

SENATE BILL 663

C5, M5

3lr1671
CF HB 839

By: **Senator Feldman**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

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 an electric company to authorize the installation of certain
17 technology under certain circumstances; and generally relating to Clean Energy
18 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)

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

27 **Article – Public Utilities**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SUBTITLE 9. CLEAN ENERGY HOMES PILOT PROGRAMS.**

2 **7-901.**

3 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
4 **INDICATED.**

5 **(B) “BATTERY STORAGE DEVICE” MEANS ANY COMMERCIALY AVAILABLE**
6 **BATTERY TECHNOLOGY THAT:**

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

8 **(2) CAPTURES ELECTRICITY PRODUCED BY AN ON-SITE CLEAN**
9 **ENERGY GENERATOR DURING ONE PERIOD OF TIME, STORES THAT ENERGY FOR A**
10 **PERIOD OF TIME, AND DISCHARGES THAT ENERGY AS ELECTRICITY AT A FUTURE**
11 **TIME; AND**

12 **(3) IS PRIMARILY CHARGED BY AN ON-SITE CLEAN ENERGY**
13 **GENERATOR.**

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

17 **(D) “DISTRIBUTED ENERGY RESOURCE” MEANS AN ENERGY RESOURCE**
18 **LOCATED ON A CUSTOMER’S PREMISES THAT:**

19 **(1) PRODUCES OR STORES ELECTRICITY; OR**

20 **(2) MODIFIES THE TIMING OR AMOUNT OF A CUSTOMER’S**
21 **ELECTRICAL CONSUMPTION.**

22 **(E) “ELECTRIC GRID SUPPORT SERVICE” MEANS THE DISPATCH AND**
23 **CONTROL OF A DISTRIBUTED ENERGY RESOURCE BY AN ELECTRIC COMPANY, OR AN**
24 **AGGREGATOR OF DISTRIBUTED ENERGY RESOURCES, TO PROVIDE SERVICES THAT**
25 **CONTRIBUTE TO THE EFFICIENT OR RELIABLE OPERATION OF THE ELECTRIC GRID,**
26 **INCLUDING:**

27 **(1) FREQUENCY REGULATION;**

28 **(2) VOLTAGE SUPPORT;**

29 **(3) SPINNING RESERVES;**

1 **(4) LOCAL OR SYSTEM PEAK DEMAND REDUCTION;**

2 **(5) DEMAND RESPONSE; AND**

3 **(6) THE AVOIDANCE OR DEFERRAL OF A TRANSMISSION OR**
4 **DISTRIBUTION UPGRADE OR CAPACITY EXPANSION.**

5 **(F) “ELECTRIC GRID UPGRADE” MEANS THE INSTALLATION OF ANY**
6 **EQUIPMENT LOCATED ON THE ELECTRIC COMPANY’S SIDE OF THE ELECTRIC METER**
7 **THAT IS NECESSARY TO FACILITATE THE ANTICIPATED INCREASED LOAD OR**
8 **DEMAND ASSOCIATED WITH A CUSTOMER’S PLANNED OR FORESEEABLE ADOPTION**
9 **OF A BENEFICIAL ELECTRIFICATION MEASURE.**

10 **(G) “LOAD MANAGEMENT” MEANS A PROCESS BY WHICH AN ELECTRIC**
11 **COMPANY:**

12 **(1) LIMITS A CUSTOMER’S MAXIMUM DEMAND ON THE ELECTRIC GRID**
13 **THROUGH DIRECT LOAD CONTROL; OR**

14 **(2) SHIFTS A CUSTOMER’S LOAD FROM A HIGHER USAGE PERIOD TO A**
15 **LOWER USAGE PERIOD.**

16 **(H) “METER COLLAR ADAPTER” MEANS AN ELECTRIC METER SOCKET**
17 **ADAPTER THAT:**

18 **(1) ACCEPTS A WIRED CONNECTION DIRECTLY FROM A CUSTOMER’S**
19 **ON-SITE CLEAN ENERGY GENERATOR; AND**

20 **(2) IS INSTALLED BETWEEN THE ELECTRIC COMPANY’S METER AND**
21 **THE METER SOCKET IN THE CUSTOMER’S ELECTRIC PANEL.**

22 **(I) “ON-SITE CLEAN ENERGY GENERATOR” MEANS AN ONSITE RENEWABLE**
23 **ENERGY GENERATOR THAT:**

24 **(1) IS LOCATED ON THE CUSTOMER’S SIDE OF THE ELECTRIC**
25 **COMPANY’S METER; AND**

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

28 **(J) “ON-SITE CLEAN ENERGY SYSTEM” MEANS THE COMBINATION OF AN**
29 **ON-SITE CLEAN ENERGY GENERATOR AND A BATTERY STORAGE DEVICE THAT HAS**

1 ADVANCED CAPABILITIES TO PROVIDE ONE OR MORE ELECTRIC GRID SUPPORT
2 SERVICES.

3 (K) "QUALIFYING LOW-INCOME CUSTOMER" MEANS A CUSTOMER:

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

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

9 (L) "QUALIFYING MULTIFAMILY DWELLING" MEANS:

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

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

15 (I) § 41411(A) OF THE FEDERAL VIOLENCE AGAINST WOMEN
16 ACT OF 1994;

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

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

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

23 (M) "SMART INVERTER" MEANS AN INVERTER THAT MEETS THE SAFETY
24 STANDARDS IN UL 1741 SB.

