

# SENATE BILL 474

C5

(4lr4580)

## ENROLLED BILL

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

Introduced by **The President (By Request – Administration) and Senators Augustine, Bailey, Beidle, Brooks, Carozza, Charles, Corderman, Ferguson, Folden, Gallion, Hershey, Hettleman, Lam, McKay, Ready, Rosapepe, Waldstreicher, and West**

Read and Examined by Proofreaders:

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Proofreader.

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

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Certificate of Public Convenience and Necessity and Related Approvals –**  
3 **Definition of Generating Station**  
4 **(Critical Infrastructure Streamlining Act of 2024)**

5 FOR the purpose of altering and establishing the definition of “generating station” for the  
6 purpose of exempting the construction of certain generating facilities used to produce  
7 electricity for the purpose of onsite emergency backup and certain test and  
8 maintenance operations from the requirement to obtain a certificate of public  
9 convenience and necessity or certain other related approvals under certain  
10 circumstances; altering the distribution of income tax revenue from corporations that  
11 is attributable to certain data centers; and generally relating to generating stations.

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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 BY repealing and reenacting, without amendments,  
2 Article – Public Utilities  
3 Section 1–101(a) and 7–207(a)(1)  
4 Annotated Code of Maryland  
5 (2020 Replacement Volume and 2023 Supplement)

6 BY adding to  
7 Article – Public Utilities  
8 Section 1–101(h–1) and 7–207.3  
9 Annotated Code of Maryland  
10 (2020 Replacement Volume and 2023 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article – Public Utilities  
13 Section 1–101(h–1), 7–207(a)(4), 7–207.1(a), 7–207.2(a), and 7–208(a)  
14 Annotated Code of Maryland  
15 (2020 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – State Government  
18 Section 9–20B–05(a)  
19 Annotated Code of Maryland  
20 (2021 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – State Government  
23 Section 9–20B–05(e)  
24 Annotated Code of Maryland  
25 (2021 Replacement Volume and 2023 Supplement)

26 BY adding to  
27 Article – Tax – General  
28 Section 2–614.1  
29 Annotated Code of Maryland  
30 (2022 Replacement Volume and 2023 Supplement)

31 BY repealing and reenacting, with amendments,  
32 Article – Tax – General  
33 Section 2–615  
34 Annotated Code of Maryland  
35 (2022 Replacement Volume and 2023 Supplement)

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

38 **Article – Public Utilities**

1 1-101.

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

3 **(H-1) (1) “CRITICAL INFRASTRUCTURE” MEANS ASSETS, SYSTEMS, AND**  
4 **NETWORKS, WHETHER PHYSICAL OR VIRTUAL, CONSIDERED BY THE U.S.**  
5 **DEPARTMENT OF HOMELAND SECURITY TO BE SO VITAL TO THE UNITED STATES**  
6 **THAT THEIR INCAPACITATION OR DESTRUCTION WOULD HAVE A DEBILITATING**  
7 **EFFECT ON ONE OR MORE OF THE FOLLOWING:**

8 (I) SECURITY;

9 (II) NATIONAL ECONOMIC SECURITY;

10 (III) NATIONAL PUBLIC HEALTH; OR

11 (IV) SAFETY.

12 **(2) “CRITICAL INFRASTRUCTURE” INCLUDES:**

13 (I) A HOSPITAL OR HEALTH CARE FACILITY; AND

14 (II) A DATA CENTER AS DEFINED IN § 11-239 OF THE TAX –  
15 GENERAL ARTICLE.

16 **[(h-1)] (H-2) “Cybersecurity” has the meaning stated in § 3.5-301 of the State**  
17 **Finance and Procurement Article.**

18 7-207.

19 (a) (1) In this section the following words have the meanings indicated.

20 (4) “Generating station” does not include:

21 (i) a generating unit or facility that:

22 1. is used for the production of electricity;

23 2. has the capacity to produce not more than 2 megawatts of  
24 alternating current; and

25 3. is installed with equipment that prevents the flow of  
26 electricity to the electric grid during time periods when the electric grid is out of service;

27 [or]

(ii) a combination of two or more generating units or facilities that:

1. are used for the production of electricity from a solar photovoltaic system or an eligible customer-generator that is subject to the provisions of § 7-306 of this title;

2. are located on the same property or adjacent properties;

3. have the capacity to produce, when calculated cumulatively for all generating units or facilities on the property or adjacent property, more than 2 megawatts but not more than 14 megawatts of alternating current; and

4. for each individual generating unit or facility:

A. has the capacity to produce not more than 2 megawatts of alternating current;

B. is separately metered by the electric company; and

C. does not export electricity for sale on the wholesale market under an agreement with PJM Interconnection, LLC;

**(III) A GENERATING UNIT OR FACILITY THAT:**

**1. IS USED FOR THE PRODUCTION OF ELECTRICITY FOR THE PURPOSE OF:**

**A. ONSITE EMERGENCY BACKUP AT A FACILITY WHEN SERVICE FROM THE ELECTRIC COMPANY IS INTERRUPTED DUE TO ELECTRIC DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED; AND**

**B. TEST AND MAINTENANCE OPERATIONS NECESSARY TO ENSURE FUNCTIONALITY OF THE GENERATING UNIT OR FACILITY IN THE EVENT OF A SERVICE INTERRUPTION FROM THE ELECTRIC COMPANY DUE TO ELECTRIC DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED;**

**2. IS INSTALLED WITH EQUIPMENT THAT PREVENTS THE FLOW OF ELECTRICITY TO THE ELECTRIC GRID; ~~AND~~**

**3. IS SUBJECT TO A PERMIT TO CONSTRUCT ISSUED BY THE DEPARTMENT OF THE ENVIRONMENT; ~~OR~~ AND**

1                                   **4. IS INSTALLED AT A FACILITY THAT IS PART OF**  
2 **CRITICAL INFRASTRUCTURE IF THE FACILITY COMPLIES WITH ALL APPLICABLE**  
3 **REGULATIONS REGARDING NOISE LEVEL AND TESTING HOURS; OR**

4                                   **(IV) A COMBINATION OF TWO OR MORE GENERATING UNITS OR**  
5 **FACILITIES THAT SATISFY ITEM (III) OF THIS PARAGRAPH.**

6 7–207.1.

7           (a) In this section, “generating station” does not include:

8                   (1) a generating unit or facility that:

9                           (i) is used for the production of electricity;

10                           (ii) has the capacity to produce not more than 2 megawatts of  
11 alternating current; and

12                           (iii) is installed with equipment that prevents the flow of electricity  
13 to the electric grid during time periods when the electric grid is out of service; [or]

14                   (2) a combination of two or more generating units or facilities that:

15                           (i) are used for the production of electricity from a solar photovoltaic  
16 system or an eligible customer–generator that is subject to the provisions of § 7–306 of this  
17 title;

18                           (ii) are located on the same property or adjacent properties;

19                           (iii) have the capacity to produce, when calculated cumulatively for  
20 all generating units or facilities on the property or adjacent property, more than 2  
21 megawatts but not more than 14 megawatts of alternating current; and

22                           (iv) for each individual generating unit or facility:

23                                   1. has the capacity to produce not more than 2 megawatts of  
24 alternating current;

25                                   2. is separately metered by the electric company; and

26                                   3. does not export electricity for sale on the wholesale market  
27 under an agreement with PJM Interconnection, LLC;

28                   **(3) A GENERATING UNIT OR FACILITY THAT:**

1                   **(I) IS USED FOR THE PRODUCTION OF ELECTRICITY FOR THE**  
2 **PURPOSE OF:**

3                   **1. ONSITE EMERGENCY BACKUP AT A FACILITY WHEN**  
4 **SERVICE FROM THE ELECTRIC COMPANY IS INTERRUPTED DUE TO ELECTRIC**  
5 **DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT**  
6 **FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED; AND**

7                   **2. TEST AND MAINTENANCE OPERATIONS NECESSARY**  
8 **TO ENSURE FUNCTIONALITY OF THE GENERATING UNIT OR FACILITY IN THE EVENT**  
9 **OF A SERVICE INTERRUPTION FROM THE ELECTRIC COMPANY DUE TO ELECTRIC**  
10 **DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT**  
11 **FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED;**

12                   **(II) IS INSTALLED WITH EQUIPMENT THAT PREVENTS THE FLOW**  
13 **OF ELECTRICITY TO THE ELECTRIC GRID; ~~AND~~**

14                   **(III) IS SUBJECT TO A PERMIT TO CONSTRUCT ISSUED BY THE**  
15 **DEPARTMENT OF THE ENVIRONMENT; ~~OR~~ AND**

16                   **(IV) IS INSTALLED AT A FACILITY THAT IS PART OF CRITICAL**  
17 **INFRASTRUCTURE IF THE FACILITY COMPLIES WITH ALL APPLICABLE**  
18 **REGULATIONS REGARDING NOISE LEVEL AND TESTING HOURS; OR**

19                   **(4) A COMBINATION OF TWO OR MORE GENERATING UNITS OR**  
20 **FACILITIES THAT SATISFY ITEM (3) OF THIS SUBSECTION.**

21 7-207.2.

