

# SENATE BILL 663

C5, M5

3lr1671  
CF HB 839

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By: **Senator Feldman**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 6, 2023

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

1 AN ACT concerning

2 **Investor-Owned Electric Companies – Clean Energy Homes Pilot Programs –**  
3 **Establishment**  
4 **(Maryland Resilient and Clean Energy Homes Act)**

5 FOR the purpose of requiring each investor-owned electric company, on or before a certain  
6 date, to file with the Public Service Commission an application for a pilot program  
7 to support residential customer adoption of beneficial electrification measures;  
8 requiring the pilot program to include a certain make-ready program, a certain  
9 rebate program for on-site clean energy systems ~~and clean energy generators~~, a  
10 certain multifamily housing facilities clean energy incentive program, and a certain  
11 load management and electric grid support services program; requiring the  
12 Commission to convene a certain workgroup related to the design and development  
13 of a multifamily housing facilities clean energy incentive program; providing that  
14 certain electricity produced from an on-site clean energy facility shall be counted as  
15 annual incremental gross energy savings for a certain purpose under certain  
16 circumstances; ~~requiring~~ authorizing an electric company to authorize the  
17 installation of certain technology under certain circumstances; and generally  
18 relating to Clean Energy Homes Pilot Programs.

19 BY adding to

20 Article – Public Utilities

21 Section 7-901 through 7-913 to be under the new subtitle “Subtitle 9. Clean Energy  
22 Homes Pilot Programs”

23 Annotated Code of Maryland

24 (2020 Replacement Volume and 2022 Supplement)

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

3 Article – Public Utilities

4 SUBTITLE 9. CLEAN ENERGY HOMES PILOT PROGRAMS.

5 7–901.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (B) “BATTERY STORAGE DEVICE” MEANS ANY COMMERCIALY AVAILABLE  
9 BATTERY TECHNOLOGY THAT:

10 (1) IS LOCATED ON THE CUSTOMER’S PREMISES;

11 (2) CAPTURES ELECTRICITY PRODUCED BY AN ON–SITE CLEAN  
12 ENERGY GENERATOR DURING ONE PERIOD OF TIME, STORES THAT ENERGY FOR A  
13 PERIOD OF TIME, AND DISCHARGES THAT ENERGY AS ELECTRICITY AT A FUTURE  
14 TIME; AND

15 (3) IS PRIMARILY CHARGED BY AN ON–SITE CLEAN ENERGY  
16 GENERATOR.

17 (C) “BENEFICIAL ELECTRIFICATION MEASURE” MEANS THE REPLACEMENT  
18 OF DIRECT FOSSIL FUEL USE WITH ELECTRICITY IN A WAY THAT EITHER REDUCES  
19 OVERALL LIFETIME EMISSIONS OR ENERGY COSTS.

20 (D) “DISTRIBUTED ENERGY RESOURCE” MEANS AN ENERGY RESOURCE  
21 LOCATED ON A CUSTOMER’S PREMISES THAT:

22 (1) PRODUCES OR STORES ELECTRICITY; ~~OR~~

23 (2) MODIFIES THE TIMING OR AMOUNT OF A CUSTOMER’S  
24 ELECTRICAL CONSUMPTION; OR

25 (3) IS ENABLED TO RESPOND TO A REMOTE COMMUNICATION SIGNAL  
26 TO MODIFY THE TIMING OR AMOUNT OF ELECTRICAL CONSUMPTION.

27 (E) “ELECTRIC GRID SUPPORT SERVICE” MEANS THE DISPATCH AND  
28 CONTROL OF A DISTRIBUTED ENERGY RESOURCE BY AN ELECTRIC COMPANY, OR AN  
29 AGGREGATOR OF DISTRIBUTED ENERGY RESOURCES WITH A CONTRACT TO  
30 PROVIDE SERVICES TO AN ELECTRIC COMPANY UNDER THIS SUBTITLE, TO PROVIDE

1 SERVICES THAT CONTRIBUTE TO THE EFFICIENT OR RELIABLE OPERATION OF THE  
2 ELECTRIC GRID, INCLUDING:

3 (1) FREQUENCY REGULATION;

4 ~~(2) VOLTAGE SUPPORT;~~

5 ~~(3) SPINNING RESERVES;~~

6 ~~(4)~~ (2) LOCAL OR SYSTEM PEAK DEMAND REDUCTION;

7 ~~(5)~~ (3) DEMAND RESPONSE; AND

8 ~~(6)~~ (4) THE AVOIDANCE OR DEFERRAL OF A TRANSMISSION OR  
9 DISTRIBUTION UPGRADE OR CAPACITY EXPANSION.

10 (F) "ELECTRIC GRID UPGRADE" MEANS THE INSTALLATION OF ANY  
11 EQUIPMENT LOCATED ON THE ELECTRIC COMPANY'S SIDE OF THE ELECTRIC METER  
12 THAT IS NECESSARY TO FACILITATE THE ANTICIPATED INCREASED LOAD OR  
13 DEMAND ASSOCIATED WITH A CUSTOMER'S PLANNED OR FORESEEABLE ADOPTION  
14 OF A BENEFICIAL ELECTRIFICATION MEASURE.

