#### SB0783/233123/1

#### BY: Economic Matters Committee

## AMENDMENTS TO SENATE BILL 783 (Third Reading File Bill)

#### AMENDMENT NO. 1

On page 1, strike in their entirety lines 2 through 4, inclusive, and substitute "Public Utilities - Solar Energy Systems and Programs, Maryland Strategic Energy Investment Fund, and Prevailing Wage"; in line 8, after "circumstances;" insert "requiring a county or municipality to implement certain software for features supporting the tracking and approval of residential building permits for certain residential solar energy projects, residential energy storage projects, and main electric panel alterations by a certain date except under certain circumstances; requiring the Maryland Energy Administration to delay the implementation of or suspend a certain requirement under certain circumstances;"; strike beginning with "unless" in line 22 down through "agreement" in line 23 and substitute "; establishing the Customer-Sited Solar Program within the Maryland Energy Administration for the purpose of providing grants to certain eligible customer-generators for certain solar energy generating systems; authorizing a third party to apply for a grant on behalf of an eligible customergenerator under certain circumstances; requiring the Administration to publish certain information regarding the Program; requiring the Administration to develop a certain consumer protection policy; providing for the funding of Program grants from certain fees in the Maryland Strategic Energy Investment Fund"; and in line 24, strike "Maryland Strategic Energy Investment".

On page 2, in line 7, after "located;" insert "<u>applying certain prevailing wage</u> requirements for contractors and subcontractors working on certain projects involving, and traffic control activities related to, any underground gas or electric infrastructure of an investor-owned gas or electric infrastructure project of the company;"; strike beginning with "facilities" in line 9 down through "facilities" in line 10 and substitute "<u>and public utility activities</u>"; after line 20, insert:

### SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 2 of 13

"BY adding to

<u>Article – Local Government</u> <u>Section 1–1319</u> <u>Annotated Code of Maryland</u> (2013 Volume and 2023 Supplement)";

after line 30, insert:

"BY adding to

<u>Article – State Government</u> <u>Section 9–2016 and 9–20B–05(f)(13) and (g–1)</u> <u>Annotated Code of Maryland</u> (2021 Replacement Volume and 2023 Supplement)";

after line 35, insert:

"<u>BY repealing and reenacting, with amendments,</u> <u>Article – State Government</u> <u>Section 9–20B–05(f)(12) and (13) and (i)</u> <u>Annotated Code of Maryland</u> (2021 Replacement Volume and 2023 Supplement)";

in line 36, strike "<u>adding to</u>" and substitute "<u>repealing and reenacting, with</u> <u>amendments,</u>"; and after line 40, insert:

"(As enacted by Section 1 of this Act)".

On page 3, after line 15, insert:

"<u>BY repealing and reenacting, without amendments,</u> <u>Article – Public Utilities</u> <u>Section 5–305</u>

#### SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 3 of 13

<u>Annotated Code of Maryland</u> (2020 Replacement Volume and 2023 Supplement)".

#### AMENDMENT NO. 2

On page 3, after line 33, insert:

#### "Article – Local Government

<u>1–1319.</u>

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

(2) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.

(3) "RESIDENTIAL ENERGY STORAGE SYSTEM" MEANS A SYSTEM, ON A RESIDENTIAL CUSTOMER'S SIDE OF THE METER, USED TO STORE ELECTRICAL ENERGY, OR MECHANICAL, CHEMICAL, OR THERMAL ENERGY THAT WAS ONCE ELECTRICAL ENERGY, FOR USE AS ELECTRICAL ENERGY AT A LATER DATE OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.

(4) "RESIDENTIAL SOLAR ENERGY SYSTEM" MEANS ANY CONFIGURATION OF SOLAR ENERGY DEVICES THAT COLLECTS AND DISTRIBUTES SOLAR ENERGY FOR THE PURPOSE OF GENERATING ELECTRICITY AND THAT HAS A SINGLE RESIDENTIAL INTERCONNECTION WITH THE ELECTRICAL GRID.

(5) "SOLAR PERMITTING SOFTWARE" MEANS:

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 4 of 13

(I) THE MOST RECENT VERSION OF A WEB-BASED PLATFORM, DEVELOPED BY THE NATIONAL RENEWABLE ENERGY LABORATORY, THAT PROVIDES A STANDARD PORTAL FOR RECEIVING AND PROCESSING RESIDENTIAL SOLAR ENERGY SYSTEM AND RESIDENTIAL ENERGY STORAGE SYSTEM PERMIT INFORMATION; OR

(II) AUTOMATED SOFTWARE THAT FUNCTIONS TO SUPPORT THE TRACKING AND APPROVAL OF RESIDENTIAL BUILDING PERMITS FOR RESIDENTIAL SOLAR ENERGY SYSTEMS, RESIDENTIAL ENERGY STORAGE SYSTEMS, MAIN ELECTRICAL PANEL UPGRADES, AND MAIN ELECTRICAL PANEL DEVICES.

