

# HOUSE BILL 397

M5, C5, P2

(4lr0652)

## ENROLLED BILL

— *Economic Matters/Education, Energy, and the Environment* —

Introduced by **Delegate Charkoudian**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

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

1 AN ACT concerning

2 **Public Utilities – Thermal Energy Network Systems – Authorization and**  
3 **Establishment**

4 **(Working for Accessible Renewable Maryland Thermal Heat (WARMTH) Act)**

5 FOR the purpose of requiring ~~each certain~~ gas ~~company~~ companies and authorizing certain  
6 gas companies to develop a plan for a pilot thermal energy network system or  
7 systems on or before a certain date; requiring ~~each certain~~ gas ~~company~~ companies  
8 to submit a certain proposal or proposals to the Public Service Commission for  
9 approval on or before a certain date; authorizing a municipal corporation, county, or  
10 community organization to submit neighborhoods to gas companies for consideration  
11 as part of a pilot system; establishing requirements and authorizations for the  
12 development and implementation of a proposal and thermal energy network system;  
13 ~~requiring~~ authorizing the Commission to approve, approve with modifications, or  
14 reject each proposal on or before a certain date; requiring the Commission, in  
15 consultation with the Maryland Energy Administration ~~and~~, the Office of People's

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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.

*Italics indicate opposite chamber/conference committee amendments.*



1 Counsel, a certain company, a certain certified representative, and certain  
 2 customers, to make a determination on whether to make a pilot system permanent  
 3 after the completion of the pilot system's pilot period; establishing funding  
 4 requirements for the Administration to ~~cover~~ assist certain companies in covering  
 5 certain costs; providing for the payment and recovery of certain costs; requiring the  
 6 Administration to coordinate with the Department of Housing and Community  
 7 Development to provide certain services or funding; requiring ~~the Maryland~~  
 8 ~~Environmental Service to issue certain procurements for certain projects~~ a gas  
 9 company to be responsible for certain costs associated with certain  
 10 behind-the-meter projects; establishing certain employment and wage  
 11 requirements for certain projects; and generally relating to thermal energy network  
 12 systems.

13 BY repealing and reenacting, without amendments,

14 Article – Public Utilities

15 Section 7-703(f)(1)

16 Annotated Code of Maryland

17 (2020 Replacement Volume and 2023 Supplement)

18 BY adding to

19 Article – Public Utilities

20 Section 7-1001 through 7-1006 to be under the new subtitle “Subtitle 10. Thermal  
 21 Energy Network Systems”

22 Annotated Code of Maryland

23 (2020 Replacement Volume and 2023 Supplement)

24 BY repealing and reenacting, without amendments,

25 Article – ~~Environment~~ Environment

26 Section 1-701(a)(1), (7), and (8)

27 Annotated Code of Maryland

28 (2013 Replacement Volume and 2023 Supplement)

29 BY repealing and reenacting, without amendments,

30 Article – Housing and Community Development

31 Section 4-1801(a) and (c)

32 Annotated Code of Maryland

33 (2019 Replacement Volume and 2023 Supplement)

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

35 That the Laws of Maryland read as follows:

36 **Article – Public Utilities**

37 7-703.

38 (f) (1) (i) In this subsection the following words have the meanings  
 39 indicated.

1 (ii) “Area median income” has the meaning stated in § 4–1801 of the  
2 Housing and Community Development Article.

3 (iii) “Low or moderate income housing” means housing that is  
4 affordable for a household with an aggregate annual income that is below 120% of the area  
5 median income.

6 **SUBTITLE 10. THERMAL ENERGY NETWORK SYSTEMS.**

7 **7–1001.**

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY  
11 ADMINISTRATION.

12 (C) “BEHIND–THE–METER PROJECT” MEANS A PROJECT THAT INVOLVES A  
13 PHYSICAL, OPERATIONAL, OR BEHAVIORAL MODIFICATION ON THE CUSTOMER SIDE  
14 OF A UTILITY METER, INCLUDING REPLACEMENT OF APPLIANCES, RETROFITS, AND  
15 PANEL UPGRADES.

16 (D) “COMMUNITY BENEFIT AGREEMENT” MEANS AN AGREEMENT  
17 APPLICABLE TO THE CONSTRUCTION OF ANY THERMAL ENERGY NETWORK SYSTEM  
18 AND ANY ACCOMPANYING RESIDENTIAL ELECTRIFICATION THAT:

19 (1) PROMOTES INCREASED OPPORTUNITIES FOR LOCAL BUSINESSES  
20 AND SMALL, MINORITY, WOMEN–OWNED, AND VETERAN–OWNED BUSINESSES IN THE  
21 CLEAN ENERGY INDUSTRY;

22 (2) ENSURES THE TIMELY, SAFE, AND EFFICIENT COMPLETION OF  
23 THE PROJECT BY:

24 (I) FACILITATING A STEADY SUPPLY OF HIGHLY SKILLED  
25 CRAFT WORKERS WHO SHALL BE PAID NOT LESS THAN THE PREVAILING WAGE RATE  
26 DETERMINED BY THE COMMISSIONER OF LABOR AND INDUSTRY UNDER TITLE 17,  
27 SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

28 (II) GUARANTEEING THAT THE CONSTRUCTION WORK  
29 PERFORMED IN CONNECTION WITH THE PROJECT WILL BE SUBJECT TO AN  
30 AGREEMENT THAT:

1                   1.     ESTABLISHES THE TERMS AND CONDITIONS OF  
2 EMPLOYMENT AT THE CONSTRUCTION SITE OF THE PROJECT OR A PORTION OF THE  
3 PROJECT;

4                   2.     GUARANTEES AGAINST STRIKES, LOCKOUTS, AND  
5 SIMILAR DISRUPTIONS;

6                   3.     ENSURES THAT ALL WORK ON THE PROJECT FULLY  
7 CONFORMS TO ALL RELEVANT STATE AND FEDERAL LAWS, RULES, AND  
8 REGULATIONS, INCLUDING ALL REQUIRED TRAINING FOR EMPLOYEES;