15 (G) "LOAD MANAGEMENT" MEANS A PROCESS BY WHICH AN ELECTRIC  
16 COMPANY OR AN AGGREGATOR OF DISTRIBUTED ENERGY RESOURCES WITH A  
17 CONTRACT TO PROVIDE SERVICES TO AN ELECTRIC COMPANY UNDER THIS  
18 SUBTITLE:

19 (1) LIMITS A CUSTOMER'S MAXIMUM DEMAND ON THE ELECTRIC GRID  
20 THROUGH DIRECT LOAD CONTROL; OR

21 (2) SHIFTS A CUSTOMER'S LOAD FROM A HIGHER USAGE PERIOD TO A  
22 LOWER USAGE PERIOD.

23 (H) "METER COLLAR ADAPTER" MEANS AN ELECTRIC METER SOCKET  
24 ADAPTER THAT:

25 ~~(1) ACCEPTS A WIRED CONNECTION DIRECTLY FROM A CUSTOMER'S~~  
26 ~~ON-SITE CLEAN ENERGY GENERATOR; AND~~

27 ~~(2)~~ IS INSTALLED BETWEEN THE ELECTRIC COMPANY'S METER AND  
28 THE METER SOCKET IN THE CUSTOMER'S ELECTRIC PANEL TO FACILITATE THE  
29 DEPLOYMENT AND INTERCONNECTION OF AN ON-SITE CLEAN ENERGY SYSTEM OR  
30 BATTERY STORAGE DEVICE TO ISOLATE A CUSTOMER'S ELECTRICAL LOAD AND  
31 ENABLE THE PROVISION OF BACKUP POWER.

1 (I) "ON-SITE CLEAN ENERGY GENERATOR" MEANS AN ONSITE RENEWABLE  
2 ENERGY GENERATOR THAT:

3 (1) IS LOCATED ON THE CUSTOMER'S SIDE OF THE ELECTRIC  
4 COMPANY'S METER; AND

5 (2) PRODUCES ELECTRICITY FROM A TIER 1 RENEWABLE SOURCE AS  
6 DEFINED IN § 7-701 OF THIS TITLE.

7 (J) "ON-SITE CLEAN ENERGY SYSTEM" MEANS THE COMBINATION OF AN  
8 ON-SITE CLEAN ENERGY GENERATOR AND A BATTERY STORAGE DEVICE THAT HAS  
9 ADVANCED CAPABILITIES TO PROVIDE ONE OR MORE ELECTRIC GRID SUPPORT  
10 SERVICES.

11 (K) "QUALIFYING ~~LOW-INCOME~~ LOW- TO MODERATE-INCOME CUSTOMER"  
12 MEANS A CUSTOMER:

13 (1) WHOSE GROSS ANNUAL INCOME IS AT OR BELOW 80% OF THE  
14 AREA MEDIAN INCOME; OR

15 (2) WHO IS CERTIFIED AS ELIGIBLE FOR ANY FEDERAL, STATE, OR  
16 LOCAL ASSISTANCE PROGRAM THAT LIMITS PARTICIPATION TO HOUSEHOLDS  
17 WHOSE INCOME IS AT OR BELOW 80% OF THE AREA MEDIAN INCOME.

18 (L) "QUALIFYING MULTIFAMILY DWELLING" MEANS:

19 (1) A MULTIFAMILY DWELLING, AS DEFINED IN § 12-203 OF THE  
20 PUBLIC SAFETY ARTICLE, FOR WHICH AT LEAST 50% OF THE TENANT HOUSEHOLDS  
21 ARE QUALIFYING ~~LOW-INCOME~~ LOW- TO MODERATE-INCOME CUSTOMERS;

22 (2) A MULTIFAMILY RESIDENTIAL RENTAL BUILDING THAT  
23 PARTICIPATES IN A HOUSING ASSISTANCE PROGRAM ESTABLISHED UNDER:

24 (I) § 41411(A) OF THE FEDERAL VIOLENCE AGAINST WOMEN  
25 ACT OF 1994;

26 (II) THE FEDERAL HOUSING ACT OF 1949; OR

27 (III) THE FEDERAL NATIVE AMERICAN HOUSING ASSISTANCE  
28 AND SELF-DETERMINATION ACT OF 1996; OR

1           **(3) A MULTIFAMILY RESIDENTIAL RENTAL BUILDING THAT**  
2 **PARTICIPATES IN ANY OTHER AFFORDABLE HOUSING PROGRAM ESTABLISHED BY**  
3 **THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.**

