

# SENATE BILL 682

C5  
HB 1186/23 – ECM

4r0602  
CF HB 505

By: **Senator Hester**

Introduced and read first time: January 29, 2024

Assigned to: Education, Energy, and the Environment

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 15, 2024

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Limitations on Cost Recovery by Public Service Companies and Reports on~~  
3 ~~Votes Cast at Meetings of Regional Transmission Organizations~~  
4 Electric Companies – Regional Transmission Organizations – Report  
5 (Utility Transparency and Accountability Act)

6 FOR the purpose of ~~prohibiting public service companies from recovering through rates~~  
7 ~~certain costs; requiring certain public service companies to submit an annual report~~  
8 ~~to the Public Service Commission regarding costs related to certain activities;~~  
9 ~~requiring each electric company to be a member of a regional transmission~~  
10 ~~organization; requiring each a certain electric company to submit an annual report~~  
11 ~~to the Public Service Commission regarding certain votes cast by the electric~~  
12 ~~company and any affiliate of the electric company at a meeting of the regional~~  
13 ~~transmission organization; and generally relating to cost recovery by public service~~  
14 ~~companies and reports by electric companies and regional transmission~~  
15 ~~organizations.~~

16 ~~BY repealing and reenacting, without amendments,~~  
17 ~~Article – Public Utilities~~  
18 ~~Section 1 – 101(a) and (z)~~  
19 ~~Annotated Code of Maryland~~  
20 ~~(2020 Replacement Volume and 2023 Supplement)~~

21 ~~BY repealing and reenacting, with amendments,~~  
22 ~~Article – Public Utilities~~  
23 ~~Section 4 – 103~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Annotated Code of Maryland~~  
 2 ~~(2020 Replacement Volume and 2023 Supplement)~~

3 BY adding to

4 Article – Public Utilities  
 5 Section ~~4-504, 4-505, and~~ 7-108  
 6 Annotated Code of Maryland  
 7 (2020 Replacement Volume and 2023 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 9 That the Laws of Maryland read as follows:

10 **Article – Public Utilities**

11 ~~4-101.~~

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

13 ~~(z) (1) “Public service company” means a common carrier company, electric~~  
 14 ~~company, gas company, sewage disposal company, telegraph company, telephone company,~~  
 15 ~~water company, or any combination of public service companies.~~

16 ~~(2) “Public service company” does not include:~~

17 ~~(i) a campground that provides water, electric, gas, sewage, or~~  
 18 ~~telephone service to campers incident to the campground’s primary business of operating~~  
 19 ~~and maintaining the campground; or~~

20 ~~(ii) a person that owns or operates equipment used for charging~~  
 21 ~~electric vehicles, including a person that owns or operates:~~

22 ~~1. an electric vehicle charging station;~~

23 ~~2. electric vehicle supply equipment; or~~

24 ~~3. an electric vehicle charging station service company or~~  
 25 ~~provider.~~

26 ~~4-103.~~

27 ~~[(a)] In setting just and reasonable rates under this title, the Commission may not~~  
 28 ~~discourage the use of employee stock ownership plans by public service companies by~~  
 29 ~~denying to the public service companies the full benefits of investment tax credits provided~~  
 30 ~~in connection with these plans by the Internal Revenue Code.~~

31 ~~[(b) A public service company may not charge off lobbying expenses against its~~  
 32 ~~ratepayers.]~~

1 ~~4-504.~~

2 ~~(A) IN THIS SECTION, "LOBBYING OR POLITICAL ACTIVITIES" MEANS ANY~~  
3 ~~ACTION TAKEN AT THE STATE, COUNTY, OR MUNICIPAL LEVELS OF GOVERNMENT IN~~  
4 ~~CONNECTION WITH:~~

5 ~~(1) INFLUENCING LEGISLATION;~~

6 ~~(2) PARTICIPATION OR INTERVENTION IN ANY POLITICAL CAMPAIGN~~  
7 ~~ON BEHALF OF OR IN OPPOSITION TO ANY CANDIDATE FOR PUBLIC OFFICE; OR~~