25 (N) "SMART MAIN ELECTRICAL PANEL" MEANS AN ELECTRIC DEVICE THAT:

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

27 (2) RECEIVES INCOMING POWER FROM THE ELECTRIC GRID;

1 **(3) DISTRIBUTES POWER TO EACH OF THE CIRCUITS IN A CUSTOMER'S**
2 **RESIDENCE; AND**

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

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

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

7 **7-902.**

8 **(A) THIS SUBTITLE APPLIES ONLY TO INVESTOR-OWNED ELECTRIC**
9 **COMPANIES.**

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

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

12 **(2) ELECTRIC COOPERATIVES.**

13 **7-903.**

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

15 **(1) WIDESPREAD BENEFICIAL ELECTRIFICATION WILL INCREASE**
16 **DEMAND ON THE ELECTRIC SYSTEM AND COULD REQUIRE SIGNIFICANT UPGRADES**
17 **TO THE ELECTRIC GRID IF CONSUMERS THAT ADOPT BENEFICIAL ELECTRIFICATION**
18 **MEASURES DO NOT PARTICIPATE IN LOAD MANAGEMENT PROGRAMS DESIGNED TO**
19 **MITIGATE THE NEED FOR DISTRIBUTION SYSTEM UPGRADES OR PEAK-TIME**
20 **GENERATION EMISSIONS;**

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

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

29 **7-904.**

1 **(A) (1) ON OR BEFORE JANUARY 1, 2024, EACH ELECTRIC COMPANY**
2 **SHALL FILE WITH THE COMMISSION AN APPLICATION FOR APPROVAL OF A PILOT**
3 **PROGRAM TO SUPPORT RESIDENTIAL CUSTOMER ADOPTION OF BENEFICIAL**
4 **ELECTRIFICATION MEASURES.**

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

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

7 **(II) INCLUDE:**

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

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

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

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

16 **(III) BE MADE AVAILABLE TO CUSTOMERS ON OR BEFORE**
17 **AUGUST 1, 2024.**

18 **(B) WITHIN 90 DAYS AFTER RECEIVING AN APPLICATION FOR APPROVAL OF**
19 **A PILOT PROGRAM UNDER THIS SECTION AND AFTER GIVING NOTICE AND**
20 **OPPORTUNITY FOR PUBLIC COMMENT, THE COMMISSION SHALL ISSUE AN ORDER**
21 **APPROVING, MODIFYING, OR DENYING THE APPLICATION.**

22 **7-905.**

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

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

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

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

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

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

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

19 **(2) THE COMMISSION SHALL ESTABLISH A HIGHER PER RESIDENCE**
20 **GRANT OR REBATE LIMIT FOR QUALIFYING LOW-INCOME CUSTOMERS THAT MAY**
21 **NOT EXCEED \$6,000 PER CUSTOMER RESIDENCE.**

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

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

32 **(G) GRANTS MADE UNDER A MAKE-READY PROGRAM SHALL INCLUDE THE**
33 **COSTS OF PROGRAMMING AND CONFIGURING ALTERNATIVE SOLUTIONS TO**
34 **ELECTRIC GRID UPGRADES MADE IN ACCORDANCE WITH SUBSECTION (F) OF THIS**
35 **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) AT LEAST 25% OF THE ANNUAL CUSTOMER-INCENTIVE LIMIT UNDER §
21 7-911 OF THIS SUBTITLE SHALL BE RESERVED TO SUPPORT THE INSTALLATION AND
22 USE OF BATTERY STORAGE DEVICES THAT ARE PART OF AN ON-SITE CLEAN ENERGY
23 SYSTEM AT A CUSTOMER'S RESIDENCE.

24 (E) (1) UPFRONT REBATES TO SUPPORT INSTALLATION OF BATTERY
25 STORAGE DEVICES SHALL INITIALLY BE ESTABLISHED AT \$185 PER
26 KILOWATT-HOUR OF USABLE CAPACITY, UP TO A LIMIT OF \$5,000 PER CUSTOMER
27 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

1 OF INCENTIVE PROGRAMS FOR QUALIFYING MULTIFAMILY DWELLINGS TO
2 ENCOURAGE THE DEVELOPMENT OF DISTRIBUTED ENERGY RESOURCES AT
3 QUALIFYING MULTIFAMILY DWELLINGS AND CREATE ON-SITE RESILIENCE AND
4 OPPORTUNITIES FOR RESIDENTS TO ACHIEVE BILL SAVINGS.