4           **(M) “SMART INVERTER” MEANS AN INVERTER THAT MEETS THE SAFETY**  
5 **STANDARDS IN UL 1741 SB.**

6           **(N) “SMART MAIN ELECTRICAL PANEL” MEANS AN ELECTRIC DEVICE THAT:**

7                   **(1) MEETS THE SAFETY STANDARDS IN UL 67 AND UL 916;**

8                   **(2) RECEIVES INCOMING POWER FROM THE ELECTRIC GRID;**

9                   **(3) DISTRIBUTES POWER TO EACH OF THE CIRCUITS IN A CUSTOMER’S**  
10 **RESIDENCE; AND**

11                   **(4) HAS THE CAPABILITY TO MONITOR, MANAGE, AND DIRECTLY**  
12 **CONTROL CIRCUITS OR DEVICES ON THE PREMISES, THROUGH:**

13                           **(I) REMOTE COMMUNICATIONS; OR**

14                           **(II) PROGRAMMING FOR AUTONOMOUS RESPONSE.**

15 **7-902.**

16           **(A) THIS SUBTITLE APPLIES ONLY TO INVESTOR-OWNED ELECTRIC**  
17 **COMPANIES.**

18           **(B) THIS SUBTITLE DOES NOT APPLY TO:**

19                   **(1) MUNICIPAL ELECTRIC COMPANIES; OR**

20                   **(2) ELECTRIC COOPERATIVES.**

21 **7-903.**

22           **THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

23                   **(1) WIDESPREAD BENEFICIAL ELECTRIFICATION WILL INCREASE**  
24 **DEMAND ON THE ELECTRIC SYSTEM AND COULD REQUIRE SIGNIFICANT UPGRADES**  
25 **TO THE ELECTRIC GRID IF CONSUMERS THAT ADOPT BENEFICIAL ELECTRIFICATION**  
26 **MEASURES DO NOT PARTICIPATE IN LOAD MANAGEMENT PROGRAMS DESIGNED TO**  
27 **MITIGATE THE NEED FOR DISTRIBUTION SYSTEM UPGRADES OR PEAK-TIME**  
28 **GENERATION EMISSIONS;**

1           **(2) PAIRING THE ADOPTION OF ON-SITE CLEAN ENERGY SYSTEMS**  
 2 **WITH ELECTRIFICATION MEASURES CAN FURTHER REDUCE THE STATE'S**  
 3 **CONTRIBUTION TO GREENHOUSE GAS EMISSIONS, PROVIDE ON-SITE RESILIENCE TO**  
 4 **CONSUMERS, AND FACILITATE LOAD FLEXIBILITY TO MITIGATE IMPACTS ON THE**  
 5 **ELECTRIC GRID FROM LOAD GROWTH DUE TO INCREASED ELECTRIFICATION; AND**

6           **(3) IT IS REASONABLE TO PROVIDE ADDITIONAL INCENTIVES TO**  
 7 **LOW-INCOME HOUSEHOLDS TO ENSURE ACCESS TO THE BENEFITS OF**  
 8 **ELECTRIFICATION AND ON-SITE CLEAN ENERGY SYSTEMS.**

9 **7-904.**

10           **(A) (1) ON OR BEFORE JANUARY 1, ~~2024~~ 2025, EACH ELECTRIC COMPANY**  
 11 **SHALL FILE WITH THE COMMISSION AN APPLICATION FOR APPROVAL OF A PILOT**  
 12 **PROGRAM TO SUPPORT RESIDENTIAL CUSTOMER ADOPTION OF BENEFICIAL**  
 13 **ELECTRIFICATION MEASURES.**

14           **(2) EACH PILOT PROGRAM SHALL:**

15                   **(I) LAST FOR 3 YEARS;**

16                   **(II) INCLUDE:**

17                           1. **A MAKE-READY PROGRAM UNDER § 7-905 OF THIS**  
 18 **SUBTITLE;**

19                           2. **AN ON-SITE CLEAN ENERGY SYSTEMS ~~AND ON-SITE~~**  
 20 **~~CLEAN ENERGY GENERATOR~~ REBATE PROGRAM UNDER § 7-906 OF THIS SUBTITLE;**

21                           3. **A MULTIFAMILY HOUSING FACILITIES CLEAN ENERGY**  
 22 **INCENTIVE PROGRAM UNDER § 7-907 OF THIS SUBTITLE; AND**

23                           4. **A LOAD MANAGEMENT AND ELECTRIC GRID SUPPORT**  
 24 **SERVICES PROGRAM UNDER § 7-908 OF THIS SUBTITLE; ~~AND~~**

25                           **(III) BE MADE AVAILABLE TO CUSTOMERS ON OR BEFORE**  
 26 **AUGUST 1, ~~2024~~ 2025;**

27                           **(IV) INCLUDE A REASONABLE ESTIMATE OF THE COSTS AND**  
 28 **COST RECOVERY MECHANISMS THE ELECTRIC COMPANY WILL USE TO MONITOR AND**  
 29 **ADMINISTER THE LOAD MANAGEMENT AND ELECTRIC GRID SUPPORT SERVICES**  
 30 **PROGRAM UNDER § 7-908 OF THIS SUBTITLE; AND**