### (B) THIS SECTION APPLIES TO ALL COUNTIES AND MUNICIPALITIES.

(C) SUBJECT TO SUBSECTION (D) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, ON OR BEFORE AUGUST 1, 2025, EACH COUNTY AND MUNICIPALITY SHALL IMPLEMENT SOLAR PERMITTING SOFTWARE FOR FEATURES SUPPORTING THE TRACKING AND APPROVAL OF RESIDENTIAL BUILDING PERMITS FOR:

- (1) <u>RESIDENTIAL SOLAR ENERGY SYSTEMS;</u>
- (2) <u>RESIDENTIAL ENERGY STORAGE SYSTEMS;</u>
- (3) MAIN ELECTRIC PANEL UPGRADES; AND
- (4) MAIN ELECTRIC PANEL DERATES.

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 5 of 13

## (D) <u>A COUNTY OR MUNICIPALITY MAY NOT BE REQUIRED TO COMPLY</u> WITH THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION IF:

## (1) THE COUNTY OR MUNICIPALITY DOES NOT REQUIRE A PERMIT FOR:

### (I) <u>RESIDENTIAL SOLAR ENERGY SYSTEMS; OR</u>

## (II) <u>RESIDENTIAL SOLAR ENERGY SYSTEMS PAIRED WITH A</u> <u>RESIDENTIAL SOLAR ENERGY STORAGE SYSTEM; OR</u>

# (2) AS DETERMINED BY THE ADMINISTRATION, THE AUTOMATED SOFTWARE IS NO LONGER UPDATED OR MAINTAINED.

(E) THE ADMINISTRATION SHALL DELAY THE INITIAL IMPLEMENTATION OR SUSPEND THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION IF THERE ARE INSUFFICIENT STATE OR FEDERAL FUNDS AVAILABLE TO THE ADMINISTRATION TO PROVIDE FINANCIAL SUPPORT TO A COUNTY OR MUNICIPALITY IMPLEMENTING SOLAR PERMITTING SOFTWARE AS DEFINED IN SUBSECTION (A)(5)(I) OF THIS SECTION.".

AMENDMENT NO. 3

On page 12, after line 16, insert:

"<u>SECTION 2. AND BE IT FURTHER ENACTED</u>, That the Laws of Maryland read as follows:

### <u>Article – State Government</u>

<u>9–2016.</u>

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 6 of 13

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

(2) "ELIGIBLE CUSTOMER-GENERATOR" HAS THE MEANING STATED IN § 7-306 OF THE PUBLIC UTILITIES ARTICLE.

(3) <u>"Low to moderate income" means a household with an</u> <u>ANNUAL HOUSEHOLD INCOME AT OR BELOW 150% OF THE AVERAGE MEDIAN</u> <u>INCOME FOR THE STATE.</u>

(4) <u>"PROGRAM" MEANS THE CUSTOMER-SITED SOLAR PROGRAM</u> ESTABLISHED IN THIS SECTION.

(B) THERE IS A CUSTOMER-SITED SOLAR PROGRAM IN THE ADMINISTRATION.

(C) <u>THE PURPOSE OF THE PROGRAM IS TO:</u>

(1) INCREASE DEPLOYMENT OF CUSTOMER–SITED SOLAR ENERGY GENERATING SYSTEMS; AND

(2) PROVIDE GRANTS TO ELIGIBLE CUSTOMER–GENERATORS THAT HAVE INSTALLED SOLAR ENERGY GENERATING SYSTEMS WITH OR WITHOUT ENERGY STORAGE.

(D) (1) THE ADMINISTRATION SHALL:

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 7 of 13

# (I) ON OR BEFORE JANUARY 1, 2025, ESTABLISH APPLICATION AND INCOME VERIFICATION PROCEDURES FOR THE PROGRAM; AND

#### (II) AWARD GRANTS FROM THE PROGRAM.

#### (2) AN APPLICANT FOR A GRANT UNDER THIS SECTION SHALL:

(I) INCLUDE IN THE APPLICATION AN EXECUTED CONTRACT TO PURCHASE OR LEASE A SOLAR ENERGY GENERATING SYSTEM OR AN EXECUTED POWER PURCHASE AGREEMENT FOR THE SYSTEM;

(II) DEMONSTRATE THAT AN AGREEMENT ENTERED INTO BETWEEN A THIRD PARTY AND AN ELIGIBLE CUSTOMER–GENERATOR MEETS THE MINIMUM BENEFITS PUBLISHED UNDER SUBSECTION (J) OF THIS SECTION; AND

(III) INCLUDE A SIGNED DISCLOSURE FORM DEVELOPED UNDER SUBSECTION (L) OF THIS SECTION.