9                   4.     CREATES MUTUALLY BINDING PROCEDURES FOR  
10 RESOLVING LABOR DISPUTES ARISING DURING THE TERM OF THE PROJECT;

11                  5.     SETS FORTH OTHER MECHANISMS FOR  
12 LABOR-MANAGEMENT COOPERATION ON MATTERS OF MUTUAL INTEREST AND  
13 CONCERN, INCLUDING PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH;  
14 AND

15                  6.     BINDS ALL CONTRACTORS AND SUBCONTRACTORS TO  
16 THE TERMS OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE  
17 PROVISIONS IN ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS;

18                  (3)    PROMOTES SAFE COMPLETION OF THE PROJECT BY ENSURING  
19 THAT AT LEAST 80% OF THE CRAFT WORKERS ON THE PROJECT HAVE COMPLETED  
20 AN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION 10-HOUR COURSE;

21                  (4)    PROMOTES CAREER TRAINING OPPORTUNITIES IN THE  
22 MANUFACTURING, MAINTENANCE, AND CONSTRUCTION INDUSTRIES FOR LOCAL  
23 RESIDENTS, VETERANS, WOMEN, MINORITIES, AND FORMERLY INCARCERATED  
24 INDIVIDUALS;

25                  (5)    INCLUDES PROVISIONS FOR LOCAL HIRING AND THE HIRING OF  
26 HISTORICALLY DISADVANTAGED GROUPS;

27                  (6)    ~~REFLECTS A 21ST-CENTURY LABOR-MANAGEMENT APPROACH BY~~  
28 ~~DEVELOPERS AND SUPPLIERS BASED ON COOPERATION, HARMONY, AND~~  
29 ~~PARTNERSHIP THAT PROACTIVELY SEEKS TO ENSURE THAT WORKERS CAN FREELY~~  
30 ~~CHOOSE TO BOTH ORGANIZE AND COLLECTIVELY BARGAIN;~~

31                  (7)    USES LOCALLY, SUSTAINABLY, AND DOMESTICALLY  
32 MANUFACTURED CONSTRUCTION MATERIALS AND COMPONENTS TO THE EXTENT  
33 PRACTICABLE;

1           ~~(8)~~ (7)           PROMOTES THE USE OF SKILLED LOCAL LABOR,  
2 PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING  
3 COMPONENTS OF THE PROJECT, USING METHODS INCLUDING OUTREACH, HIRING,  
4 OR REFERRAL METHODS THAT ARE AFFILIATED WITH REGISTERED  
5 APPRENTICESHIP PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND  
6 EMPLOYMENT ARTICLE; AND

7           ~~(9)~~ (8)           AUTHORIZES THE MARYLAND DEPARTMENT OF LABOR AND  
8 THE COMMISSION TO CONSIDER, REVIEW, AND ENFORCE A PUBLIC SERVICE  
9 COMPANY'S COMPLIANCE WITH ANY COMMUNITY BENEFIT AGREEMENT.

10           (E) "FINANCING PROGRAM" MEANS THE ENERGY INFRASTRUCTURE  
11 REINVESTMENT CATEGORY OF THE TITLE 17 CLEAN ENERGY FINANCING PROGRAM.

12           ~~(F)~~ (E)           "FRONT-OF-METER PROJECT" MEANS A PROJECT THAT IMPACTS  
13 THE UTILITY SIDE OF A METER.

14           ~~(F)~~ (G)           "GEOTHERMAL BOREHOLE" MEANS A GEOTHERMAL SHAFT  
15 DRILLED INTO THE EARTH FOR USE IN A SYSTEM THAT USES THE THERMAL  
16 PROPERTIES OF THE EARTH OR GROUNDWATER TO HEAT OR COOL BUILDINGS.

17           (H) "GREENHOUSE GAS REDUCTION FUND" MEANS THE GREENHOUSE GAS  
18 REDUCTION FUND UNDER THE FEDERAL INFLATION REDUCTION ACT OF 2022.

19           ~~(G)~~ (I)           "LEARNING FROM THE GROUND UP" MEANS THE LEARNING  
20 FROM THE GROUND UP RESEARCH TEAM FORMED BY THE HOME ENERGY  
21 EFFICIENCY TEAM.

22           ~~(H)~~ (J)           "LOW OR MODERATE INCOME HOUSING" HAS THE MEANING  
23 STATED IN § 7-703(F)(1)(III) OF THIS TITLE.

24           ~~(I)~~ (K)           "PILOT SYSTEM" MEANS A PILOT THERMAL ENERGY NETWORK  
25 SYSTEM DEVELOPED BY A GAS COMPANY TO REPLACE GAS INFRASTRUCTURE WITH  
26 A THERMAL ENERGY NETWORK SYSTEM.

27           ~~(J)~~ (L)           "PJM CAPACITY MARKET" MEANS THE CAPACITY MARKET OF  
28 PJM INTERCONNECTION, LLC OR ANY SUCCESSOR ORGANIZATION THAT SERVICES  
29 THE PJM REGION.

30           ~~(K)~~ (M)           "THERMAL ENERGY NETWORK SYSTEM" MEANS A SYSTEM:

31           (1) OF CLOSED LOOP UNDERGROUND PIPING INFRASTRUCTURE,  
32 INCLUDING GEOTHERMAL BOREHOLES, LEADING UP TO A UTILITY METER FOR THE

1 CONVEYANCE OR STORAGE OF RENEWABLE, NONGREENHOUSE GAS-EMITTING  
2 THERMAL ENERGY; AND

3 (2) THAT CREATES A NETWORK OF CUSTOMERS WITH THERMAL  
4 ENERGY FOR HEATING AND COOLING THROUGH NONCOMBUSTING ELECTRIC HEAT  
5 PUMPS.

6 7-1002.