1           **(V) IDENTIFY IN THE PILOT PROGRAM APPLICATION ANY**  
2 **RELATED OR PREEXISTING PROGRAMS OFFERED BY THE ELECTRIC COMPANY THAT**  
3 **WILL BE OFFERED FOR A DURATION AND IN A MANNER THAT WILL PARTIALLY OR**  
4 **COMPLETELY SATISFY ANY OF THE REQUIREMENTS OF THIS SUBTITLE.**

5           **(B) WITHIN ~~90~~ 180 DAYS AFTER RECEIVING AN APPLICATION FOR**  
6 **APPROVAL OF A PILOT PROGRAM UNDER THIS SECTION AND AFTER GIVING NOTICE**  
7 **AND OPPORTUNITY FOR PUBLIC COMMENT, THE COMMISSION SHALL ISSUE AN**  
8 **ORDER APPROVING, MODIFYING, OR DENYING THE APPLICATION.**

9           **(C) IN DETERMINING WHETHER A PILOT PROGRAM SUPPORTS RESIDENTIAL**  
10 **ADOPTION AND INTEGRATION OF BENEFICIAL ELECTRIFICATION MEASURES, THE**  
11 **COMMISSION MAY CONSIDER:**

12                   **(1) THE COST-EFFECTIVENESS OF THE PROGRAM;**

13                   **(2) THE IMPACT ON RATES;**

14                   **(3) THE IMPACT ON THE ENVIRONMENT;**

15                   **(4) THE IMPACT ON THE GREENHOUSE GAS EMISSIONS REDUCTIONS**  
16 **TARGETS SPECIFIED IN §§ 2-1201 AND 2-1204.1 OF THE ENVIRONMENT ARTICLE;**  
17 **AND**

18                   **(5) ANY OTHER MATTERS THE COMMISSION CONSIDERS NECESSARY.**

19 **7-905.**

20           **(A) EACH ELECTRIC COMPANY SHALL ESTABLISH A MAKE-READY PROGRAM**  
21 **TO PROVIDE GRANTS OR REBATES TO RESIDENTIAL CUSTOMERS OR CONTRACTORS**  
22 **TO OFFSET THE REASONABLE COSTS OF PURCHASING AND INSTALLING**  
23 **BEHIND-THE-METER EQUIPMENT, SUCH AS A MAIN PANEL UPGRADE, THAT IS**  
24 **NECESSARY TO FACILITATE INSTALLATION OF A BENEFICIAL ELECTRIFICATION**  
25 **MEASURE OR ON-SITE CLEAN ENERGY SYSTEM.**

26           **(B) THE CALCULATION OF A GRANT OR REBATE UNDER THIS SECTION:**

27                   **(1) SHALL TAKE INTO ACCOUNT THE AMOUNT OF ANY AVAILABLE**  
28 **STATE OR FEDERAL INCENTIVES; AND**

29                   **(2) MAY NOT INCLUDE THE COST OF INTERCONNECTION FACILITIES**  
30 **TO ACCOMMODATE INTERCONNECTION OF AN ON-SITE CLEAN ENERGY GENERATOR**  
31 **OR AN ON-SITE CLEAN ENERGY SYSTEM TO THE ELECTRIC GRID.**

~~(C) CUSTOMERS RECEIVING A GRANT OR REBATE UNDER THE MAKE-READY PROGRAM SHALL BE REQUIRED TO ENROLL IN AN ELECTRIC COMPANY'S LOAD MANAGEMENT AND ELECTRIC GRID SUPPORT SERVICES PROGRAM UNDER § 7-908 OF THIS SUBTITLE FOR A MINIMUM OF 2 YEARS.~~

~~(D)~~ (C) AN ELECTRIC COMPANY MAY PROVIDE ADDITIONAL REBATES OR INCENTIVES FOR THE INSTALLATION OF A SMART MAIN ELECTRIC PANEL IF BENEFICIAL ELECTRIFICATION MEASURES OR AN ON-SITE CLEAN ENERGY SYSTEM IS INSTALLED CONTEMPORANEOUSLY WITH THE SMART MAIN ELECTRIC PANEL.

~~(E)~~ (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A GRANT OR REBATE UNDER THE MAKE-READY PROGRAM MAY NOT EXCEED \$3,000 PER CUSTOMER RESIDENCE FOR EQUIPMENT AND INSTALLATION COSTS ASSOCIATED WITH THE EQUIPMENT LOCATED ON THE CUSTOMER'S SIDE OF THE METER.

(2) THE COMMISSION SHALL ESTABLISH A HIGHER PER RESIDENCE MAKE-READY GRANT OR REBATE LIMIT FOR QUALIFYING ~~LOW-INCOME~~ LOW- TO MODERATE-INCOME CUSTOMERS THAT MAY NOT EXCEED \$6,000 PER CUSTOMER RESIDENCE.

