

# SENATE BILL 570

M5, C5, P2

4lr0763  
CF HB 397

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By: **Senator Hester**

Introduced and read first time: January 25, 2024

Assigned to: Education, Energy, and the Environment

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2024

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## 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  
16 Counsel, a certain company, a certain certified representative, and certain  
17 customers, to make a determination on whether to make a pilot system permanent  
18 after the completion of the pilot system's pilot period; establishing funding  
19 requirements for the Administration to ~~cover~~ assist certain companies in covering  
20 certain costs; providing for the payment and recovery of certain costs; requiring the  
21 Administration to coordinate with the Department of Housing and Community  
22 Development to provide certain services or funding; requiring ~~the Maryland~~  
23 ~~Environmental Service to issue certain procurements for certain projects~~ a gas  
24 company to be responsible for certain costs associated with certain  
25 behind-the-meter projects; establishing certain employment and wage

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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.



1 requirements for certain projects; and generally relating to thermal energy network  
2 systems.

3 BY repealing and reenacting, without amendments,  
4 Article – Public Utilities  
5 Section 7–703(f)(1)  
6 Annotated Code of Maryland  
7 (2020 Replacement Volume and 2023 Supplement)

8 BY adding to  
9 Article – Public Utilities  
10 Section 7–1001 through 7–1006 to be under the new subtitle “Subtitle 10. Thermal  
11 Energy Network Systems”  
12 Annotated Code of Maryland  
13 (2020 Replacement Volume and 2023 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article – ~~Environment~~ Environment  
16 Section 1–701(a)(1), (7), and (8)  
17 Annotated Code of Maryland  
18 (2013 Replacement Volume and 2023 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article – Housing and Community Development  
21 Section 4–1801(a) and (c)  
22 Annotated Code of Maryland  
23 (2019 Replacement Volume and 2023 Supplement)

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

26 **Article – Public Utilities**

27 7–703.

28 (f) (1) (i) In this subsection the following words have the meanings  
29 indicated.

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

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

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

1 **7-1001.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
3 INDICATED.

4 (B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY  
5 ADMINISTRATION.

6 (C) "BEHIND-THE-METER PROJECT" MEANS A PROJECT THAT INVOLVES A  
7 PHYSICAL, OPERATIONAL, OR BEHAVIORAL MODIFICATION ON THE CUSTOMER SIDE  
8 OF A UTILITY METER, INCLUDING REPLACEMENT OF APPLIANCES, RETROFITS, AND  
9 PANEL UPGRADES.

10 (D) "COMMUNITY BENEFIT AGREEMENT" MEANS AN AGREEMENT  
11 APPLICABLE TO THE CONSTRUCTION OF ANY THERMAL ENERGY NETWORK SYSTEM  
12 AND ANY ACCOMPANYING RESIDENTIAL ELECTRIFICATION THAT:

13 (1) PROMOTES INCREASED OPPORTUNITIES FOR LOCAL BUSINESSES  
14 AND SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE  
15 CLEAN ENERGY INDUSTRY;

16 (2) ENSURES THE TIMELY, SAFE, AND EFFICIENT COMPLETION OF  
17 THE PROJECT BY:

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

22 (II) GUARANTEEING THAT THE CONSTRUCTION WORK  
23 PERFORMED IN CONNECTION WITH THE PROJECT WILL BE SUBJECT TO AN  
24 AGREEMENT THAT:

25 1. ESTABLISHES THE TERMS AND CONDITIONS OF  
26 EMPLOYMENT AT THE CONSTRUCTION SITE OF THE PROJECT OR A PORTION OF THE  
27 PROJECT;

28 2. GUARANTEES AGAINST STRIKES, LOCKOUTS, AND  
29 SIMILAR DISRUPTIONS;

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

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

3                   5.     SETS FORTH OTHER MECHANISMS FOR  
4 LABOR-MANAGEMENT COOPERATION ON MATTERS OF MUTUAL INTEREST AND  
5 CONCERN, INCLUDING PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH;  
6 AND

7                   6.     BINDS ALL CONTRACTORS AND SUBCONTRACTORS TO  
8 THE TERMS OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE  
9 PROVISIONS IN ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS;

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

13                 (4)    PROMOTES CAREER TRAINING OPPORTUNITIES IN THE  
14 MANUFACTURING, MAINTENANCE, AND CONSTRUCTION INDUSTRIES FOR LOCAL  
15 RESIDENTS, VETERANS, WOMEN, MINORITIES, AND FORMERLY INCARCERATED  
16 INDIVIDUALS;