7 (A) (1) (I) ON OR BEFORE OCTOBER 1, 2024, EACH GAS COMPANY  
8 THAT SERVES AT LEAST 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY  
9 SHALL:

10 ~~(I)~~ 1. BEGIN TO DEVELOP A PLAN FOR A PILOT SYSTEM OR  
11 SYSTEMS; AND

12 ~~(II)~~ 2. FILE NOTICE WITH THE COMMISSION THAT THE  
13 COMPANY HAS BEGUN PLAN DEVELOPMENT.

14 (II) ON OR BEFORE OCTOBER 1, 2024, A GAS COMPANY THAT  
15 SERVES FEWER THAN 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY MAY  
16 DEVELOP A PLAN FOR A PILOT SYSTEM OR SYSTEMS IN ACCORDANCE WITH THE  
17 REQUIREMENTS OF THIS SECTION.

18 (2) IN DEVELOPING A PLAN FOR A PILOT SYSTEM, A GAS COMPANY  
19 SHALL COORDINATE WITH COMMUNITY GROUPS, LOCAL GOVERNMENTS, ANY  
20 CERTIFIED REPRESENTATIVES OF THE EMPLOYEES OF THE GAS COMPANY, THE  
21 COMMISSION, THE ADMINISTRATION, AND ANY OTHER GROUPS THE GAS COMPANY  
22 CONSIDERS NECESSARY TO ALLOW FOR DIVERSE DESIGN AMONG PILOT SYSTEMS.

23 (3) EACH GAS COMPANY SHALL INCLUDE IN THE NOTICE FILED  
24 UNDER PARAGRAPH (1) OF THIS SUBSECTION:

25 (I) DETAILS OF ANY COORDINATION WITH COMMUNITY  
26 GROUPS, LOCAL GOVERNMENTS, CERTIFIED REPRESENTATIVES OF THE  
27 EMPLOYEES OF THE GAS COMPANY, THE COMMISSION, THE ADMINISTRATION, AND  
28 ANY OTHER GROUPS THE GAS COMPANY CONSIDERS NECESSARY TO ALLOW FOR  
29 DIVERSE DESIGN AMONG PILOT SYSTEMS; AND

30 (II) ANY LETTERS OF SUPPORT FROM INTERESTED GROUPS.

31 (B) (1) (I) ON OR BEFORE JULY 1, 2025, EACH GAS COMPANY THAT  
32 SERVES AT LEAST 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY SHALL

1 SUBMIT EITHER ONE OR TWO PROPOSALS FOR A PILOT SYSTEM TO THE COMMISSION  
2 FOR APPROVAL.

3 (II) A GAS COMPANY THAT SERVES FEWER THAN 75,000  
4 CUSTOMERS IN ITS DISTRIBUTION TERRITORY MAY SUBMIT A PROPOSAL FOR A  
5 PILOT SYSTEM TO THE COMMISSION AFTER PROVIDING AT LEAST 60 DAYS' NOTICE  
6 TO THE COMMISSION OF THE COMPANY'S INTENT TO FILE A PROPOSAL.

7 (2) A PROPOSAL FOR A PILOT SYSTEM SHALL ENSURE THAT AT LEAST  
8 80% OF ITS CUSTOMERS ARE FROM LOW OR MODERATE INCOME HOUSING.

9 (3) A CUSTOMER MAY CHOOSE TO OPT OUT OF A PILOT SYSTEM  
10 BEFORE THE PROPOSAL FOR THE PILOT SYSTEM IS SUBMITTED.

11 (4) EACH PROPOSAL FOR A PILOT SYSTEM SHALL DEMONSTRATE  
12 THAT THE GAS COMPANY HAS ~~SOUGHT ACCESS TO~~ OBTAINED, OR IS REASONABLY  
13 CERTAIN TO OBTAIN, ANY AVAILABLE FEDERAL FUNDING IN THE FORM OF A MATCH,  
14 GRANT, LOAN, OR TAX CREDIT, INCLUDING THOSE ESTABLISHED UNDER THE  
15 ~~ENERGY INFRASTRUCTURE REINVESTMENT CATEGORY OF THE TITLE 17 CLEAN~~  
16 ~~ENERGY FINANCING PROGRAM AND THE GREENHOUSE GAS REDUCTION FUND~~  
17 ~~UNDER THE FEDERAL INFLATION REDUCTION ACT OF 2022.~~

18 (5) EACH GAS COMPANY IS RESPONSIBLE FOR ENSURING THAT EACH  
19 PROPOSAL SUBMITTED BY THE GAS COMPANY COMPLIES WITH ALL APPLICABLE  
20 FEDERAL STATUTES, REGULATIONS, AND GUIDANCE RELATING TO ANY FEDERAL  
21 FUNDING.

22 (6) EACH PROPOSAL SHALL ADDRESS:

23 (I) HOW THE PILOT SYSTEM WILL DEVELOP USEFUL  
24 INFORMATION FOR THE ADOPTION OF REGULATIONS GOVERNING THERMAL  
25 ENERGY NETWORK SYSTEMS;

26 (II) HOW THE PILOT SYSTEM FURTHERS GREENHOUSE GAS  
27 EMISSIONS REDUCTION GOALS;

28 (III) HOW THE PILOT SYSTEM ADVANCES FINANCIAL AND  
29 TECHNICAL APPROACHES TO EQUITABLE AND AFFORDABLE BUILDING  
30 ELECTRIFICATION;

31 (IV) HOW THE PILOT SYSTEM CREATES BENEFITS TO ITS  
32 CUSTOMERS, EMPLOYEES, AND SOCIETY AT LARGE, INCLUDING PUBLIC HEALTH  
33 BENEFITS, QUALITY JOB RETENTION OR CREATION, RELIABILITY, AND INCREASED  
34 AFFORDABILITY OF RENEWABLE THERMAL ENERGY OPTIONS;

1                   (V)   HOW THE PILOT SYSTEM CONTRIBUTES TO AVOIDING COSTS  
2 TO ELECTRIC DISTRIBUTION AND TRANSMISSION SYSTEMS THAT WOULD  
3 OTHERWISE BE REQUIRED FOR ELECTRIFICATION BY COMPARING THE PROPOSED  
4 SYSTEM TO THE COST OF ELECTRIFICATION USING THE MOST WIDELY  
5 COMMERCIALY AVAILABLE AIR-SOURCE HEAT PUMPS;