(3) THE PER-CUSTOMER CAP ON MAKE-READY GRANTS OR REBATES TO FACILITATE THE INSTALLATION OF A BENEFICIAL ELECTRIFICATION MEASURE OR ON-SITE CLEAN ENERGY SYSTEM DOES NOT PRECLUDE A CUSTOMER FROM RECEIVING AN ADDITIONAL GRANT OR REBATE UNDER THIS SUBTITLE FOR AN ON-SITE CLEAN ENERGY SYSTEM.

~~(F) (1) A CUSTOMER THAT ADOPTS A BENEFICIAL ELECTRIFICATION MEASURE THAT CAUSES AN INCREMENTAL INCREASE IN LOAD OR DEMAND MAY ONLY BE CHARGED FOR THE COST OF A NECESSARY ELECTRIC GRID UPGRADE IF THE CUSTOMER REFUSES AN ALTERNATIVE TECHNOLOGICAL SOLUTION IDENTIFIED BY THE ELECTRIC COMPANY THAT WILL AVOID THE NEED FOR ELECTRIC SERVICE CAPACITY INCREASES.~~

~~(2) AN ALTERNATIVE TECHNICAL SOLUTION UNDER THIS SUBSECTION MAY INCLUDE THE USE OF A SMART MAIN ELECTRICAL PANEL OR SMART INVERTERS CAPABLE OF AUTONOMOUS FUNCTION TO AVOID EXCEEDING THE MAXIMUM RATED LOADING FOR AFFECTED ELECTRIC GRID COMPONENTS.~~

~~(G) GRANTS MADE UNDER A MAKE-READY PROGRAM SHALL INCLUDE THE COSTS OF PROGRAMMING AND CONFIGURING ALTERNATIVE SOLUTIONS TO ELECTRIC GRID UPGRADES MADE IN ACCORDANCE WITH SUBSECTION (F) OF THIS SECTION.~~

## 1 7-906.

2 (A) EACH ELECTRIC COMPANY SHALL ESTABLISH A PROGRAM FOR  
3 UPFRONT REBATES FOR ON-SITE CLEAN ENERGY SYSTEMS ~~AND ON-SITE CLEAN~~  
4 ~~ENERGY GENERATORS~~ INSTALLED IN ASSOCIATION WITH BENEFICIAL  
5 ELECTRIFICATION MEASURES.

6 (B) REBATES OFFERED UNDER THIS SECTION SHALL BE OFFERED ON A  
7 FIRST-COME, FIRST-SERVED BASIS, SUBJECT TO THE ANNUAL BUDGET LIMITS  
8 ESTABLISHED IN § 7-911 OF THIS SUBTITLE.

9 ~~(C) (1) A CUSTOMER MAY RECEIVE A REBATE UNDER THIS SECTION ONLY~~  
10 ~~IF THE CUSTOMER ENROLLS IN THE ELECTRIC COMPANY'S LOAD MANAGEMENT AND~~  
11 ~~ELECTRIC GRID SUPPORT SERVICES PROGRAM ESTABLISHED UNDER § 7-908 OF~~  
12 ~~THIS SUBTITLE FOR A PERIOD THE COMMISSION DETERMINES TO BE REASONABLE~~  
13 ~~FOR A GIVEN TECHNOLOGY, NOT TO EXCEED 10 YEARS.~~

14 ~~(2) A CUSTOMER THAT ENROLLS IN A LOAD MANAGEMENT PROGRAM~~  
15 ~~AS A PREREQUISITE TO RECEIVING A REBATE UNDER THIS SECTION MAY NOT BE~~  
16 ~~REQUIRED TO COMMIT MORE THAN 50% OF THE USABLE CAPACITY OF THE~~  
17 ~~CUSTOMER'S BATTERY STORAGE DEVICE FOR USE BY THE ELECTRIC COMPANY~~  
18 ~~UNDER THE LOAD MANAGEMENT AND ELECTRIC GRID SUPPORT SERVICES~~  
19 ~~PROGRAM.~~

20 ~~(D) (C)~~ (C) AT LEAST 25% OF THE ANNUAL CUSTOMER-INCENTIVE LIMIT  
21 UNDER § 7-911 OF THIS SUBTITLE SHALL BE RESERVED TO SUPPORT THE  
22 INSTALLATION AND USE OF BATTERY STORAGE DEVICES THAT ARE PART OF AN  
23 ON-SITE CLEAN ENERGY SYSTEM AT A CUSTOMER'S RESIDENCE.

24 ~~(E) (D)~~ (1) UPFRONT REBATES TO SUPPORT INSTALLATION OF  
25 BATTERY STORAGE DEVICES SHALL INITIALLY BE ESTABLISHED AT \$185 PER  
26 KILOWATT-HOUR OF USABLE CAPACITY OR ANOTHER AMOUNT AS SET BY THE  
27 COMMISSION, UP TO A LIMIT OF \$5,000 PER CUSTOMER PREMISES.