17                 (5)    INCLUDES PROVISIONS FOR LOCAL HIRING AND THE HIRING OF  
18 HISTORICALLY DISADVANTAGED GROUPS;

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

23                 (7)    USES LOCALLY, SUSTAINABLY, AND DOMESTICALLY  
24 MANUFACTURED CONSTRUCTION MATERIALS AND COMPONENTS TO THE EXTENT  
25 PRACTICABLE;

26                 (8)    (7)    PROMOTES THE USE OF SKILLED LOCAL LABOR,  
27 PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING  
28 COMPONENTS OF THE PROJECT, USING METHODS INCLUDING OUTREACH, HIRING,  
29 OR REFERRAL METHODS THAT ARE AFFILIATED WITH REGISTERED  
30 APPRENTICESHIP PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND  
31 EMPLOYMENT ARTICLE; AND

32                 (9)    (8)    AUTHORIZES THE MARYLAND DEPARTMENT OF LABOR AND  
33 THE COMMISSION TO CONSIDER, REVIEW, AND ENFORCE A PUBLIC SERVICE  
34 COMPANY'S COMPLIANCE WITH ANY COMMUNITY BENEFIT AGREEMENT.

1 (E) “FINANCING PROGRAM” MEANS THE ENERGY INFRASTRUCTURE  
2 REINVESTMENT CATEGORY OF THE TITLE 17 CLEAN ENERGY FINANCING  
3 PROGRAM.

4 ~~(F)~~ (F) “FRONT-OF-METER PROJECT” MEANS A PROJECT THAT IMPACTS  
5 THE UTILITY SIDE OF A METER.

6 ~~(G)~~ (G) “GEOHERMAL BOREHOLE” MEANS A GEOHERMAL SHAFT  
7 DRILLED INTO THE EARTH FOR USE IN A SYSTEM THAT USES THE THERMAL  
8 PROPERTIES OF THE EARTH OR GROUNDWATER TO HEAT OR COOL BUILDINGS.

9 (H) “GREENHOUSE GAS REDUCTION FUND” MEANS THE GREENHOUSE GAS  
10 REDUCTION FUND UNDER THE FEDERAL INFLATION REDUCTION ACT OF 2022.

11 ~~(I)~~ (I) “LEARNING FROM THE GROUND UP” MEANS THE LEARNING  
12 FROM THE GROUND UP RESEARCH TEAM FORMED BY THE HOME ENERGY  
13 EFFICIENCY TEAM.

14 ~~(J)~~ (J) “LOW OR MODERATE INCOME HOUSING” HAS THE MEANING  
15 STATED IN § 7-703(F)(1)(III) OF THIS TITLE.

16 ~~(K)~~ (K) “PILOT SYSTEM” MEANS A PILOT THERMAL ENERGY NETWORK  
17 SYSTEM DEVELOPED BY A GAS COMPANY TO REPLACE GAS INFRASTRUCTURE WITH  
18 A THERMAL ENERGY NETWORK SYSTEM.

19 ~~(L)~~ (L) “PJM CAPACITY MARKET” MEANS THE CAPACITY MARKET OF  
20 PJM INTERCONNECTION, LLC OR ANY SUCCESSOR ORGANIZATION THAT SERVICES  
21 THE PJM REGION.

22 ~~(M)~~ (M) “THERMAL ENERGY NETWORK SYSTEM” MEANS A SYSTEM:

23 (1) OF CLOSED LOOP UNDERGROUND PIPING INFRASTRUCTURE,  
24 INCLUDING GEOHERMAL BOREHOLES, LEADING UP TO A UTILITY METER FOR THE  
25 CONVEYANCE OR STORAGE OF RENEWABLE, NONGREENHOUSE GAS-EMITTING  
26 THERMAL ENERGY; AND

27 (2) THAT CREATES A NETWORK OF CUSTOMERS WITH THERMAL  
28 ENERGY FOR HEATING AND COOLING THROUGH NONCOMBUSTING ELECTRIC HEAT  
29 PUMPS.

30 7-1002.