22           (a) In this section, “generating station” does not include:

23                   (1) a generating unit or facility that:

24                           (i) is used for the production of electricity;

25                           (ii) has the capacity to produce not more than 2 megawatts of  
26 alternating current; and

27                           (iii) is installed with equipment that prevents the flow of electricity  
28 to the electric grid during time periods when the electric grid is out of service; [or]

29                   (2) a combination of two or more generating units or facilities that:

1 (i) are used for the production of electricity from a solar photovoltaic  
2 system or an eligible customer-generator that is subject to the provisions of § 7-306 of this  
3 title;

4 (ii) are located on the same property or adjacent properties;

5 (iii) have the capacity to produce, when calculated cumulatively for  
6 all generating units or facilities on the property or adjacent property, more than 2  
7 megawatts but not more than 14 megawatts of alternating current; and

8 (iv) for each individual generating unit or facility:

9 1. has the capacity to produce not more than 2 megawatts of  
10 alternating current;

11 2. is separately metered by the electric company; and

12 3. does not export electricity for sale on the wholesale market  
13 under an agreement with PJM Interconnection, LLC;

14 **(3) A GENERATING UNIT OR FACILITY THAT:**

15 **(I) IS USED FOR THE PRODUCTION OF ELECTRICITY FOR THE**  
16 **PURPOSE OF:**

17 **1. ONSITE EMERGENCY BACKUP AT A FACILITY WHEN**  
18 **SERVICE FROM THE ELECTRIC COMPANY IS INTERRUPTED DUE TO ELECTRIC**  
19 **DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT**  
20 **FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED; AND**

21 **2. TEST AND MAINTENANCE OPERATIONS NECESSARY**  
22 **TO ENSURE FUNCTIONALITY OF THE GENERATING UNIT OR FACILITY IN THE EVENT**  
23 **OF A SERVICE INTERRUPTION FROM THE ELECTRIC COMPANY DUE TO ELECTRIC**  
24 **DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT**  
25 **FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED;**

26 **(II) IS INSTALLED WITH EQUIPMENT THAT PREVENTS THE FLOW**  
27 **OF ELECTRICITY TO THE ELECTRIC GRID; ~~AND~~**

28 **(III) IS SUBJECT TO A PERMIT TO CONSTRUCT ISSUED BY THE**  
29 **DEPARTMENT OF THE ENVIRONMENT; ~~OR~~ AND**

30 **(IV) IS INSTALLED AT A FACILITY THAT IS PART OF CRITICAL**  
31 **INFRASTRUCTURE IF THE FACILITY COMPLIES WITH ALL APPLICABLE**  
32 **REGULATIONS REGARDING NOISE LEVEL AND TESTING HOURS; OR**

1 (4) A COMBINATION OF TWO OR MORE GENERATING UNITS OR  
2 FACILITIES THAT SATISFY ITEM (3) OF THIS SUBSECTION.

3 7-207.3.

4 (A) (1) ON OR BEFORE DECEMBER 1, 2025, AND EACH DECEMBER 1  
5 THEREAFTER, THE OWNER OR OPERATOR OF A GENERATING UNIT OR FACILITY  
6 SPECIFIED UNDER § 7-207(A)(4)(III) OF THIS SUBTITLE SHALL SUBMIT TO THE  
7 DEPARTMENT OF THE ENVIRONMENT A REPORT THAT INCLUDES:

8 (I) DATES ON WHICH THE GENERATING UNIT OR FACILITY WAS  
9 USED FOR THE PREVIOUS 12 MONTHS;

10 (II) THE LENGTH OF TIME THE GENERATING UNIT OR FACILITY  
11 WAS OPERATED FOR THE PREVIOUS 12 MONTHS; AND

12 (III) FOR EACH INSTANCE THAT THE GENERATING UNIT OR  
13 FACILITY WAS OPERATED OVER THE PREVIOUS 12 MONTHS, THE REASON THE  
14 GENERATING UNIT OR FACILITY WAS OPERATED.

15 (2) UNLESS THE DEPARTMENT OF THE ENVIRONMENT DETERMINES  
16 THAT THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION POSES  
17 A RISK TO CYBERSECURITY, NATIONAL SECURITY, OR THE SECURITY OF THE STATE,  
18 THE REPORT:

19 (I) SHALL BE MADE PUBLICLY AVAILABLE; AND

20 (II) MAY NOT BE REDACTED.