28 (2) ONCE EACH YEAR, THE COMMISSION MAY INCREASE THE AMOUNT  
29 AND LIMIT OF UPFRONT REBATES UNDER THIS SECTION BASED ON MARKET TRENDS  
30 AND PROGRAM PARTICIPATION.

## 31 7-907.

32 (A) ON OR BEFORE NOVEMBER 1, 2023, THE COMMISSION SHALL CONVENE  
33 A WORKGROUP TO FACILITATE PUBLIC INPUT ON THE DESIGN AND DEVELOPMENT  
34 OF INCENTIVE PROGRAMS FOR QUALIFYING MULTIFAMILY DWELLINGS TO  
35 ENCOURAGE THE DEVELOPMENT OF DISTRIBUTED ENERGY RESOURCES AT

1 QUALIFYING MULTIFAMILY DWELLINGS AND CREATE ON-SITE RESILIENCE AND  
2 OPPORTUNITIES FOR RESIDENTS TO ACHIEVE BILL SAVINGS.

3 (B) EACH ELECTRIC COMPANY PROGRAM FOR QUALIFYING MULTIFAMILY  
4 DWELLINGS DEVELOPED UNDER THIS SECTION SHALL:

5 (1) PROVIDE ~~AT LEAST 25%~~ ELECTRIC BILL SAVINGS, ~~ON AVERAGE,~~  
6 OF, ON AVERAGE, AT LEAST 25% OR ANOTHER AMOUNT AS SET BY THE COMMISSION  
7 TO PARTICIPATING QUALIFYING ~~LOW-INCOME~~ LOW- TO MODERATE-INCOME  
8 CUSTOMERS WHO ARE TENANTS OF A QUALIFYING MULTIFAMILY DWELLING; AND

9 (2) BE CONFIGURED TO PROVIDE EMERGENCY BACKUP POWER TO  
10 COMMON AREAS OF A QUALIFYING MULTIFAMILY DWELLING DURING AN  
11 ELECTRICAL OUTAGE EVENT.

12 (C) INCENTIVES OFFERED IN ACCORDANCE WITH THIS SECTION MAY NOT  
13 EXCEED 15% OF THE ANNUAL LIMIT ON CUSTOMER INCENTIVES UNDER § 7-911 OF  
14 THIS SUBTITLE.

15 7-908.

16 (A) EACH ELECTRIC COMPANY SHALL MAKE AVAILABLE TO ALL  
17 CUSTOMERS PARTICIPATING IN THE PILOT PROGRAM A LOAD MANAGEMENT AND  
18 ELECTRIC GRID SUPPORT SERVICES PROGRAM THAT ~~MANAGES CUSTOMER LOAD~~  
19 ~~AND USES~~ COMPENSATES CUSTOMERS FOR MANAGING ON-SITE LOAD AND USING  
20 DISTRIBUTED ENERGY RESOURCES TO PREVENT DISTRIBUTION SYSTEM UPGRADES  
21 AND REDUCE WEAR AND TEAR ON THE SYSTEM.

22 (B) EACH ELECTRIC COMPANY ~~SHALL:~~

23 ~~(1) DEVELOP A STANDARDIZED PARTICIPATION AGREEMENT; AND~~

24 ~~(2) PROVIDE COMPENSATION FOR SERVICES PROVIDED BY A~~  
25 ~~CUSTOMER'S DISTRIBUTED ENERGY RESOURCES INDIVIDUALLY OR THROUGH~~  
26 ~~THIRD PARTY AGGREGATION~~ MAY IMPLEMENT PROGRAMS TO EVALUATE AND  
27 INTEGRATE ALTERNATIVE TECHNICAL SOLUTIONS TO ELECTRIC GRID UPGRADES,  
28 INCLUDING SMART INVERTERS AND SMART PANELS.

29 (C) CUSTOMERS RECEIVING A GRANT OR REBATE UNDER THIS SUBTITLE  
30 SHALL BE REQUIRED TO ENROLL IN AN ELECTRIC COMPANY'S LOAD-BEARING AND  
31 ELECTRIC GRID SUPPORT SERVICES PROGRAM UNDER THIS SECTION FOR A PERIOD  
32 OF AT LEAST 4 YEARS.

33 7-909.

1 THE AMOUNT OF ANNUAL KILOWATT-HOUR PRODUCTION FROM AN ONSITE  
 2 CLEAN ENERGY SYSTEM PARTICIPATING IN A LOAD MANAGEMENT AND ELECTRIC  
 3 GRID SUPPORT SERVICES PROGRAM UNDER ~~§§ 7-906 AND § 7-908~~ OF THIS SUBTITLE  
 4 SHALL BE COUNTED AS ANNUAL INCREMENTAL GROSS ENERGY SAVINGS FOR  
 5 PURPOSES OF § 7-211(G)(2)(I) OF THIS TITLE.

6 7-910.