31 (A) (1) (I) ON OR BEFORE OCTOBER 1, 2024, EACH GAS COMPANY  
32 THAT SERVES AT LEAST 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY

1 SHALL:

2 ~~(H)~~ 1. BEGIN TO DEVELOP A PLAN FOR A PILOT SYSTEM OR  
3 SYSTEMS; AND

4 ~~(H)~~ 2. FILE NOTICE WITH THE COMMISSION THAT THE  
5 COMPANY HAS BEGUN PLAN DEVELOPMENT.

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

10 (2) IN DEVELOPING A PLAN FOR A PILOT SYSTEM, A GAS COMPANY  
11 SHALL COORDINATE WITH COMMUNITY GROUPS, LOCAL GOVERNMENTS, ANY  
12 CERTIFIED REPRESENTATIVES OF THE EMPLOYEES OF THE GAS COMPANY, THE  
13 COMMISSION, THE ADMINISTRATION, AND ANY OTHER GROUPS THE GAS COMPANY  
14 CONSIDERS NECESSARY TO ALLOW FOR DIVERSE DESIGN AMONG PILOT SYSTEMS.

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

17 (I) DETAILS OF ANY COORDINATION WITH COMMUNITY  
18 GROUPS, LOCAL GOVERNMENTS, CERTIFIED REPRESENTATIVES OF THE  
19 EMPLOYEES OF THE GAS COMPANY, THE COMMISSION, THE ADMINISTRATION, AND  
20 ANY OTHER GROUPS THE GAS COMPANY CONSIDERS NECESSARY TO ALLOW FOR  
21 DIVERSE DESIGN AMONG PILOT SYSTEMS; AND

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

23 (B) (1) (I) ON OR BEFORE JULY 1, 2025, EACH GAS COMPANY THAT  
24 SERVES AT LEAST 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY SHALL  
25 SUBMIT EITHER ONE OR TWO PROPOSALS FOR A PILOT SYSTEM TO THE COMMISSION  
26 FOR APPROVAL.

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

31 (2) A PROPOSAL FOR A PILOT SYSTEM SHALL ENSURE THAT AT LEAST  
32 80% OF ITS CUSTOMERS ARE FROM LOW OR MODERATE INCOME HOUSING.

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

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

10           **(5) EACH GAS COMPANY IS RESPONSIBLE FOR ENSURING THAT EACH**  
11 **PROPOSAL SUBMITTED BY THE GAS COMPANY COMPLIES WITH ALL APPLICABLE**  
12 **FEDERAL STATUTES, REGULATIONS, AND GUIDANCE RELATING TO ANY FEDERAL**  
13 **FUNDING.**

14           **(6) EACH PROPOSAL SHALL ADDRESS:**

15           **(I) HOW THE PILOT SYSTEM WILL DEVELOP USEFUL**  
16 **INFORMATION FOR THE ADOPTION OF REGULATIONS GOVERNING THERMAL**  
17 **ENERGY NETWORK SYSTEMS;**

18           **(II) HOW THE PILOT SYSTEM FURTHERS GREENHOUSE GAS**  
19 **EMISSIONS REDUCTION GOALS;**

20           **(III) HOW THE PILOT SYSTEM ADVANCES FINANCIAL AND**  
21 **TECHNICAL APPROACHES TO EQUITABLE AND AFFORDABLE BUILDING**  
22 **ELECTRIFICATION;**

23           **(IV) HOW THE PILOT SYSTEM CREATES BENEFITS TO ITS**  
24 **CUSTOMERS, EMPLOYEES, AND SOCIETY AT LARGE, INCLUDING PUBLIC HEALTH**  
25 **BENEFITS, QUALITY JOB RETENTION OR CREATION, RELIABILITY, AND INCREASED**  
26 **AFFORDABILITY OF RENEWABLE THERMAL ENERGY OPTIONS;**

27           **(V) HOW THE PILOT SYSTEM CONTRIBUTES TO AVOIDING COSTS**  
28 **TO ELECTRIC DISTRIBUTION AND TRANSMISSION SYSTEMS THAT WOULD**  
29 **OTHERWISE BE REQUIRED FOR ELECTRIFICATION BY COMPARING THE PROPOSED**  
30 **SYSTEM TO THE COST OF ELECTRIFICATION USING THE MOST WIDELY**  
31 **COMMERCIALY AVAILABLE AIR-SOURCE HEAT PUMPS;**