6                   (VI)   HOW THE PILOT SYSTEM CONTRIBUTES TO AVOIDING COSTS  
7 RELATED TO GAS PIPE REPLACEMENT;

8                   (VII)   THE EXTENT TO WHICH THE PROPOSAL GIVES PRIORITY TO  
9 UNDERSERVED OR OVERBURDENED COMMUNITIES AS DEFINED IN § 1-701(A) OF  
10 THE ENVIRONMENT ARTICLE;

11                   (VIII)   THE PILOT SYSTEM'S ABILITY TO BID DEMAND REDUCTION  
12 INTO THE PJM CAPACITY MARKET;

13                   (IX)   NEIGHBORHOODS AT THE END POINT OF A GAS SYSTEM  
14 WHERE A FULL TRANSITION FROM GAS SYSTEMS TO ELECTRIFICATION COULD BE  
15 FACILITATED WITHIN THE PILOT PERIOD OR WITHIN 5 YEARS AFTER THE PILOT  
16 PERIOD CONCLUDES;

17                   (X)   SAFETY;

18                   (XI)   RELIABILITY;

19                   (XII)   ENVIRONMENTAL   ACCEPTABILITY   OF   THE   FLUID  
20 TECHNOLOGY EMPLOYED;

21                   (XIII)   OPERATIONS;

22                   (XIV)   MAINTENANCE;

23                   (XV)   CUSTOMER COMPLAINT RESOLUTION;

24                   (XVI)   EMERGENCY RESPONSE;

25                   (XVII)   POINTS OF INTERCONNECTION BETWEEN THE GAS  
26 COMPANY AND HOMEOWNER FOR ANY FLUID TRANSFER;

27                   (XVIII)   TECHNOLOGY TO BE USED TO SHUT OFF FLUID FLOW  
28 TO CUSTOMERS;



1 (XIX) CUSTOMER SERVICE TERMINATION IN THE EVENT OF BILL  
2 NONPAYMENT;

3 (XX) LIFE EXPECTANCY OF THE GEOTHERMAL SYSTEM; ~~AND~~

4 (XXI) THE EXTENT TO WHICH THE PROPOSAL IS COST-EFFECTIVE  
5 FOR RATEPAYERS; AND

6 ~~(XXI)~~ (XXII) ANY OTHER REQUIREMENTS AS DETERMINED BY THE  
7 COMMISSION.

8 (7) EACH PROPOSAL SHALL INCLUDE:

9 (I) A PROPOSED RATE STRUCTURE FOR THE PILOT SYSTEM  
10 THAT ~~ENSURES IS PROJECTED TO ENSURE~~ THAT ANY CUSTOMER PARTICIPATING IN  
11 THE PILOT SYSTEM DOES NOT PAY MORE FOR UTILITIES THAN IF THE CUSTOMER  
12 HAD NOT PARTICIPATED; AND

13 (II) A PROPOSED SET OF MEASUREMENTS OF ENERGY UNITS  
14 AND ACCOUNTING STANDARDS.

15 (8) (I) A MUNICIPAL CORPORATION, COUNTY, OR COMMUNITY  
16 ORGANIZATION MAY SUBMIT NEIGHBORHOODS TO GAS COMPANIES FOR  
17 CONSIDERATION AS PART OF A PILOT SYSTEM.

18 (II) A MUNICIPAL CORPORATION, COUNTY, OR COMMUNITY  
19 ORGANIZATION THAT SUBMITS A NEIGHBORHOOD TO A GAS COMPANY FOR  
20 CONSIDERATION AS PART OF A PILOT SYSTEM UNDER SUBPARAGRAPH (I) OF THIS  
21 PARAGRAPH SHALL SUBMIT A COPY OF ITS PROPOSAL TO THE COMMISSION.

22 (c) (1) ON OR BEFORE DECEMBER 31, 2025, THE COMMISSION ~~MAY~~  
23 ~~SHALL~~ MAY APPROVE, APPROVE WITH MODIFICATIONS, OR REJECT A PROPOSAL.

24 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, IF THE  
25 COMMISSION DETERMINES THAT A PROPOSAL IS IN THE PUBLIC INTEREST AND IS  
26 COST-EFFECTIVE, THE COMMISSION ~~SHALL~~ MAY APPROVE, APPROVE WITH  
27 MODIFICATIONS, OR REJECT THE PROPOSAL.

28 (3) (I) IN DETERMINING WHETHER TO APPROVE, APPROVE WITH  
29 MODIFICATIONS, OR REJECT A PROPOSAL, THE COMMISSION SHALL:

30 ~~(I)~~ 1. CONSIDER THE PROJECTED COSTS AND BENEFITS OF  
31 THE PROJECTS PROPOSED FOR INCLUSION IN THE PILOT SYSTEM BY USING A TEST  
32 THAT INCLUDES:

1 ~~1.~~ A. SOCIETAL COSTS AND BENEFITS; AND

2 ~~2.~~ B. AVOIDED ENERGY AND INFRASTRUCTURE  
3 INVESTMENTS;

4 ~~(H)~~ 2. DETERMINE WHETHER THE PILOT SYSTEM IS IN THE  
5 PUBLIC INTEREST AND IN THE INTEREST OF RATEPAYERS;

6 ~~(H)~~ 3. DETERMINE HOW EACH PILOT SYSTEM'S  
7 PERFORMANCE WILL BE EVALUATED DURING THE PILOT SYSTEM'S DURATION; ~~AND~~

8 ~~(IV)~~ 4. ENSURE THAT EACH PILOT SYSTEM:

9 ~~1.~~ A. HAS A PROVISION FOR CUSTOMERS WHO MAY WISH TO  
10 OPT OUT DURING THE COURSE OF THE PILOT PERIOD; AND

11 ~~2.~~ B. DETAILS RATEPAYER IMPACTS FOR PILOT SYSTEM  
12 PARTICIPANTS AND ALL CUSTOMERS IN THE GAS COMPANY'S SERVICE TERRITORY;  
13 AND

14 5. DETERMINE WHETHER THE PROPOSAL IS  
15 COST-EFFECTIVE IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH.

