

HOUSE BILL 1393

C5, M5, K3

(4lr3220)

ENROLLED BILL

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

Introduced by **Delegate Crosby**

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 **Electric System Planning – Scope and Funding**

3 FOR the purpose of altering the scope of certain policy goals with regard to energy systems;
4 requiring the Public Service Commission to report on certain projects relating to
5 certain goals; altering the scope of certain funds that may be used for certain projects
6 related to the electric system; requiring the Commission to adopt regulations or issue
7 rules to require pursuit of federal funds in a certain manner; requiring the
8 Commission to adopt regulations to require investment in certain demand-side
9 reliability and efficiency improvement methods; requiring that certain regulations
10 adopted and orders issued by the Commission be developed in a certain manner and
11 establish separate requirements for certain electric companies under certain
12 circumstances; altering the scope of projects to which certain labor standards apply;
13 and generally relating to public utilities and electric system projects.

14 BY repealing and reenacting, with amendments,

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 Article – Public Utilities
2 Section 7–801 through 7–804 to be under the amended subtitle “Subtitle 8. Electric
3 System Planning”
4 Annotated Code of Maryland
5 (2020 Replacement Volume and 2023 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Labor and Employment
8 Section 3–416
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2023 Supplement)

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

13 **Article – Public Utilities**

14 Subtitle 8. Electric [Distribution] System Planning.

15 7–801.

16 It is the goal of the State that the electric [distribution] system support, in a
17 cost–effective manner, the State’s policy goals with regard to:

- 18 (1) greenhouse gas reduction;
- 19 (2) renewable energy;
- 20 (3) decreasing dependence on electricity imported from other states; and
- 21 (4) achieving energy [distribution] **SYSTEM** resiliency, efficiency, and
22 reliability.

23 7–802.

24 On or before December 1, 2024, and each December 1 thereafter, the Commission
25 shall submit a report, in accordance with § 2–1257 of the State Government Article, to the
26 General Assembly with information regarding the current status of [electric distribution
27 system evolution] **PROJECTS DESIGNED TO PROMOTE THE GOALS IDENTIFIED IN THIS**
28 **SECTION**, including information on [electric distribution system] planning processes and
29 implementation that promote, as specific goals, the following:

- 30 (1) measures to decrease greenhouse gas emissions incident to electric
31 distribution, including high levels of distributed energy resources and electric vehicles;

1 (2) giving priority to vulnerable communities in the development of
2 distributed energy resources and electric vehicle infrastructure;

3 (3) energy efficiency;

4 (4) meeting anticipated increases in load;

5 (5) incorporation of energy storage technology as appropriate and prudent
6 to:

7 (i) support efficiency and reliability of the electric [distribution]
8 system; and

9 (ii) provide additional capacity to accommodate increased
10 distributed renewable electricity generation in connection with electric TRANSMISSION
11 AND distribution system modernization;

12 (6) efficient management of load variability;

13 (7) electric [distribution] system resiliency and reliability;

14 (8) bidirectional power flows;

15 (9) demand response and other nonwire and noncapital alternatives;

16 (10) increased use of distributed energy resources, including electric
17 vehicles;

18 (11) transparent stakeholder participation in ongoing electric [distribution]
19 system planning processes; and

20 (12) any other issues the Commission considers appropriate.

21 7–803.

22 (a) The General Assembly strongly encourages the electric companies of the State
23 to pursue diligently federal funds to meet the State’s policy goals for the electric
24 [distribution] system, including funds made available under [§§ 40101, 40103, and 40107
25 of] the federal Infrastructure Investment and Jobs Act **OR THE FEDERAL INFLATION**
26 **REDUCTION ACT**.

27 (b) The Commission and the Maryland Energy Administration shall provide
28 assistance and support to electric companies for applying for and obtaining access to federal
29 and other available funds to meet the State’s policy goals [for the electric distribution
30 system].

1 (c) The Maryland Energy Administration shall identify funding sources that may
2 be available to electric companies to implement the State's policy goals under § 7-802 of
3 this subtitle, including funding for:

4 (1) increasing the efficiency of electric [distribution] systems, including
5 through installation and integration of energy storage devices and operational changes and
6 upgrades;

7 (2) grid-hardening activities to reduce the occurrence of or consequences
8 of events that disrupt operations of the electric [distribution] system due to extreme
9 weather or natural disasters;

10 (3) other [distribution system-related upgrade] **ELECTRIC SYSTEM**
11 **ENHANCEMENT** activities available for funding under [§ 40101, § 40103, or § 40107 of] the
12 federal Infrastructure Investment and Jobs Act **OR THE FEDERAL INFLATION**
13 **REDUCTION ACT**; and

14 (4) other specific activities that the Commission identifies.

15 (d) As needed to promote the State's policy goals under § 7-802 of this subtitle,
16 the Commission:

17 (1) shall require each electric company to report **AT LEAST QUARTERLY**
18 to the Commission and the Maryland Energy Administration on:

19 (i) the funding for which the electric company has applied;

20 (ii) the purposes for which the funding is intended to be used;

21 (iii) the status of the funding applications; and

22 (iv) conditions that must be met to obtain the funding; and

23 (2) [may] **SHALL** adopt regulations or issue orders:

24 **(I)** that require electric companies to apply for federal and other
25 available funds in a timely manner; **AND**

26 **(II) IN ORDER TO ENSURE THAT LEAST-COST DEBT IS USED.**

27 7-804.

28 **(A)** ~~On~~ **ON** or before ~~July 1~~ **DECEMBER 31**, 2025, the Commission shall adopt
29 regulations or issue orders to:

30 **(1)** implement specific policies for electric [distribution] system planning;

1 (1) pay the area prevailing wage for each trade employed, including wages
2 and fringe benefits;

3 (2) offer health care and retirement benefits to the employees working on
4 the project;

5 (3) participate in an apprenticeship program registered with the State for
6 each trade employed on the project;

7 (4) establish and execute a plan for outreach, recruitment, and retention of
8 State residents to perform work on the project, with an aspirational goal of 25% of total
9 work hours performed by Maryland residents, including residents who are:

10 (i) returning citizens;

11 (ii) women;

12 (iii) minority individuals; or

13 (iv) veterans;

14 (5) have been in compliance with federal and State wage and hour laws for
15 the previous 3 years;

16 (6) be subject to all State reporting and compliance requirements; and

17 (7) maintain all appropriate licenses in good standing.

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.