32           **(VI) HOW THE PILOT SYSTEM CONTRIBUTES TO AVOIDING COSTS**  
33 **RELATED TO GAS PIPE REPLACEMENT;**

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

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

6 (IX) NEIGHBORHOODS AT THE END POINT OF A GAS SYSTEM  
7 WHERE A FULL TRANSITION FROM GAS SYSTEMS TO ELECTRIFICATION COULD BE  
8 FACILITATED WITHIN THE PILOT PERIOD OR WITHIN 5 YEARS AFTER THE PILOT  
9 PERIOD CONCLUDES;

10 (X) SAFETY;

11 (XI) RELIABILITY;

12 (XII) ENVIRONMENTAL ACCEPTABILITY OF THE FLUID  
13 TECHNOLOGY EMPLOYED;

14 (XIII) OPERATIONS;

15 (XIV) MAINTENANCE;

16 (XV) CUSTOMER COMPLAINT RESOLUTION;

17 (XVI) EMERGENCY RESPONSE;

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

20 (XVIII) TECHNOLOGY TO BE USED TO SHUT OFF FLUID FLOW  
21 TO CUSTOMERS;

22 (XIX) CUSTOMER SERVICE TERMINATION IN THE EVENT OF BILL  
23 NONPAYMENT;

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

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

27 ~~(XXI)~~ (XXII) ANY OTHER REQUIREMENTS AS DETERMINED BY THE  
28 COMMISSION.

29 (7) EACH PROPOSAL SHALL INCLUDE:



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

5 (II) A PROPOSED SET OF MEASUREMENTS OF ENERGY UNITS  
6 AND ACCOUNTING STANDARDS.

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

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

14 (C) (1) ON OR BEFORE DECEMBER 31, 2025, THE COMMISSION MAY  
15 APPROVE, APPROVE WITH MODIFICATIONS, OR REJECT A PROPOSAL.

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

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

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

25 ~~I.~~ A. SOCIETAL COSTS AND BENEFITS; AND

26 ~~II.~~ B. AVOIDED ENERGY AND INFRASTRUCTURE  
27 INVESTMENTS;

28 ~~III.~~ 2. DETERMINE WHETHER THE PILOT SYSTEM IS IN THE  
29 PUBLIC INTEREST AND IN THE INTEREST OF RATEPAYERS;

30 ~~IV.~~ 3. DETERMINE HOW EACH PILOT SYSTEM'S  
31 PERFORMANCE WILL BE EVALUATED DURING THE PILOT SYSTEM'S DURATION; ~~AND~~

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

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

4                                 ~~2.~~ B.   DETAILS RATEPAYER IMPACTS FOR PILOT SYSTEM  
5 PARTICIPANTS AND ALL CUSTOMERS IN THE GAS COMPANY'S SERVICE TERRITORY;  
6 AND

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

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

11                                 1.     THE PROJECTED BENEFITS ARE GREATER THAN THE  
12 PROJECTED COSTS FOR ALL RATEPAYERS IN THE GAS COMPANY'S SERVICE  
13 TERRITORY;

14                                 2.     THE GAS COMPANY HAS OBTAINED, OR IS  
15 REASONABLY CERTAIN TO OBTAIN, FEDERAL FUNDING UNDER THE FINANCING  
16 PROGRAM OR THE GREENHOUSE GAS REDUCTION FUND TO SUPPORT THE COSTS  
17 OF A PILOT SYSTEM; AND

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

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

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

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

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

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

4 (2) (I) ONCE THE 2-YEAR PERIOD UNDER PARAGRAPH (1) OF THIS  
5 SUBSECTION HAS PASSED, THE COMMISSION, IN CONSULTATION WITH THE  
6 ADMINISTRATION, ~~AND~~ THE OFFICE OF PEOPLE'S COUNSEL, THE ELECTRIC, GAS,  
7 OR WATER COMPANY THAT OWNS AND MANAGES THE PILOT SYSTEM, A CERTIFIED  
8 REPRESENTATIVE OF THE EMPLOYEES OF THE ELECTRIC COMPANY, GAS COMPANY,  
9 OR WATER COMPANY THAT OWNS AND MANAGES THE PILOT SYSTEM, AND  
10 PARTICIPATING CUSTOMERS, SHALL DETERMINE WHETHER TO MAKE THE PILOT  
11 SYSTEM PERMANENT.