16 (II) A PROPOSAL UNDER THIS SECTION IS COST-EFFECTIVE IF  
17 THE COMMISSION DETERMINES THAT:

18 1. THE PROJECTED BENEFITS ARE GREATER THAN THE  
19 PROJECTED COSTS FOR ALL RATEPAYERS IN THE GAS COMPANY'S SERVICE  
20 TERRITORY;

21 2. THE GAS COMPANY HAS OBTAINED, OR IS  
22 REASONABLY CERTAIN TO OBTAIN, FEDERAL FUNDING UNDER THE FINANCING  
23 PROGRAM OR THE GREENHOUSE GAS REDUCTION FUND TO SUPPORT THE COSTS  
24 OF A PILOT SYSTEM; AND

25 3. THE FEDERAL FUNDING THAT THE GAS COMPANY HAS  
26 OBTAINED, OR IS REASONABLY CERTAIN TO OBTAIN, TO SUPPORT THE COSTS OF A  
27 PILOT SYSTEM WOULD NOT BE MORE COST-EFFECTIVE IN MEETING OTHER  
28 GREENHOUSE GAS REDUCTION OR ELECTRIFICATION MEASURES IN THE STATE.

29 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
30 PARAGRAPH, EACH GAS COMPANY SHALL COMPLETE CONSTRUCTION OF A PILOT  
31 SYSTEM WITHIN 1 YEAR AFTER THE COMMISSION APPROVES THE SYSTEM.

1 (II) THE COMMISSION MAY EXTEND THE DEADLINE UNDER  
2 SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR GOOD CAUSE SHOWN.

3 (5) IF THE COMMISSION APPROVES A PROPOSAL WITH  
4 MODIFICATIONS, THE COMMISSION SHALL GIVE THE GAS COMPANY A REASONABLE  
5 AMOUNT OF TIME TO MAKE THE NECESSARY MODIFICATIONS.

6 (6) ON COMPLETION OF A PILOT SYSTEM, THE GAS COMPANY SHALL  
7 FILE WITH THE COMMISSION FOR EVALUATION ANY INFORMATION RELEVANT TO  
8 THE CRITERIA ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

9 (D) (1) EACH PILOT SYSTEM SHALL MEET THE REQUIREMENTS FOR  
10 PILOT SYSTEMS UNDER THIS SUBTITLE FOR 2 YEARS AFTER THE PILOT SYSTEM IS  
11 INITIATED AND OPERATIONAL.

12 (2) (I) ONCE THE 2-YEAR PERIOD UNDER PARAGRAPH (1) OF THIS  
13 SUBSECTION HAS PASSED, THE COMMISSION, IN CONSULTATION WITH THE  
14 ADMINISTRATION, ~~AND~~ THE OFFICE OF PEOPLE'S COUNSEL, THE ELECTRIC, GAS,  
15 OR WATER COMPANY THAT OWNS AND MANAGES THE PILOT SYSTEM, A CERTIFIED  
16 REPRESENTATIVE OF THE EMPLOYEES OF THE ELECTRIC COMPANY, GAS COMPANY,  
17 OR WATER COMPANY THAT OWNS AND MANAGES THE PILOT SYSTEM, AND  
18 PARTICIPATING CUSTOMERS, SHALL DETERMINE WHETHER TO MAKE THE PILOT  
19 SYSTEM PERMANENT.

20 (II) A PILOT SYSTEM MADE PERMANENT UNDER  
21 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL CONTINUE TO MEET THE  
22 REQUIREMENTS PLACED ON PILOT SYSTEMS UNDER THIS SUBTITLE.

23 (III) IF A DETERMINATION IS MADE THAT A PILOT SYSTEM WILL  
24 NOT BE MADE PERMANENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE  
25 COMMISSION ~~SHALL~~ MAY APPROVE RECOVERY OF ALL PRUDENTLY INCURRED  
26 COSTS NECESSARY FOR A GAS COMPANY TO COMPLY WITH THE DETERMINATION.

27 (3) THE COMMISSION SHALL ADOPT REGULATIONS ADDRESSING THE  
28 DECOMMISSIONING OR DISCONTINUANCE OF A PILOT SYSTEM, INCLUDING  
29 REGULATIONS ENSURING THAT THE CUSTOMERS WHO PARTICIPATED IN THE PILOT  
30 SYSTEM DO NOT INCUR ADDITIONAL EXPENSES FOR THE DECOMMISSIONING OR  
31 INSTALLATION OF AN APPLIANCE THAT IS USED IN THE PILOT SYSTEM AND IS  
32 DECOMMISSIONED BEFORE THE END OF ITS USEFUL LIFE.

33 (E) (1) EACH GAS COMPANY IMPLEMENTING A PILOT SYSTEM SHALL  
34 PARTICIPATE IN STANDARDIZED DATA COLLECTION COORDINATED BY THE  
35 COMMISSION.