(E) THE PROGRAM MAY PROVIDE GRANTS TO AN INCOME-VERIFIED ELIGIBLE CUSTOMER-GENERATOR WITH A LOW TO MODERATE INCOME IN AN AMOUNT EQUAL TO \$750 PER KILOWATT OF NAMEPLATE CAPACITY FOR A SOLAR ENERGY GENERATING SYSTEM, UP TO A MAXIMUM OF \$7,500 PER SYSTEM.

(F) <u>A GRANT AWARDED UNDER SUBSECTION (E) OF THIS SECTION SHALL</u> <u>BE FUNDED FROM FEES COLLECTED UNDER § 7–705(B)(2)(I)2 OF THE PUBLIC</u> <u>UTILITIES ARTICLE AND ALLOCATED IN ACCORDANCE WITH § 9–20B–05(G–1) OF</u> <u>THIS TITLE.</u>

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 8 of 13

(G) THE ADMINISTRATION SHALL USE THE INCOME VERIFICATION PROCESSES UNDER § 7–306.2(F)(1)(IV)1 THROUGH 6 OF THE PUBLIC UTILITIES ARTICLE TO VERIFY INCOME FOR AN ELIGIBLE CUSTOMER–GENERATOR WITH A LOW TO MODERATE INCOME.

#### (H) <u>A THIRD PARTY MAY:</u>

(1) <u>APPLY FOR A GRANT ON BEHALF OF AN ELIGIBLE</u> <u>CUSTOMER-GENERATOR WITH PROOF OF CONSENT FROM THE ELIGIBLE</u> <u>CUSTOMER-GENERATOR; AND</u>

(2) <u>BE ASSIGNED A GRANT BY THE ELIGIBLE CUSTOMER-</u> <u>GENERATOR TO ACT ON BEHALF OF THE ELIGIBLE CUSTOMER-GENERATOR.</u>

(I) (1) FUNDING USED FOR GRANTS UNDER THIS SECTION SHALL BE MONITORED THROUGH AN APPLICATION PROCESS MAINTAINED BY THE ADMINISTRATION AND VISIBLE ON THE ADMINISTRATION'S WEBSITE.

(2) DATA ON THE ADMINISTRATION'S WEBSITE SHALL:

(I) INCLUDE THE AMOUNT OF FUNDING AVAILABLE, RESERVED, AND SPENT FOR THE FISCAL YEAR; AND

- (II) <u>BE UPDATED REGULARLY.</u>
- (J) <u>THE ADMINISTRATION SHALL PUBLISH:</u>

(1) <u>THE DISCLOSURE FORM DEVELOPED UNDER SUBSECTION (L)</u> OF THIS SECTION; AND SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 9 of 13

(2) THE MINIMUM BENEFITS THAT AN ELIGIBLE CUSTOMER–GENERATOR MUST RECEIVE UNDER AN AGREEMENT WITH A THIRD PARTY.

(K) <u>A SOLAR ENERGY GENERATING SYSTEM SHALL BE INSTALLED</u> WITHIN 180 DAYS AFTER A GRANT UNDER THIS SECTION IS RESERVED BY THE ADMINISTRATION FOR AN ELIGIBLE CUSTOMER-GENERATOR.

(L) (1) THE ADMINISTRATION SHALL DEVELOP A CONSUMER PROTECTION POLICY IN CONSULTATION WITH REPRESENTATIVES OF THE CUSTOMER–SITED SOLAR INDUSTRY.

(2) <u>THE CONSUMER PROTECTION POLICY DEVELOPED UNDER</u> PARAGRAPH (1) OF THIS SUBSECTION SHALL:

(I) INCLUDE A DISCLOSURE FORM FOR SOLAR ENERGY POWER PURCHASE AGREEMENTS, SOLAR ENERGY LEASE AGREEMENTS, AND SOLAR ENERGY LOAN AGREEMENTS THAT MUST BE SIGNED BY AN ELIGIBLE CUSTOMER-GENERATOR BEFORE ENTERING INTO THE AGREEMENT;

(II) FOR A SOLAR ENERGY POWER PURCHASE AGREEMENT OR A SOLAR ENERGY LEASE AGREEMENT, PROHIBIT AN ANNUAL RATE INCREASE OF MORE THAN 3%;

(III) ALLOW A CUSTOMER–GENERATOR TO CANCEL AN AGREEMENT ENTERED INTO WITH A THIRD PARTY UP TO 30 DAYS AFTER SIGNING THE AGREEMENT; AND

(IV) <u>BE EASILY ACCESSIBLE ON THE ADMINISTRATION'S</u> WEBSITE AND SOCIAL MEDIA PLATFORMS.