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

15 (III) IF A DETERMINATION IS MADE THAT A PILOT SYSTEM WILL  
16 NOT BE MADE PERMANENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE  
17 COMMISSION MAY APPROVE RECOVERY OF ALL PRUDENTLY INCURRED COSTS  
18 NECESSARY FOR A GAS COMPANY TO COMPLY WITH THE DETERMINATION.

19 (3) THE COMMISSION SHALL ADOPT REGULATIONS ADDRESSING THE  
20 DECOMMISSIONING OR DISCONTINUANCE OF A PILOT SYSTEM, INCLUDING  
21 REGULATIONS ENSURING THAT THE CUSTOMERS WHO PARTICIPATED IN THE PILOT  
22 SYSTEM DO NOT INCUR ADDITIONAL EXPENSES FOR THE DECOMMISSIONING OR  
23 INSTALLATION OF AN APPLIANCE THAT IS USED IN THE PILOT SYSTEM AND IS  
24 DECOMMISSIONED BEFORE THE END OF ITS USEFUL LIFE.

25 (E) (1) EACH GAS COMPANY IMPLEMENTING A PILOT SYSTEM SHALL  
26 PARTICIPATE IN STANDARDIZED DATA COLLECTION COORDINATED BY THE  
27 COMMISSION.

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

30 (I) BE FILED WITH THE COMMISSION BY THE APPROPRIATE  
31 GAS COMPANY; AND

32 (II) INCLUDE DATA FROM THE LEARNING FROM THE GROUND  
33 UP AND ANY OTHER NATIONAL RESEARCH PROJECT FOR THE DEVELOPMENT OF  
34 THERMAL ENERGY NETWORK SYSTEMS THAT THE COMMISSION CONSIDERS  
35 APPROPRIATE.

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

5 (2) THE ADMINISTRATION MAY PROVIDE UP TO \$1,000,000 IN  
6 FUNDING TO A COMMUNITY-BASED ORGANIZATION UNDER PARAGRAPH (1) OF THIS  
7 SUBSECTION.

8 (3) FUNDING UNDER THIS SUBSECTION MAY BE PROVIDED ONLY  
9 BEFORE OCTOBER 1, 2025.

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

14 (G) (1) A GAS COMPANY MAY REQUEST APPROVAL FROM THE  
15 COMMISSION TO TRACK THE COSTS OF DEVELOPING A PROPOSAL UNDER THIS  
16 SECTION.

17 (2) A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL  
18 INCLUDE A PROPOSED DEVELOPMENT PLAN AND BUDGET.

19 (3) THE COMMISSION SHALL APPROVE A REQUEST UNDER  
20 PARAGRAPH (1) OF THIS SUBSECTION ON FINDING THAT THE PROPOSED PLAN AND  
21 COSTS ARE NECESSARY TO MEET THE REQUIREMENTS UNDER THIS SECTION,  
22 REASONABLE, AND IN THE PUBLIC INTEREST.

23 (4) AT A GAS COMPANY'S NEXT RATE CASE PROCEEDING FOLLOWING  
24 THE APPROVAL OF A REQUEST UNDER THIS SUBSECTION, THE COMMISSION ~~SHALL~~  
25 MAY AUTHORIZE RECOVERY OF PRUDENTLY INCURRED COSTS ASSOCIATED WITH  
26 DEVELOPING THE PROPOSAL AND ANY CARRYING COSTS THAT THE COMMISSION  
27 DETERMINES ARE APPROPRIATE.

28 7-1003.

29 (A) (1) (I) THE ADMINISTRATION SHALL COORDINATE FUNDING  
30 SOURCES, INCLUDING ALL AVAILABLE FEDERAL FUNDING, PHILANTHROPIC  
31 FUNDING, FUNDING AVAILABLE UNDER THE EMPOWER MARYLAND PROGRAM,  
32 AND STRATEGIC ENERGY INVESTMENT FUND FUNDING ALLOCATED TO ENERGY  
33 EFFICIENCY, TO ~~COVER~~ ASSIST AN ELECTRIC COMPANY, A GAS COMPANY, OR A  
34 WATER COMPANY IN COVERING THE COSTS FOR ALL BEHIND-THE-METER  
35 PROJECTS, INCLUDING FULL ELECTRIFICATION ~~AND WEATHERIZATION,~~

1 ASSOCIATED WITH A THERMAL ENERGY NETWORK SYSTEM SO THAT ANY AFFECTED  
2 RESIDENTIAL CUSTOMERS ARE NOT REQUIRED TO PAY FOR CONNECTION TO THE  
3 THERMAL ENERGY NETWORK SYSTEM OR ANY APPLIANCE REPLACEMENTS  
4 REQUIRED FOR ELECTRIFICATION.

