

HOUSE BILL 505

C5

4lr0543
CF 4lr0602

By: **Delegate Charkoudian**

Introduced and read first time: January 24, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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

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

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

19 BY repealing and reenacting, with amendments,
20 Article – Public Utilities
21 Section 4–103
22 Annotated Code of Maryland
23 (2020 Replacement Volume and 2023 Supplement)

24 BY adding to
25 Article – Public Utilities
26 Section 4–504, 4–505, and 7–108
27 Annotated Code of Maryland
28 (2020 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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 1–101.

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

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

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

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

13 (ii) a person that owns or operates equipment used for charging
14 electric vehicles, including a person that owns or operates:

15 1. an electric vehicle charging station;

16 2. electric vehicle supply equipment; or

17 3. an electric vehicle charging station service company or
18 provider.

19 4–103.

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

24 [(b)] A public service company may not charge off lobbying expenses against its
25 ratepayers.]

26 **4–504.**

27 (A) IN THIS SECTION, “LOBBYING OR POLITICAL ACTIVITIES” MEANS ANY
28 ACTION TAKEN AT THE STATE, COUNTY, OR MUNICIPAL LEVELS OF GOVERNMENT IN
29 CONNECTION WITH:

1 **(1) INFLUENCING LEGISLATION;**

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

4 **(3) ANY ATTEMPT TO INFLUENCE ANY SEGMENT OF THE GENERAL**
5 **PUBLIC WITH RESPECT TO AN ELECTION, A LEGISLATIVE MATTER, AN EXECUTIVE**
6 **AGENCY DECISION, OR A REFERENDUM.**

7 **(B) A PUBLIC SERVICE COMPANY MAY NOT RECOVER THROUGH RATES ANY**
8 **COSTS ASSOCIATED WITH:**

9 **(1) MEMBERSHIP, DUES, SPONSORSHIPS, OR CONTRIBUTIONS TO A**
10 **BUSINESS OR INDUSTRY TRADE ASSOCIATION, GROUP, OR RELATED ENTITY EXEMPT**
11 **FROM TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE;**

12 **(2) LOBBYING OR POLITICAL ACTIVITIES, INCLUDING SUPPORTING**
13 **ACTIVITIES SUCH AS POLICY RESEARCH, ANALYSIS, PREPARATION, AND PLANNING;**

14 **(3) UNLESS APPROVED OR ORDERED BY THE COMMISSION,**
15 **ADVERTISING, MARKETING, COMMUNICATIONS, OR OTHER RELATED COSTS**
16 **IDENTIFIED BY THE COMMISSION THAT SEEK TO INFLUENCE PUBLIC OPINION OR**
17 **CREATE GOODWILL TOWARD THE PUBLIC SERVICE COMPANY;**

18 **(4) TRAVEL, LODGING, OR FOOD AND BEVERAGE EXPENSES FOR THE**
19 **PUBLIC SERVICE COMPANY'S BOARD OF DIRECTORS AND OFFICERS OR THE BOARD**
20 **OF DIRECTORS AND OFFICERS OF THE PUBLIC SERVICE COMPANY'S PARENT**
21 **COMPANY;**

22 **(5) ENTERTAINMENT OR GIFTS;**

23 **(6) ANY OWNED, LEASED, OR CHARTERED AIRCRAFT FOR THE PUBLIC**
24 **SERVICE COMPANY'S BOARD OF DIRECTORS AND OFFICERS OR THE BOARD OF**
25 **DIRECTORS AND OFFICERS OF THE PUBLIC SERVICE COMPANY'S PARENT COMPANY;**
26 **OR**

27 **(7) INVESTOR RELATIONS.**

28 **4-505.**

29 **(A) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY WITH**
30 **MORE THAN 75,000 CUSTOMERS IN THE STATE.**

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

4 **(2) THE REPORT SHALL INCLUDE:**

5 **(I) COSTS SPENT BY THE PARENT COMPANY OR AFFILIATES OF**
6 **THE PUBLIC SERVICE COMPANY THAT ARE DIRECTLY BILLED OR ALLOCATED TO THE**
7 **PUBLIC SERVICE COMPANY;**

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

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

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

23 **(V) ANY OTHER INFORMATION THE COMMISSION CONSIDERS**
24 **RELEVANT.**

25 **7-108.**

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

28 **(2) “AFFILIATE” HAS THE MEANING STATED IN § 7-501 OF THIS**
29 **TITLE.**

30 **(3) “MEETING” MEANS ANY COMMITTEE, USER GROUP, TASK FORCE,**
31 **OR OTHER PART OF THE REGIONAL TRANSMISSION ORGANIZATION IN WHICH VOTES**
32 **ARE TAKEN.**

1 **(4) “RECORDED VOTE” MEANS A VOTE THAT IS TABULATED, EITHER**
2 **INDIVIDUALLY OR AS PART OF A SECTOR, FOR ANY PURPOSE AT A MEETING,**
3 **REGARDLESS OF:**

4 **(I) WHETHER THE VOTE REPRESENTS A FINAL POSITION OF**
5 **ANY PERSON CASTING THE VOTE; OR**

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

7 **(5) “REGIONAL TRANSMISSION ORGANIZATION” MEANS AN ENTITY**
8 **THAT QUALIFIES AS A REGIONAL TRANSMISSION ORGANIZATION UNDER 18 C.F.R. §**
9 **35.34.**

10 **(B) EACH ELECTRIC COMPANY SHALL BE A MEMBER OF A REGIONAL**
11 **TRANSMISSION ORGANIZATION.**

12 **(C) (1) ON OR BEFORE FEBRUARY 1 EACH YEAR, EACH ELECTRIC**
13 **COMPANY SHALL SUBMIT TO THE COMMISSION A REPORT OF ANY RECORDED VOTE**
14 **CAST BY THE ELECTRIC COMPANY OR, SUBJECT TO PARAGRAPH (2) OF THIS**
15 **SUBSECTION, AN AFFILIATE OF THE ELECTRIC COMPANY AT A MEETING OF A**
16 **REGIONAL TRANSMISSION ORGANIZATION DURING THE IMMEDIATELY PRECEDING**
17 **CALENDAR YEAR.**

18 **(2) THE REPORT SHALL INCLUDE:**

19 **(I) ALL RECORDED VOTES CAST BY THE ELECTRIC COMPANY,**
20 **REGARDLESS OF WHETHER THE VOTE IS OTHERWISE DISCLOSED;**

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

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

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