  
23 through installation and integration of energy storage devices and operational changes and  
24 upgrades;

25 (2) grid-hardening activities to reduce the occurrence of or consequences  
26 of events that disrupt operations of the electric [distribution] system due to extreme  
27 weather or natural disasters;

28 (3) other [distribution system–related upgrade] **ELECTRIC SYSTEM**  
29 **ENHANCEMENT** activities available for funding under [§ 40101, § 40103, or § 40107 of] the  
30 federal Infrastructure Investment and Jobs Act **OR THE FEDERAL INFLATION**  
31 **REDUCTION ACT**; and

32 (4) other specific activities that the Commission identifies.

1 (d) As needed to promote the State's policy goals under § 7–802 of this subtitle,  
2 the Commission:

3 (1) shall require each electric company to report **AT LEAST QUARTERLY**  
4 to the Commission and the Maryland Energy Administration on:

5 (i) the funding for which the electric company has applied;

6 (ii) the purposes for which the funding is intended to be used;

7 (iii) the status of the funding applications; and

8 (iv) conditions that must be met to obtain the funding; and

9 (2) **[may] SHALL** adopt regulations or issue orders:

10 (I) that require electric companies to apply for federal and other  
11 available funds in a timely manner; **AND**

12 (II) **IN ORDER TO ENSURE THAT LEAST-COST DEBT IS USED.**

13 7–804.

14 On or before July 1, 2025, the Commission shall adopt regulations or issue orders to:

15 (1) implement specific policies for electric **[distribution]** system planning;

16 (2) **REQUIRE INVESTMENT IN DEMAND-SIDE METHODS AND**  
17 **TECHNOLOGY TO IMPROVE RELIABILITY AND EFFICIENCY, INCLUDING VIRTUAL**  
18 **POWER PLANTS; and**

19 (3) **IMPLEMENT SPECIFIC POLICIES FOR** improvements in order to  
20 promote the State's policy goals under § 7–802 of this subtitle.

21 **Article – Labor and Employment**

22 3–416.

23 (a) This section applies:

24 (1) to a project undertaken by an investor-owned electric company or gas  
25 and electric company that:

1 (i) involves the construction, reconstruction, installation,  
2 demolition, restoration, or alteration of any electric infrastructure of the company, and any  
3 related traffic control activities; and

4 (ii) is funded by federal funds to meet the State's policy goals for  
5 [the] electric [distribution] system **PLANNING** under Title 7, Subtitle 8 of the Public  
6 Utilities Article, including funds made available under [§ 40101, § 40103, or § 40107 of] the  
7 federal Infrastructure Investment and Jobs Act **OR THE FEDERAL INFLATION**  
8 **REDUCTION ACT**; and

9 (2) only to the portion of the project supported by the federal funds.

10 (b) An investor-owned electric company or gas and electric company shall require  
11 a contractor or subcontractor on a project described in subsection (a) of this section to:

12 (1) pay the area prevailing wage for each trade employed, including wages  
13 and fringe benefits;

14 (2) offer health care and retirement benefits to the employees working on  
15 the project;

16 (3) participate in an apprenticeship program registered with the State for  
17 each trade employed on the project;

18 (4) establish and execute a plan for outreach, recruitment, and retention of  
19 State residents to perform work on the project, with an aspirational goal of 25% of total  
20 work hours performed by Maryland residents, including residents who are:

21 (i) returning citizens;

22 (ii) women;

23 (iii) minority individuals; or

24 (iv) veterans;

25 (5) have been in compliance with federal and State wage and hour laws for  
26 the previous 3 years;

27 (6) be subject to all State reporting and compliance requirements; and

28 (7) maintain all appropriate licenses in good standing.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2024.