5 (II) FUNDS FROM THE FEDERAL INFLATION REDUCTION ACT  
6 MAY NOT EXCEED:

7 1. \$14,000 PER RESIDENTIAL UNIT; AND

8 2. \$9,000,000 IN TOTAL.

9 (2) (I) UNLESS PRECLUDED BY FEDERAL LAW, REGULATION, OR  
10 PROGRAM REQUIREMENT GUIDELINES, THE ADMINISTRATION SHALL RESERVE  
11 ~~\$12,000,000~~ \$9,000,000 OF FEDERAL FUNDING FROM THE U.S. DEPARTMENT OF  
12 ENERGY TO ENSURE ADEQUATE FUNDING FOR ANY APPLIANCES INSTALLED IN  
13 CONNECTION WITH A PILOT SYSTEM.

14 (II) FUNDS RESERVED UNDER SUBPARAGRAPH (I) OF THIS  
15 PARAGRAPH SHALL BE ALLOCATED NOT LATER THAN JUNE 30, 2028, AND SPENT  
16 NOT LATER THAN JUNE 30, 2030.

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

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

24 (B) ~~THE MARYLAND ENVIRONMENTAL SERVICE~~ A GAS COMPANY  
25 IMPLEMENTING A PILOT SYSTEM SHALL:

26 (1) ~~SHALL ISSUE PROCUREMENTS~~ BE RESPONSIBLE FOR  
27 CONSTRUCTION, INCLUDING ANY NECESSARY RENOVATIONS, FOR  
28 BEHIND-THE-METER PROJECTS RELATING TO ANY APPLIANCE OR PANEL  
29 REPLACEMENTS OR UPGRADES NECESSARY TO CONNECT TO A THERMAL ENERGY  
30 NETWORK SYSTEM AND OPERATE WITHOUT GAS;

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

1           **(3) COORDINATE WITH THE ADMINISTRATION TO ACCESS FUNDS**  
2 **AVAILABLE UNDER THE FEDERAL INFLATION REDUCTION ACT, REBATES AND**  
3 **CREDITS AVAILABLE UNDER THE EMPOWER MARYLAND PROGRAM, AND ANY**  
4 **OTHER AVAILABLE FUNDS.**

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

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

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

19           **(1) THE COST ASSOCIATED WITH THE BEHIND-THE-METER**  
20 **INFRASTRUCTURE SHALL BE RECOVERED WITHIN THE SPECIFIED OWNERSHIP**  
21 **PERIOD REQUIRED FOR THE FUNDING;**

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

25           **(3) OWNERSHIP OF THE BEHIND-THE-METER INFRASTRUCTURE**  
26 **SHALL TRANSFER TO THE ELECTRIC, GAS, OR WATER CUSTOMER WHO THE**  
27 **INFRASTRUCTURE WAS INSTALLED TO BENEFIT WHEN THE SPECIFIED OWNERSHIP**  
28 **PERIOD REQUIRED FOR THE FUNDING LAPSES.**

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

33           ~~**(2) SHALL PROVIDE A PROCUREMENT SUBMISSION WINDOW OF NOT**~~  
34 ~~**LESS THAN 90 DAYS;**~~

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

1           ~~(4) MAY ENTER INTO A CONTRACT OR CONTRACTS FOR THE~~  
2 ~~PROCUREMENT.~~

3           ~~(c) THE ADMINISTRATION AND THE MARYLAND ENVIRONMENTAL~~  
4 ~~SERVICE SHALL COORDINATE WITH GAS COMPANIES TO ENSURE THAT~~  
5 ~~BEHIND-THE-METER PROJECTS CONNECT TO THERMAL ENERGY NETWORK~~  
6 ~~SYSTEMS THAT SERVE CUSTOMERS.~~

7 7-1004.

8           (A) FOR ANY FRONT-OF-METER OR BEHIND-THE-METER PROJECTS  
9 RELATED TO THE CONSTRUCTION OF ANY THERMAL ENERGY NETWORK SYSTEM  
10 UNDER THIS SUBTITLE, AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER  
11 COMPANY SHALL:

12           (1) WORK WITH EMPLOYEES ALREADY UNDER CONTRACT WITH THE  
13 COMPANY; OR

14           (2) USE QUALIFIED CONTRACTORS THAT ABIDE BY A COMMUNITY  
15 BENEFIT AGREEMENT.