7 (A) ~~ON OR BEFORE JANUARY 1, 2024, EACH~~ TO ASSIST WITH  
 8 IMPLEMENTING THE PILOT PROGRAMS UNDER THIS SUBTITLE, ON OR BEFORE  
 9 SEPTEMBER 1, 2024, AN ELECTRIC COMPANY ~~SHALL~~ MAY AUTHORIZE THE  
 10 INSTALLATION AND OPERATION OF A METER COLLAR ADAPTER ~~FOR DISTRIBUTED~~  
 11 ~~ENERGY RESOURCES~~, WHETHER OWNED BY A RESIDENTIAL CUSTOMER, AN  
 12 ELECTRIC COMPANY, OR BY A THIRD PARTY, IF:

13 (1) THE INSTALLER IS APPROVED BY THE ELECTRIC COMPANY; AND

14 (2) THE METER COLLAR ADAPTER:

15 ~~(1)~~ (I) IS QUALIFIED TO BE CONNECTED TO THE SUPPLY SIDE OF  
 16 THE SERVICE DISCONNECT IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE  
 17 NATIONAL ELECTRICAL CODE;

18 ~~(2)~~ (II) IS APPROVED OR LISTED BY A NATIONALLY RECOGNIZED  
 19 TESTING LABORATORY AND IS SUITABLE, ACCORDING TO THE DEVICE'S APPROVAL  
 20 OR LISTING DOCUMENTATION, FOR USE IN METER SOCKETS THAT ARE RATED UP TO  
 21 200 AMPERES;

22 ~~(3)~~ (III) IS CERTIFIED TO MEET ALL APPLICABLE STANDARDS, AS  
 23 DETERMINED BY A NATIONALLY RECOGNIZED TESTING LABORATORY; ~~AND~~

24 ~~(4)~~ (IV) DOES NOT IMPEDE ACCESS TO THE SEALED METER SOCKET  
 25 COMPARTMENT OR THE PULL SECTION OF THE SERVICE SECTION OF THE ELECTRIC  
 26 METER OR SWITCHBOARD, AS APPLICABLE; AND

27 (V) IS EQUIPPED WITH AN INTERLOCKING DEVICE THAT IS  
 28 APPROVED BY THE ELECTRIC COMPANY, TO PREVENT BACKFEED ONTO THE GRID.

29 (B) ON OR BEFORE ~~APRIL~~ SEPTEMBER 1, 2024, EACH ELECTRIC COMPANY  
 30 SHALL MODIFY ITS ELECTRICITY SERVICE ~~REQUIREMENTS~~ TARIFFS AS NECESSARY  
 31 TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION.

32 (C) (1) EACH ELECTRIC COMPANY SHALL:

1           ~~(1)~~ (I) TEST METER COLLAR ADAPTERS FROM MULTIPLE ONE OR  
2 MORE MANUFACTURERS TO DETERMINE WHICH METER COLLAR ADAPTERS ARE  
3 APPROPRIATE FOR THE ELECTRIC COMPANY TO USE;

4           ~~(2)~~ (II) APPROVE SUBJECT TO PARAGRAPH (2) OF THIS  
5 SUBSECTION, PERIODICALLY APPROVE OR DISAPPROVE A METER COLLAR ADAPTER  
6 FOR INSTALLATION IN THE SERVICE TERRITORY OF THE ELECTRIC COMPANY NOT  
7 LATER THAN 180 DAYS AFTER THE ELECTRIC COMPANY RECEIVES A  
8 MANUFACTURER'S METER COLLAR ADAPTER; AND

9           ~~(3)~~ (III) PROVIDE PUBLIC NOTICE OF ALL DECISIONS REGARDING  
10 THE APPROVAL OR DISAPPROVAL OF A METER COLLAR ADAPTER, INCLUDING BY  
11 POSTING THE INFORMATION ON THE WEBSITE OF THE ELECTRIC COMPANY.

12           (2) AN ELECTRIC COMPANY MAY NOT BE REQUIRED TO APPROVE OR  
13 DISAPPROVE A METER COLLAR ADAPTER FOR USE MORE THAN ONCE EVERY 3  
14 YEARS.

15           (D) AN ELECTRIC COMPANY MAY DEFER, FOR FULL AND TIMELY RECOVERY,  
16 ALL COSTS ASSOCIATED WITH THE REVIEW OF A METER COLLAR ADAPTER DEVICE,  
17 EMPLOYEE SAFETY TRAINING, AND ANY OTHER COSTS ASSOCIATED WITH  
18 COMPLYING WITH THIS SECTION.

19           (E) (1) AN ELECTRIC COMPANY MAY NOT BE HELD LIABLE FOR DAMAGE  
20 TO A PERSON OR PROPERTY THAT IS ATTRIBUTABLE TO A METER COLLAR ADAPTER.