1           **(2) ANY STANDARDIZED DATA COLLECTED UNDER PARAGRAPH (1) OF**  
2 **THIS SUBSECTION SHALL:**

3                   **(I) BE FILED WITH THE COMMISSION BY THE APPROPRIATE**  
4 **GAS COMPANY; AND**

5                   **(II) INCLUDE DATA FROM THE LEARNING FROM THE GROUND**  
6 **UP AND ANY OTHER NATIONAL RESEARCH PROJECT FOR THE DEVELOPMENT OF**  
7 **THERMAL ENERGY NETWORK SYSTEMS THAT THE COMMISSION CONSIDERS**  
8 **APPROPRIATE.**

9           **(F) (1) THE ADMINISTRATION SHALL PROVIDE FUNDING IN THE FORM OF**  
10 **GRANTS TO COMMUNITY-BASED ORGANIZATIONS THAT PERFORM OUTREACH IN**  
11 **NEIGHBORHOODS TO INCREASE PARTICIPATION IN A PILOT SYSTEM AND**  
12 **COORDINATE THE IMPLEMENTATION OF AN APPROVED PILOT SYSTEM.**

13                   **(2) THE ADMINISTRATION MAY PROVIDE UP TO \$1,000,000 IN**  
14 **FUNDING TO A COMMUNITY-BASED ORGANIZATION UNDER PARAGRAPH (1) OF THIS**  
15 **SUBSECTION.**

16                   **(3) FUNDING UNDER THIS SUBSECTION MAY BE PROVIDED ONLY**  
17 **BEFORE OCTOBER 1, 2025.**

18                   **(4) FUNDING UNDER THIS SUBSECTION MAY BE PROVIDED FROM THE**  
19 **STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE**  
20 **STATE GOVERNMENT ARTICLE OR ANY OTHER SOURCE OF STATE OR FEDERAL**  
21 **FUNDING.**

22           **(G) (1) A GAS COMPANY MAY REQUEST APPROVAL FROM THE**  
23 **COMMISSION TO TRACK THE COSTS OF DEVELOPING A PROPOSAL UNDER THIS**  
24 **SECTION.**

25                   **(2) A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL**  
26 **INCLUDE A PROPOSED DEVELOPMENT PLAN AND BUDGET.**

27                   **(3) THE COMMISSION SHALL APPROVE A REQUEST UNDER**  
28 **PARAGRAPH (1) OF THIS SUBSECTION ON FINDING THAT THE PROPOSED PLAN AND**  
29 **COSTS ARE NECESSARY TO MEET THE REQUIREMENTS UNDER THIS SECTION,**  
30 **REASONABLE, AND IN THE PUBLIC INTEREST.**

31                   **(4) AT A GAS COMPANY'S NEXT RATE CASE PROCEEDING FOLLOWING**  
32 **THE APPROVAL OF A REQUEST UNDER THIS SUBSECTION, THE COMMISSION ~~SHALL~~**  
33 **MAY AUTHORIZE RECOVERY OF PRUDENTLY INCURRED COSTS ASSOCIATED WITH**

1 DEVELOPING THE PROPOSAL AND ANY CARRYING COSTS THAT THE COMMISSION  
2 DETERMINES ARE APPROPRIATE.

3 **7-1003.**

4 (A) (1) (I) THE ADMINISTRATION SHALL COORDINATE FUNDING  
5 SOURCES, INCLUDING ALL AVAILABLE FEDERAL FUNDING, PHILANTHROPIC  
6 FUNDING, FUNDING AVAILABLE UNDER THE EMPOWER MARYLAND PROGRAM,  
7 AND STRATEGIC ENERGY INVESTMENT FUND FUNDING ALLOCATED TO ENERGY  
8 EFFICIENCY, TO ~~COVER~~ ASSIST AN ELECTRIC COMPANY, A GAS COMPANY, OR A  
9 WATER COMPANY IN COVERING THE COSTS FOR ALL BEHIND-THE-METER  
10 PROJECTS, INCLUDING FULL ELECTRIFICATION ~~AND WEATHERIZATION,~~  
11 ASSOCIATED WITH A THERMAL ENERGY NETWORK SYSTEM SO THAT ANY AFFECTED  
12 RESIDENTIAL CUSTOMERS ARE NOT REQUIRED TO PAY FOR CONNECTION TO THE  
13 THERMAL ENERGY NETWORK SYSTEM OR ANY APPLIANCE REPLACEMENTS  
14 REQUIRED FOR ELECTRIFICATION.

15 (II) FUNDS FROM THE FEDERAL INFLATION REDUCTION ACT  
16 MAY NOT EXCEED:

17 1. \$14,000 PER RESIDENTIAL UNIT; AND

18 2. \$9,000,000 IN TOTAL.

19 (2) (I) UNLESS PRECLUDED BY FEDERAL LAW, REGULATION, OR  
20 PROGRAM REQUIREMENT GUIDELINES, THE ADMINISTRATION SHALL RESERVE  
21 ~~\$12,000,000~~ \$9,000,000 OF FEDERAL FUNDING FROM THE U.S. DEPARTMENT OF  
22 ENERGY TO ENSURE ADEQUATE FUNDING FOR ANY APPLIANCES INSTALLED IN  
23 CONNECTION WITH A PILOT SYSTEM.

24 (II) FUNDS RESERVED UNDER SUBPARAGRAPH (I) OF THIS  
25 PARAGRAPH SHALL BE ALLOCATED NOT LATER THAN ~~DECEMBER 31, 2029~~ JUNE 30,  
26 2028, AND SPENT NOT LATER THAN ~~DECEMBER 31, 2031~~ JUNE 30, 2030.

27 (3) THE ADMINISTRATION SHALL COORDINATE WITH THE  
28 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO PROVIDE  
29 SERVICES OR FUNDING FOR WEATHERIZATION FOR ALL LOW OR MODERATE INCOME  
30 HOUSING WITHIN THE PILOT SYSTEM'S AREA.

31 (4) IN PROVIDING FUNDING MADE AVAILABLE UNDER THE FEDERAL  
32 INFLATION REDUCTION ACT OF 2022 FOR BEHIND-THE-METER PROJECTS, THE  
33 ADMINISTRATION SHALL GIVE PRIORITY TO LOW AND MODERATE INCOME HOUSING.