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

7 (1) PROVIDE AT LEAST 25% ELECTRIC BILL SAVINGS, ON AVERAGE,
8 TO PARTICIPATING QUALIFYING LOW-INCOME CUSTOMERS WHO ARE TENANTS OF A
9 QUALIFYING MULTIFAMILY DWELLING; AND

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

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

16 7-908.

17 (A) EACH ELECTRIC COMPANY SHALL MAKE AVAILABLE TO ALL
18 CUSTOMERS A LOAD MANAGEMENT AND ELECTRIC GRID SUPPORT SERVICES
19 PROGRAM THAT MANAGES CUSTOMER LOAD AND USES DISTRIBUTED ENERGY
20 RESOURCES TO PREVENT DISTRIBUTION SYSTEM UPGRADES AND REDUCE WEAR
21 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.

27 7-909.

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

1 **7-910.**

2 **ON OR BEFORE JANUARY 1, 2024, EACH ELECTRIC COMPANY SHALL**
3 **AUTHORIZE THE INSTALLATION OF A METER COLLAR ADAPTER FOR DISTRIBUTED**
4 **ENERGY RESOURCES, WHETHER OWNED BY A CUSTOMER OR BY A THIRD PARTY, IF**
5 **THE METER COLLAR ADAPTER:**

6 **(1) IS QUALIFIED TO BE CONNECTED TO THE SUPPLY SIDE OF THE**
7 **SERVICE DISCONNECT IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE**
8 **NATIONAL ELECTRICAL CODE;**

9 **(2) IS APPROVED OR LISTED BY A NATIONALLY RECOGNIZED TESTING**
10 **LABORATORY AND IS SUITABLE, ACCORDING TO THE DEVICE'S APPROVAL OR**
11 **LISTING DOCUMENTATION, FOR USE IN METER SOCKETS THAT ARE RATED UP TO 200**
12 **AMPERES;**

13 **(3) IS CERTIFIED TO MEET ALL APPLICABLE STANDARDS, AS**
14 **DETERMINED BY A NATIONALLY RECOGNIZED TESTING LABORATORY; AND**

15 **(4) DOES NOT IMPEDE ACCESS TO THE SEALED METER SOCKET**
16 **COMPARTMENT OR THE PULL SECTION OF THE SERVICE SECTION OF THE ELECTRIC**
17 **METER OR SWITCHBOARD, AS APPLICABLE.**

18 **7-911.**

19 **(A) (1) INCENTIVES, GRANTS, OR REBATES OFFERED UNDER PROGRAMS**
20 **DESCRIBED IN §§ 7-905, 7-906, AND 7-907 OF THIS SUBTITLE DURING ANY**
21 **CALENDAR YEAR MAY NOT EXCEED 1% OF AN ELECTRIC COMPANY'S APPROVED**
22 **TOTAL REVENUE REQUIREMENT OR \$15,000,000, WHICHEVER IS LESS.**

23 **(2) THE COST OF ELECTRIC GRID UPGRADES NECESSARY TO**
24 **ACCOMMODATE CUSTOMER ADOPTION OF ELECTRIFICATION MEASURES MAY NOT**
25 **BE CONSIDERED A DIRECT INCENTIVE OR PAYMENT TO THE CUSTOMER AND SHALL**
26 **BE EXCLUDED FROM THE ANNUAL BUDGET LIMITATION.**

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

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

4 **7-912.**

5 **AN ELECTRIC COMPANY:**

6 **(1) MAY RECOVER ALL REASONABLE COSTS ASSOCIATED WITH**
7 **PROGRAMS REQUIRED UNDER THIS SUBTITLE;**

8 **(2) MAY USE A REGULATORY ASSET FOR ALL PROGRAM CAPITAL**
9 **COSTS INCURRED UNDER THIS SUBTITLE AT THE APPROVED WEIGHTED AVERAGE**
10 **COST OF CAPITAL;**

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

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

24 **7-913.**

25 **AFTER JANUARY 1, 2026, THE COMMISSION MAY EXTEND AND MAKE**
26 **PERMANENT A PILOT PROGRAM ESTABLISHED UNDER THIS SUBTITLE BY PETITION**
27 **OF AN ELECTRIC COMPANY OR BY THE COMMISSION'S OWN MOTION PROVIDED**
28 **NOTHING IN THIS SUBTITLE PREVENTS AN ELECTRIC COMPANY AT ANY TIME FROM**
29 **PROPOSING REVISIONS TO SERVICE RULES ESTABLISHING A PERMANENT POLICY**
30 **REGARDING MAKE-READY CREDITS AND RESIDENTIAL ELECTRIC GRID UPGRADES.**

31 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
32 **October 1, 2023.**