8 ~~(3) ANY ATTEMPT TO INFLUENCE ANY SEGMENT OF THE GENERAL~~  
9 ~~PUBLIC WITH RESPECT TO AN ELECTION, A LEGISLATIVE MATTER, AN EXECUTIVE~~  
10 ~~AGENCY DECISION, OR A REFERENDUM.~~

11 ~~(B) A PUBLIC SERVICE COMPANY MAY NOT RECOVER THROUGH RATES ANY~~  
12 ~~COSTS ASSOCIATED WITH:~~

13 ~~(1) MEMBERSHIP, DUES, SPONSORSHIPS, OR CONTRIBUTIONS TO A~~  
14 ~~BUSINESS OR INDUSTRY TRADE ASSOCIATION, GROUP, OR RELATED ENTITY EXEMPT~~  
15 ~~FROM TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE;~~

16 ~~(2) LOBBYING OR POLITICAL ACTIVITIES, INCLUDING SUPPORTING~~  
17 ~~ACTIVITIES SUCH AS POLICY RESEARCH, ANALYSIS, PREPARATION, AND PLANNING;~~

18 ~~(3) UNLESS APPROVED OR ORDERED BY THE COMMISSION,~~  
19 ~~ADVERTISING, MARKETING, COMMUNICATIONS, OR OTHER RELATED COSTS~~  
20 ~~IDENTIFIED BY THE COMMISSION THAT SEEK TO INFLUENCE PUBLIC OPINION OR~~  
21 ~~CREATE GOODWILL TOWARD THE PUBLIC SERVICE COMPANY;~~

22 ~~(4) TRAVEL, LODGING, OR FOOD AND BEVERAGE EXPENSES FOR THE~~  
23 ~~PUBLIC SERVICE COMPANY'S BOARD OF DIRECTORS AND OFFICERS OR THE BOARD~~  
24 ~~OF DIRECTORS AND OFFICERS OF THE PUBLIC SERVICE COMPANY'S PARENT~~  
25 ~~COMPANY;~~

26 ~~(5) ENTERTAINMENT OR GIFTS;~~

27 ~~(6) ANY OWNED, LEASED, OR CHARTERED AIRCRAFT FOR THE PUBLIC~~  
28 ~~SERVICE COMPANY'S BOARD OF DIRECTORS AND OFFICERS OR THE BOARD OF~~  
29 ~~DIRECTORS AND OFFICERS OF THE PUBLIC SERVICE COMPANY'S PARENT COMPANY;~~  
30 ~~OR~~

31 ~~(7) INVESTOR RELATIONS.~~

1 ~~4-505.~~

2 ~~(A) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY WITH~~  
3 ~~MORE THAN 75,000 CUSTOMERS IN THE STATE.~~

4 ~~(B) (1) ON OR BEFORE JANUARY 1 EACH YEAR, EACH PUBLIC SERVICE~~  
5 ~~COMPANY SHALL SUBMIT TO THE COMMISSION A REPORT ITEMIZING ALL COSTS~~  
6 ~~ASSOCIATED WITH THE ACTIVITIES DESCRIBED IN § 4-504 OF THIS SUBTITLE.~~

7 ~~(2) THE REPORT SHALL INCLUDE:~~

8 ~~(I) COSTS SPENT BY THE PARENT COMPANY OR AFFILIATES OF~~  
9 ~~THE PUBLIC SERVICE COMPANY THAT ARE DIRECTLY BILLED OR ALLOCATED TO THE~~  
10 ~~PUBLIC SERVICE COMPANY;~~

11 ~~(II) A LIST OF THE TITLE, JOB DESCRIPTION, AND SALARY OF~~  
12 ~~ANY PUBLIC SERVICE COMPANY EMPLOYEE WHO PERFORMED WORK ASSOCIATED~~  
13 ~~WITH THE ACTIVITIES DESCRIBED IN § 4-504 OF THIS SUBTITLE, INCLUDING THE~~  
14 ~~HOURS ATTRIBUTED TO THE WORK;~~

15 ~~(III) A LIST OF THE TITLE, JOB DESCRIPTION, AND SALARY OF~~  
16 ~~ANY EMPLOYEE OF THE PARENT COMPANY OR AFFILIATE OF THE PUBLIC SERVICE~~  
17 ~~COMPANY WHO PERFORMED WORK ASSOCIATED WITH THE ACTIVITIES DESCRIBED~~  
18 ~~§ 4-504 OF THIS SUBTITLE, INCLUDING THE HOURS ATTRIBUTED TO THE WORK THAT~~  
19 ~~WERE DIRECTLY BILLED OR ALLOCATED TO THE PUBLIC SERVICE COMPANY;~~