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 10 of 13

#### <u>9–20B–05.</u>

(f) The Administration shall use the Fund:

(12) to provide at least \$500,000 each year to the Resiliency Hub Grant Program Fund under § 9–2011 of this title; [and]

## (13) TO PROVIDE GRANTS THROUGH THE CUSTOMER–SITED SOLAR PROGRAM UNDER § 9–2016 OF THIS TITLE; AND

[(13)] (14) to pay the expenses of the Program.

(g-1) [Up to 10% of the proceeds] **PROCEEDS** received by the Fund from compliance fees under § 7–705(b)(2)(i)2 of the Public Utilities Article shall be **ALLOCATED AS FOLLOWS:** 

(1) BEGINNING IN FISCAL YEAR 2025, AT LEAST 20% OF THE PROCEEDS SHALL BE USED TO PROVIDE GRANTS TO SUPPORT THE INSTALLATION OF NEW SOLAR ENERGY GENERATING SYSTEMS UNDER THE CUSTOMER–SITED SOLAR PROGRAM;

(2) UP TO 10% OF THE PROCEEDS SHALL BE credited to an administrative expense account for costs related to the administration of the Fund;

## (3) PROCEEDS COLLECTED BUT UNUSED FROM A PREVIOUS YEAR SHALL BE USED BEFORE PROCEEDS ALLOCATED FOR THE CURRENT YEAR; AND

SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 11 of 13

# (4) THE ADMINISTRATION SHALL REALLOCATE TO OTHER AUTHORIZED USES ANY PROCEEDS THAT ARE NOT USED WITHIN 3 FISCAL YEARS AFTER COLLECTION].

(i) (1) Except as provided in paragraph (2) of this subsection, compliance fees paid under § 7–705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State that are owned by or directly benefit:

(i) low- to moderate-income communities located in a census tract with an average median income at or below 80% of the average median income for the State; or

(ii) <u>overburdened or underserved communities, as defined in § 1–</u> 701 of the Environment Article.

(2) Compliance fees paid under § 7–705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit:

(i) <u>low- to moderate-income communities located in a census</u> tract with an average median income at or below 80% of the average median income for the State; [or]

(ii) overburdened or underserved communities, as defined in § 1– 701 of the Environment Article; OR

(III) HOUSEHOLDS WITH LOW TO MODERATE INCOME, AS DEFINED IN § 9–2016 OF THIS TITLE.";

#### SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 12 of 13

and in line 17, strike "2." and substitute "3.".

On page 15, in line 15, strike "<u>3.</u>" and substitute "<u>4.</u>".

#### AMENDMENT NO. 4

On page 7 in line 23, and on page 10 in lines 17 and 19, in each instance, strike "<u>RECEIVE</u>" and substitute "<u>GENERATE</u>".

On pages 11 and 12, strike beginning with the comma in line 23 on page 11 down through "<u>SYSTEM</u>" in line 6 on page 12.

On page 17, after line 4, insert:

"<u>SECTION 5. AND BE IT FURTHER ENACTED</u>, That the Laws of Maryland read as follows:

## <u>Article – Public Utilities</u>

<u>5–305.</u>

(a) This section applies to a project by an investor-owned gas company, electric company, or combination gas and electric company involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company, and any related traffic control activities.

(b) An investor-owned gas company, electric company, or combination gas and electric company shall require a contractor or subcontractor on a project described in subsection (a) of this section to pay its employees not less than the prevailing wage rate determined solely by the Commissioner of Labor and Industry in a process substantially similar to the process established under Title 17, Subtitle 2 of the State Finance and Procurement Article.

#### SB0783/233123/01 Economic Matters Committee Amendments to SB 783 Page 13 of 13

(c) In accordance with Title 3, Subtitle 5 of the Labor and Employment Article, the Maryland Department of Labor shall enforce the requirement under subsection (b) of this section for contractors and subcontractors to pay employees not less than the prevailing wage rate determined solely by the Commissioner of Labor and Industry.

SECTION 6. AND BE IT FURTHER ENACTED, That nothing in Section 5 of this Act or in § 7–714 of the Public Utilities Article, as enacted by Section 1 of this Act, shall be construed to apply to or be interpreted to have any effect on or application to any contract awarded before June 1, 2024.";

in lines 5, 7, 9, and 11, strike "<u>4.</u>", "<u>5.</u>", "<u>6.</u>", and "<u>7.</u>", respectively, and substitute "<u>7.</u>", "<u>8.</u>", "<u>10.</u>", and "<u>11.</u>", respectively; in line 5, after "That" insert "<u>, except as provided in</u> <u>Section 6 of this Act.</u>"; in line 7, strike "<u>2</u>" and substitute "<u>3</u>"; after line 8, insert:

"SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2024. It shall remain effective for a period of 3 years and, at the end of June 30, 2027, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.";

in line 9, strike "<u>3</u>" and substitute "<u>4</u>"; and in line 12, strike "<u>Section 6</u>" and substitute "<u>Sections 9 and 10</u>".