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

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

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

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

31           (II) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER  
32 COMPANY SHALL REQUIRE A CONTRACTOR OR SUBCONTRACTOR ON A PROJECT  
33 UNDER THIS SUBTITLE TO:

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

4                   2.     OFFER HEALTH CARE AND RETIREMENT BENEFITS TO  
5 THE EMPLOYEES WORKING ON THE PROJECT;

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

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

12                   A.     RETURNING CITIZENS;

13                   B.     WOMEN;

14                   C.     MINORITY INDIVIDUALS; OR

15                   D.     VETERANS;

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

18                   6.     BE SUBJECT TO ALL STATE REPORTING AND  
19 COMPLIANCE REQUIREMENTS; ~~AND~~

20                   7.     MAINTAIN ALL APPROPRIATE LICENSES IN GOOD  
21 STANDING; AND

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

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

29                   (2)   TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE U. S.  
30 CONSTITUTION, AN APPROVED PILOT SYSTEM APPLICANT AND THE MARYLAND



1 ENVIRONMENTAL SERVICE SHALL COMPLY WITH THE STATE'S MINORITY BUSINESS  
2 ENTERPRISE PROGRAM.

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

10 (II) TO THE EXTENT PRACTICABLE, THE GOALS AND  
11 PROCEDURES SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE  
12 BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 7 OF THE STATE FINANCE  
13 AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT  
14 SUBTITLE.

15 (4) (I) A GAS COMPANY OPERATING A PILOT SYSTEM AND THE  
16 MARYLAND ENVIRONMENTAL SERVICE SHALL SUBMIT AN ANNUAL REPORT ON  
17 MINORITY ENTERPRISE PARTICIPATION TO THE COMMISSION.

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

21 7-1005.

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

25 (B) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY MAY  
26 DRILL A GEOTHERMAL BOREHOLE IN A PUBLIC UTILITY RIGHT-OF-WAY WHERE  
27 FEASIBLE TO MEET THE REQUIREMENTS OF THIS SUBTITLE.

28 7-1006.

29 THE COMMISSION MAY RETAIN INDEPENDENT CONSULTANTS AND EXPERTS  
30 TO:

31 (1) ASSIST THE COMMISSION WITH ITS EVALUATION OF PILOT  
32 SYSTEM APPLICATIONS UNDER § 7-1002(C) OF THIS SUBTITLE; AND

1                   **(2) SUPPORT THE COMMISSION IN THE COMPLETION OF ANY**  
2 **REQUIREMENTS UNDER THIS SUBTITLE.**

3                                   **Article – Environment**

4 1–701.

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

6                   (7)   “Overburdened community” means any census tract for which three or  
7 more of the following environmental health indicators are above the 75th percentile  
8 statewide:

- 9                           (i)    Particulate matter (PM) 2.5;
- 10                           (ii)   Ozone;
- 11                           (iii)   National Air Toxics Assessment (NATA) diesel PM;
- 12                           (iv)   NATA cancer risk;
- 13                           (v)    NATA respiratory hazard index;
- 14                           (vi)   Traffic proximity;
- 15                           (vii)   Lead paint indicator;
- 16                           (viii)   National Priorities List Superfund site proximity;
- 17                           (ix)   Risk Management Plan facility proximity;
- 18                           (x)    Hazardous waste proximity;
- 19                           (xi)   Wastewater discharge indicator;
- 20                           (xii)   Proximity to a Concentrated Animal Feeding Operation (CAFO);
- 21                           (xiii)   Percent of the population lacking broadband coverage;
- 22                           (xiv)   Asthma emergency room discharges;
- 23                           (xv)   Myocardial infarction discharges;
- 24                           (xvi)   Low–birth–weight infants;
- 25                           (xvii)   Proximity to emitting power plants;

- 1 (xviii) Proximity to a Toxic Release Inventory (TRI) facility;
- 2 (xix) Proximity to a brownfields site;
- 3 (xx) Proximity to mining operations; and
- 4 (xxi) Proximity to a hazardous waste landfill.

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

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

10 **Article – Housing and Community Development**

11 4–1801.

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

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 17 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.