21           (2) THE OWNER OF A METER COLLAR ADAPTER IS RESPONSIBLE FOR  
22 THE COSTS OF REPAIRING ANY DAMAGE TO PROPERTY OWNED BY AN ELECTRIC  
23 COMPANY THAT IS ATTRIBUTABLE TO THE INSTALLATION OR USE OF A METER  
24 COLLAR ADAPTER.

25 7-911.

26           (A) (1) INCENTIVES, GRANTS, OR REBATES AND ASSOCIATED PROGRAM  
27 ADMINISTRATIVE COSTS OFFERED UNDER PROGRAMS DESCRIBED IN §§ 7-905,  
28 7-906, AND 7-907 OF THIS SUBTITLE DURING ANY CALENDAR YEAR MAY NOT  
29 EXCEED 1% OF AN ELECTRIC COMPANY'S APPROVED TOTAL REVENUE  
30 REQUIREMENT OR \$15,000,000, WHICHEVER IS LESS.

31           (2) THE COST OF ELECTRIC GRID UPGRADES NECESSARY TO  
32 ACCOMMODATE CUSTOMER ADOPTION OF ELECTRIFICATION MEASURES MAY NOT  
33 BE CONSIDERED A DIRECT INCENTIVE OR PAYMENT TO THE CUSTOMER AND SHALL  
34 BE EXCLUDED FROM THE ANNUAL BUDGET LIMITATION.

1 (B) (1) ON PETITIONING THE COMMISSION, AN ELECTRIC COMPANY MAY  
2 REQUEST TO EXCEED THE ANNUAL BUDGET LIMITATION IN A GIVEN CALENDAR YEAR  
3 FOR ANY SINGLE INCENTIVE OR COMBINATION OF INCENTIVES THAT WERE  
4 APPROVED AS PART OF THE PILOT PROGRAM APPLICATION UNDER § 7-904 OF THIS  
5 SUBTITLE.

6 (2) THE COMMISSION SHALL APPROVE, DENY, OR MODIFY A REQUEST  
7 TO EXCEED THE 1% OF REVENUE REQUIREMENT PROGRAM LIMITATION FOR A  
8 PROGRAM WITHIN ~~30~~ 60 CALENDAR DAYS OF THE FILING OF THE PETITION.

9 7-912.

10 AN ELECTRIC COMPANY:

11 (1) MAY RECOVER ALL REASONABLE COSTS ASSOCIATED WITH  
12 PROGRAMS REQUIRED UNDER THIS SUBTITLE;

13 (2) MAY USE A REGULATORY ASSET FOR ALL PROGRAM CAPITAL  
14 COSTS INCURRED UNDER THIS SUBTITLE AT THE APPROVED WEIGHTED AVERAGE  
15 COST OF CAPITAL; AND

16 (3) MAY PROPOSE A PERFORMANCE INCENTIVE IN A MULTIYEAR RATE  
17 PLAN TO INCLUDE RECOVERY OF UP TO 30% OF SHARED SAVINGS IF THE USE OF  
18 DISTRIBUTED ENERGY RESOURCES OR LOAD MANAGEMENT UNDER THIS SUBTITLE  
19 DEFERS OR AVOIDS DISTRIBUTION UPGRADES THAT THE ELECTRIC COMPANY  
20 WOULD HAVE OTHERWISE CONSTRUCTED AND INCLUDED IN ITS RATE BASE; ~~AND~~

21 ~~(4) MAY TRACK AND INCLUDE IN ITS RATE BASE THE REASONABLE  
22 COST OF ELECTRIC GRID UPGRADES NECESSITATED BY A CUSTOMER'S ADOPTION OF  
23 BENEFICIAL ELECTRIFICATION MEASURES, INCLUDING ELECTRIC GRID UPGRADES  
24 RELATED TO INTERCONNECTION OF A DISTRIBUTED ENERGY RESOURCE UNDER  
25 COMAR 20.50.09, IF THE ELECTRIC COMPANY DEMONSTRATES THAT IT USES A  
26 PROCESS FOR CONSIDERING COST-EFFECTIVE AND FEASIBLE ALTERNATIVE  
27 TECHNOLOGICAL SOLUTIONS TO ELECTRIC GRID UPGRADES IN THE REGULAR  
28 COURSE OF EVALUATION.~~

29 7-913.

30 AFTER JANUARY 1, ~~2026~~ 2027, THE COMMISSION MAY EXTEND AND MAKE  
31 PERMANENT A PILOT PROGRAM ESTABLISHED UNDER THIS SUBTITLE BY PETITION  
32 OF AN ELECTRIC COMPANY OR BY THE COMMISSION'S OWN MOTION PROVIDED  
33 NOTHING IN THIS SUBTITLE PREVENTS AN ELECTRIC COMPANY AT ANY TIME FROM

1 PROPOSING REVISIONS TO SERVICE RULES ESTABLISHING A PERMANENT POLICY  
2 REGARDING MAKE-READY CREDITS AND RESIDENTIAL ELECTRIC GRID UPGRADES.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2023.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.