21 (B) ON OR BEFORE DECEMBER 1, 2025, AND EVERY 2 YEARS THEREAFTER,  
22 THE MARYLAND ENERGY ADMINISTRATION, IN CONSULTATION WITH THE  
23 DEPARTMENT OF COMMERCE AND INDUSTRY REPRESENTATIVES SELECTED BY THE  
24 DEPARTMENT OF COMMERCE, SHALL, IN ACCORDANCE WITH § 2-1257 OF THE  
25 STATE GOVERNMENT ARTICLE, SUBMIT A REPORT TO THE GENERAL ASSEMBLY  
26 DETAILING:

27 (1) ADVANCEMENTS IN BACKUP GENERATION TECHNOLOGIES;

28 (2) THE COMMERCIAL AVAILABILITY OF NEW BACKUP GENERATION  
29 TECHNOLOGIES THAT CAN BE PROCURED; AND

30 (3) THE AFFORDABILITY OF ADOPTING NEW BACKUP GENERATION  
31 TECHNOLOGIES.



1 7-208.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) “Construction” has the meaning stated in § 7-207 of this subtitle.

4 (3) **“GENERATING STATION” DOES NOT INCLUDE:**

5 (I) **A GENERATING UNIT OR FACILITY THAT:**

6 1. **IS USED FOR THE PRODUCTION OF ELECTRICITY FOR**  
7 **THE PURPOSE OF:**

8 **A. ONSITE EMERGENCY BACKUP AT A FACILITY WHEN**  
9 **SERVICE FROM THE ELECTRIC COMPANY IS INTERRUPTED DUE TO ELECTRIC**  
10 **DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS EQUIPMENT**  
11 **FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED; AND**

12 **B. TEST AND MAINTENANCE OPERATIONS NECESSARY**  
13 **TO ENSURE FUNCTIONALITY OF THE GENERATING UNIT OR FACILITY IN THE EVENT**  
14 **OF AN INTERRUPTION OF SERVICE FROM THE ELECTRIC COMPANY DUE TO**  
15 **ELECTRIC DISTRIBUTION OR TRANSMISSION SYSTEM FAILURE OR WHEN THERE IS**  
16 **EQUIPMENT FAILURE AT A SITE WHERE CRITICAL INFRASTRUCTURE IS LOCATED;**

17 2. **IS INSTALLED WITH EQUIPMENT THAT PREVENTS THE**  
18 **FLOW OF ELECTRICITY TO THE ELECTRIC GRID; ~~AND~~**

19 3. **IS SUBJECT TO A PERMIT TO CONSTRUCT ISSUED BY**  
20 **THE DEPARTMENT OF THE ENVIRONMENT; ~~OR~~ AND**

21 4. **IS INSTALLED AT A FACILITY THAT IS PART OF**  
22 **CRITICAL INFRASTRUCTURE IF THE FACILITY COMPLIES WITH ALL APPLICABLE**  
23 **REGULATIONS REGARDING NOISE LEVEL AND TESTING HOURS; OR**

24 (II) **A COMBINATION OF TWO OR MORE GENERATING UNITS OR**  
25 **FACILITIES THAT SATISFY ITEM (I) OF THIS PARAGRAPH.**

26 [(3)] (4) “Qualified offshore wind project” has the meaning stated in §  
27 7-701 of this title.

28 [(4)] (5) “Qualified submerged renewable energy line” means:

29 (i) a line carrying electricity supply and connecting a qualified  
30 offshore wind project to the transmission system; and

(ii) a line in which the portions of the line crossing any submerged lands or any part of a beach erosion control district are buried or submerged.

**Article – State Government**

**9-20B-05.**

(a) There is a Maryland Strategic Energy Investment Fund.

(e) The Fund consists of:

(1) all of the proceeds from the sale of allowances under § 2-1002(g) of the Environment Article;

(2) money appropriated in the State budget to the Program;

(3) repayments and prepayments of principal and interest on loans made from the Fund;

(4) interest and investment earnings on the Fund;

(5) compliance fees paid under § 7-705 of the Public Utilities Article;

(6) money received from any public or private source for the benefit of the Fund; [and]

(7) money transferred from the Public Service Commission under § 7-207.2(c)(3) of the Public Utilities Article; AND

(8) **MONEY DISTRIBUTED UNDER § 2-614.1 OF THE TAX – GENERAL ARTICLE.**

**Article – Tax – General**

**2-614.1.**

**(A) IN THIS SECTION, “QUALIFIED DATA CENTER” HAS THE MEANING STATED IN § 11-239 OF THIS ARTICLE.**

**(B) AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-613, 2-613.1, AND 2-614 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE 15% OF THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS THAT IS ATTRIBUTABLE TO QUALIFIED DATA CENTERS THAT ARE OPERATIONAL ON OR AFTER JANUARY 1, 2026, TO THE STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT ARTICLE.**

1 2-615.

2 After making the distributions required under §§ 2-613, 2-613.1, [and] 2-614, AND  
3 2-614.1 of this subtitle, the Comptroller shall distribute the remaining income tax revenue  
4 from corporations to the General Fund of the State.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2024.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.