1           **(B) ~~THE MARYLAND ENVIRONMENTAL SERVICE~~ A GAS COMPANY**  
2 **IMPLEMENTING A PILOT SYSTEM SHALL:**

3           **(1) ~~SHALL ISSUE PROCUREMENTS~~ BE RESPONSIBLE FOR**  
4 **CONSTRUCTION, INCLUDING ANY NECESSARY RENOVATIONS, FOR**  
5 **BEHIND-THE-METER PROJECTS RELATING TO ANY APPLIANCE OR PANEL**  
6 **REPLACEMENTS OR UPGRADES NECESSARY TO CONNECT TO A THERMAL ENERGY**  
7 **NETWORK SYSTEM AND OPERATE WITHOUT GAS;**

8           **(2) PURSUE ALL TAX CREDITS AND FEDERAL FUNDING AVAILABLE**  
9 **FOR FRONT-OF-METER AND BEHIND-THE-METER PROJECTS; AND**

10           **(3) COORDINATE WITH THE ADMINISTRATION TO ACCESS FUNDS**  
11 **AVAILABLE UNDER THE FEDERAL INFLATION REDUCTION ACT, REBATES AND**  
12 **CREDITS AVAILABLE UNDER THE EMPOWER MARYLAND PROGRAM, AND ANY**  
13 **OTHER AVAILABLE FUNDS.**

14           **(C) (1) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY**  
15 **THAT OWNS AND MANAGES A PILOT SYSTEM SHALL PAY FOR ANY COST NOT COVERED**  
16 **BY THE FUNDS AND TAX CREDITS SPECIFIED IN SUBSECTIONS (A) AND (B) OF THIS**  
17 **SECTION.**

18           **(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ANY COSTS**  
19 **INCURRED BY AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY**  
20 **AFTER ALL FUNDS AND TAX CREDITS SPECIFIED UNDER SUBSECTIONS (A) AND (B)**  
21 **OF THIS SECTION HAVE BEEN APPLIED MAY BE RECOVERED WITHIN 1 YEAR OF**  
22 **INCURRING THE COSTS THROUGH RATE ADJUSTMENTS OR ANOTHER MECHANISM**  
23 **APPROVED BY THE COMMISSION.**

24           **(D) IF AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY IS**  
25 **REQUIRED TO OWN BEHIND-THE-METER INFRASTRUCTURE FOR A SPECIFIED**  
26 **PERIOD OF TIME TO QUALIFY FOR A FUNDING SOURCE SPECIFIED UNDER**  
27 **SUBSECTION (A)(1)(I) OF THIS SECTION:**

28           **(1) THE COST ASSOCIATED WITH THE BEHIND-THE-METER**  
29 **INFRASTRUCTURE SHALL BE RECOVERED WITHIN THE SPECIFIED OWNERSHIP**  
30 **PERIOD REQUIRED FOR THE FUNDING;**

31           **(2) THE ELECTRIC COMPANY, GAS COMPANY, OR WATER COMPANY**  
32 **SHALL MAINTAIN THE BEHIND-THE-METER INFRASTRUCTURE DURING THE**  
33 **SPECIFIED OWNERSHIP PERIOD REQUIRED FOR THE FUNDING; AND**

34           **(3) OWNERSHIP OF THE BEHIND-THE-METER INFRASTRUCTURE**  
35 **SHALL TRANSFER TO THE ELECTRIC, GAS, OR WATER CUSTOMER WHO THE**

1 INFRASTRUCTURE WAS INSTALLED TO BENEFIT WHEN THE SPECIFIED OWNERSHIP  
2 PERIOD REQUIRED FOR THE FUNDING LAPSES.

3 (E) NOTHING IN THIS SECTION MAY BE CONSTRUED TO AUTHORIZE OR  
4 PROHIBIT AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY FROM  
5 RECOVERING COSTS OF BEHIND-THE-METER INFRASTRUCTURE THAT DOES NOT  
6 MEET THE REQUIREMENTS OF THIS SUBTITLE.

7 ~~(2) SHALL PROVIDE A PROCUREMENT SUBMISSION WINDOW OF NOT~~  
8 ~~LESS THAN 90 DAYS;~~

9 ~~(3) SHALL AWARD CONTRACTS IN A TIMELY MANNER; AND~~

10 ~~(4) MAY ENTER INTO A CONTRACT OR CONTRACTS FOR THE~~  
11 ~~PROCUREMENT.~~

12 ~~(C) THE ADMINISTRATION AND THE MARYLAND ENVIRONMENTAL~~  
13 ~~SERVICE SHALL COORDINATE WITH GAS COMPANIES TO ENSURE THAT~~  
14 ~~BEHIND THE METER PROJECTS CONNECT TO THERMAL ENERGY NETWORK~~  
15 ~~SYSTEMS THAT SERVE CUSTOMERS.~~

16 7-1004.

17 (A) FOR ANY FRONT-OF-METER OR BEHIND-THE-METER PROJECTS  
18 RELATED TO THE CONSTRUCTION OF ANY THERMAL ENERGY NETWORK SYSTEM  
19 UNDER THIS SUBTITLE, AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER  
20 COMPANY SHALL:

21 (1) WORK WITH EMPLOYEES ALREADY UNDER CONTRACT WITH THE  
22 COMPANY; OR

23 (2) USE QUALIFIED CONTRACTORS THAT ABIDE BY A COMMUNITY  
24 BENEFIT AGREEMENT.

25 (B) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY SHALL  
26 GIVE ITS EMPLOYEE BARGAINING UNIT AN OPPORTUNITY TO WORK ON ANY  
27 FRONT-OF-METER OR BEHIND-THE-METER PROJECTS RELATED TO THE  
28 CONSTRUCTION OF ANY THERMAL ENERGY NETWORK SYSTEM.

29 ~~(C) ANY RESIDENTIAL ELECTRIFICATION OR EFFICIENCY CONTRACTS~~  
30 ~~PROCURED BY THE MARYLAND ENVIRONMENTAL SERVICE SHALL BE SUBJECT TO A~~  
31 ~~COMMUNITY BENEFIT AGREEMENT.~~

1       ~~(D)~~ (1) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY  
2 OPERATING A THERMAL ENERGY NETWORK SYSTEM SHALL PROVIDE ITS EMPLOYEE  
3 BARGAINING UNIT AN OPPORTUNITY TO PROVIDE MAINTENANCE AND OPERATIONS  
4 FOR ANY THERMAL ENERGY NETWORK SYSTEM.