20 ~~(IV) A LIST OF PAYMENTS THAT THE PUBLIC SERVICE COMPANY~~  
21 ~~MADE TO ALL THIRD PARTY VENDORS FOR ANY EXPENSES ASSOCIATED WITH THE~~  
22 ~~ACTIVITIES DESCRIBED IN § 4-504 OF THIS SUBTITLE, INCLUDING UNREDACTED~~  
23 ~~BILLING AMOUNTS, BILLING DATES, PAYEES, AND AN EXPLANATION OF EACH~~  
24 ~~EXPENDITURE IN DETAIL SUFFICIENT TO DESCRIBE THE PURPOSE OF THE COST;~~  
25 ~~AND~~

26 ~~(V) ANY OTHER INFORMATION THE COMMISSION CONSIDERS~~  
27 ~~RELEVANT.~~

28 7-108.

29 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
30 INDICATED.

31 (2) "AFFILIATE" HAS THE MEANING STATED IN § 7-501 OF THIS  
32 TITLE.

1           (3) "MEETING" MEANS ANY COMMITTEE, USER GROUP, TASK FORCE,  
2 OR OTHER PART OF THE REGIONAL TRANSMISSION ORGANIZATION IN WHICH VOTES  
3 ARE TAKEN.

4           (4) "RECORDED VOTE" MEANS A VOTE THAT IS TABULATED, EITHER  
5 INDIVIDUALLY OR AS PART OF A SECTOR, FOR ANY PURPOSE AT A MEETING,  
6 REGARDLESS OF:

7           (I) WHETHER THE VOTE REPRESENTS A FINAL POSITION OF  
8 ANY PERSON CASTING THE VOTE; OR

9           (II) THE DECISION-MAKING AUTHORITY OF THOSE VOTING.

10           (5) "REGIONAL TRANSMISSION ORGANIZATION" MEANS AN ENTITY  
11 THAT QUALIFIES AS A REGIONAL TRANSMISSION ORGANIZATION UNDER 18 C.F.R. §  
12 35.34.

13           ~~(B) EACH ELECTRIC COMPANY SHALL BE A MEMBER OF A REGIONAL~~  
14 ~~TRANSMISSION ORGANIZATION.~~

15           (B) (1) THIS SECTION APPLIES ONLY TO ELECTRIC COMPANIES THAT ARE  
16 MEMBERS OF A REGIONAL TRANSMISSION ORGANIZATION.

17           (2) THIS SECTION DOES NOT APPLY TO MUNICIPAL ELECTRIC  
18 UTILITIES.

19           (C) (1) ON OR BEFORE FEBRUARY 1 EACH YEAR, EACH ELECTRIC  
20 COMPANY SHALL SUBMIT TO THE COMMISSION A REPORT OF ANY RECORDED VOTE  
21 CAST BY THE ELECTRIC COMPANY OR, SUBJECT TO PARAGRAPH (2) OF THIS  
22 SUBSECTION, AN AFFILIATE OF THE ELECTRIC COMPANY AT A MEETING OF A  
23 REGIONAL TRANSMISSION ORGANIZATION DURING THE IMMEDIATELY PRECEDING  
24 CALENDAR YEAR.

25           (2) THE REPORT SHALL INCLUDE:

26           (I) ALL RECORDED VOTES CAST BY THE ELECTRIC COMPANY,  
27 REGARDLESS OF WHETHER THE VOTE IS OTHERWISE DISCLOSED; AND

28           (II) ALL VOTES CAST BY AN AFFILIATE OF THE ELECTRIC  
29 COMPANY IF THE ELECTRIC COMPANY ITSELF DOES NOT VOTE ON THE MATTER; AND

30           ~~(III) A BRIEF DESCRIPTION EXPLAINING HOW EACH VOTE CAST~~  
31 ~~BY THE ELECTRIC COMPANY OR ITS AFFILIATE IS IN THE INTEREST OF THE PUBLIC.~~

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.