5           (2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN  
6 ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY MAY CONTRACT ANY  
7 WORK UNDER THIS SUBTITLE NOT CONDUCTED BY THE COMPANY'S EMPLOYEE  
8 BARGAINING UNIT TO A QUALIFIED CONTRACTOR.

9           (II) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER  
10 COMPANY SHALL REQUIRE A CONTRACTOR OR SUBCONTRACTOR ON A PROJECT  
11 UNDER THIS SUBTITLE TO:

12                   1. PAY THE AREA PREVAILING WAGE RATE DETERMINED  
13 BY THE COMMISSIONER OF LABOR AND INDUSTRY, INCLUDING WAGES AND FRINGE  
14 BENEFITS;

15                   2. OFFER HEALTH CARE AND RETIREMENT BENEFITS TO  
16 THE EMPLOYEES WORKING ON THE PROJECT;

17                   3. PARTICIPATE IN AN APPRENTICESHIP PROGRAM  
18 REGISTERED WITH THE STATE OR THE U.S. DEPARTMENT OF LABOR;

19                   4. ESTABLISH AND EXECUTE A PLAN FOR OUTREACH,  
20 RECRUITMENT, AND RETENTION OF STATE RESIDENTS TO PERFORM WORK ON THE  
21 PROJECT, WITH AN ASPIRATIONAL GOAL OF 25% OF TOTAL WORK HOURS  
22 PERFORMED BY MARYLAND RESIDENTS, INCLUDING RESIDENTS WHO ARE:

23                           A. RETURNING CITIZENS;

24                           B. WOMEN;

25                           C. MINORITY INDIVIDUALS; OR

26                           D. VETERANS;

27                   5. HAVE BEEN IN COMPLIANCE WITH FEDERAL, STATE,  
28 AND LOCAL WAGE AND HOUR LAWS FOR THE PREVIOUS 3 YEARS;

29                   6. BE SUBJECT TO ALL STATE REPORTING AND  
30 COMPLIANCE REQUIREMENTS; ~~AND~~



1                   7.     **MAINTAIN ALL APPROPRIATE LICENSES IN GOOD**  
2 **STANDING; AND**

3                   8.     **ESTABLISH AND EXECUTE A PLAN TO MEET OR**  
4 **EXCEED THE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS**  
5 **ESTABLISHED UNDER SUBSECTION (D)(3) OF THIS SECTION.**

6           ~~(E)~~ **(D)**     **(1) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL**  
7 **ASSEMBLY FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE**  
8 **PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND**  
9 **PROCUREMENT ARTICLE ARE INCORPORATED IN THIS SUBSECTION.**

10                   **(2) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE U. S.**  
11 **CONSTITUTION, AN APPROVED PILOT SYSTEM APPLICANT AND THE MARYLAND**  
12 **ENVIRONMENTAL SERVICE SHALL COMPLY WITH THE STATE'S MINORITY BUSINESS**  
13 **ENTERPRISE PROGRAM.**

14                   **(3) (I) WITHIN 6 MONTHS AFTER THE APPROVAL OF A PILOT**  
15 **SYSTEM UNDER § 7-1002(C) OF THIS SUBTITLE, THE GOVERNOR'S OFFICE OF**  
16 **SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE**  
17 **OFFICE OF THE ATTORNEY GENERAL AND THE GAS COMPANY OPERATING THE**  
18 **APPROVED PILOT SYSTEM, SHALL ESTABLISH A CLEAR PLAN FOR SETTING**  
19 **REASONABLE AND APPROPRIATE MINORITY BUSINESS ENTERPRISE PARTICIPATION**  
20 **GOALS AND PROCEDURES FOR THE PILOT SYSTEM.**

21                   **(II) TO THE EXTENT PRACTICABLE, THE GOALS AND**  
22 **PROCEDURES SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE**  
23 **BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 7 OF THE STATE FINANCE**  
24 **AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT**  
25 **SUBTITLE.**

26                   **(4) (I) A GAS COMPANY OPERATING A PILOT SYSTEM AND THE**  
27 **MARYLAND ENVIRONMENTAL SERVICE SHALL SUBMIT AN ANNUAL REPORT ON**  
28 **MINORITY ENTERPRISE PARTICIPATION TO THE COMMISSION.**

29                   **(II) THE COMMISSION SHALL PROVIDE ANY REPORTS**  
30 **RECEIVED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE GENERAL**  
31 **ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

32 **7-1005.**

33                   **(A) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY MAY**  
34 **OWN, MANAGE, AND RECOVER COSTS ASSOCIATED WITH A THERMAL ENERGY**  
35 **NETWORK SYSTEM SUBJECT TO THE APPROVAL OF THE COMMISSION.**



- 1 (xi) Wastewater discharge indicator;
- 2 (xii) Proximity to a Concentrated Animal Feeding Operation (CAFO);
- 3 (xiii) Percent of the population lacking broadband coverage;
- 4 (xiv) Asthma emergency room discharges;
- 5 (xv) Myocardial infarction discharges;
- 6 (xvi) Low-birth-weight infants;
- 7 (xvii) Proximity to emitting power plants;
- 8 (xviii) Proximity to a Toxic Release Inventory (TRI) facility;
- 9 (xix) Proximity to a brownfields site;
- 10 (xx) Proximity to mining operations; and
- 11 (xxi) Proximity to a hazardous waste landfill.

12 (8) “Underserved community” means any census tract in which, according  
13 to the most recent U.S. Census Bureau Survey:

- 14 (i) At least 25% of the residents qualify as low-income;
- 15 (ii) At least 50% of the residents identify as nonwhite; or
- 16 (iii) At least 15% of the residents have limited English proficiency.

17 **Article – Housing and Community Development**

18 4–1801.

19 (a) In this subtitle the following words have the meanings indicated.

20 (c) “Area median income” means the median household income for the area  
21 adjusted for household size as published and annually updated by the United States  
22 Department of Housing and Urban Development.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2024.