

SENATE BILL 1083

C5

4lr2437

By: **Senator Hester**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Electric Distribution System Planning – Regulations, Plans,**
3 **and Fund**

4 FOR the purpose of requiring the Public Service Commission to adopt certain regulations
5 to oversee electric distribution system planning in the State on or before a certain
6 date; requiring electric companies in the State to submit to the Commission certain
7 plans to upgrade certain parts of the electric distribution system in the State;
8 establishing the Electric Distribution System Make-Ready Fund as a special,
9 nonlapsing fund administered by the Maryland Energy Administration; and
10 generally relating to electric distribution system planning in the State.

11 BY repealing and reenacting, with amendments,
12 Article – Public Utilities
13 Section 7-804 and 13-205
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2023 Supplement)

16 BY adding to
17 Article – Public Utilities
18 Section 7-805 and 7-806
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2023 Supplement)

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

23 **Article – Public Utilities**

24 7-804.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A)** On or before [July 1] **DECEMBER 31**, 2025, the Commission shall adopt
2 regulations or issue orders to implement specific policies for electric distribution system
3 planning and improvements in order to promote the State’s policy goals under § 7–802 of
4 this subtitle.

5 **(B) THE REGULATIONS ADOPTED UNDER SUBSECTION (A) OF THIS SECTION**
6 **SHALL INCLUDE:**

7 **(1) REQUIREMENTS FOR VEHICLE AND BUILDING ELECTRIFICATION**
8 **THAT ALIGN WITH STATE ELECTRIFICATION MANDATES AND DECARBONIZATION**
9 **GOALS; AND**

10 **(2) GUIDELINES FOR THE ELECTRICITY LOAD FORECASTS REQUIRED**
11 **UNDER § 7–805 OF THIS SUBTITLE, INCLUDING REQUIREMENTS THAT EACH**
12 **FORECAST:**

13 **(I) BE SUFFICIENTLY GRANULAR TO ANTICIPATE NEEDED**
14 **ELECTRIC DISTRIBUTION SYSTEM UPGRADES DOWN TO THE LOCAL DISTRIBUTION**
15 **LEVEL;**

16 **(II) CONSIDER THE FOLLOWING FACTORS:**

17 **1. LOCATIONS THAT MAY BE BETTER OR WORSE FOR**
18 **UPGRADING THE ELECTRIC DISTRIBUTION SYSTEM, GIVEN THE SYSTEM’S**
19 **THEN–CURRENT CAPACITY;**

20 **2. AREAS WHERE THE ELECTRIC DISTRIBUTION SYSTEM**
21 **CANNOT ACCEPT ADDITIONAL LOAD;**

22 **3. AREAS WHERE MORE ELECTRIC DISTRIBUTION**
23 **SYSTEM CAPACITY IS NEEDED;**

24 **4. PJM INTERCONNECTION, LLC REGIONAL**
25 **TRANSMISSION EXPANSIONS AND TIMELINES;**

26 **5. AREAS WHERE ELECTRIC DISTRIBUTION SYSTEM**
27 **CAPACITY LIMITATIONS OR RELIABILITY OR RESILIENCE VULNERABILITIES**
28 **OVERLAP WITH OVERBURDENED COMMUNITIES; AND**

29 **6. AREAS WHERE GAS SYSTEM VULNERABILITIES**
30 **IDENTIFIED FROM LEAKS OR AGING INFRASTRUCTURE OVERLAP WITH**
31 **OVERBURDENED COMMUNITIES; AND**

1 (III) CONSIDER ELECTRIC DISTRIBUTION SYSTEM UPGRADES IN
2 OVERBURDENED COMMUNITIES UNDER ITEMS (II)5 AND 6 OF THIS ITEM,
3 INCLUDING:

4 1. UPGRADES THAT INCREASE ACCESS TO ELECTRIC
5 VEHICLE CHARGING STATIONS; AND

6 2. ELECTRIFICATION PROJECTS THAT LOWER ELECTRIC
7 BILLS OR IMPROVE LOCALIZED INDOOR AND OUTDOOR AIR QUALITY.

8 7-805.

9 (A) ON OR BEFORE JANUARY 1, 2026, EACH ELECTRIC COMPANY IN THE
10 STATE SHALL SUBMIT TO THE COMMISSION AN ELECTRIC DISTRIBUTION SYSTEM
11 EXPANSION PLAN THAT:

12 (1) INCORPORATES LOAD FORECASTS, CALCULATED IN ACCORDANCE
13 WITH THE GUIDELINES ADOPTED UNDER § 7-804 OF THIS SUBTITLE, FROM THE
14 STATE'S DECARBONIZATION POLICIES AND ELECTRIC VEHICLE FLEET DATA;

15 (2) CONSIDERS WHAT PERCENTAGE OF THE ANTICIPATED NEW
16 ELECTRICITY LOAD CAN BE MITIGATED;

17 (3) ACCOUNTS FOR GROWTH IN VEHICLE AND BUILDING
18 ELECTRIFICATION ON TIMELINES OF 3, 5, AND 10 YEARS;

19 (4) WORKS TO COORDINATE OR INTEGRATE WITH GAS COMPANIES TO
20 ENSURE THAT NEW ELECTRIC CAPACITY IS AVAILABLE AHEAD OF ANTICIPATED
21 INCREASES IN ELECTRICITY DEMAND;

22 (5) IDENTIFIES OPTIMAL LOCATIONS FOR THE DEPLOYMENT OF
23 DISTRIBUTED ENERGY RESOURCES BASED ON:

24 (I) ELECTRICITY LOAD FORECASTS CONDUCTED UNDER ITEM
25 (1) OF THIS SUBSECTION;

26 (II) THE STATE'S CLEAN ENERGY AND DECARBONIZATION
27 GOALS AND TIMELINES;

28 (III) THE TYPES OF LAND TARGETED FOR DEPLOYMENT,
29 INCLUDING:

30 1. INDUSTRIAL LAND;

1 **2. STATE LAND; AND**

2 **3. PRIVATE LAND;**

3 **(IV) THE COMMISSION'S CERTIFICATE OF PUBLIC**
4 **CONVENIENCE AND NECESSITY PROCESS FOR DISTRIBUTED GENERATION;**

5 **(V) THE PRESENCE OF OVERBURDENED COMMUNITIES; AND**

6 **(VI) ANY OTHER ECONOMIC OR ENVIRONMENTAL FACTORS THE**
7 **COMMISSION CONSIDERS APPROPRIATE; AND**

8 **(6) INCLUDES PROTOCOLS FOR DATA SHARING THAT PROTECT**
9 **CUSTOMERS WHILE FACILITATING A MEANINGFUL EXCHANGE OF USABLE**
10 **INFORMATION.**

11 **(B) ON OR BEFORE DECEMBER 1, 2026, AND EACH DECEMBER 1**
12 **THEREAFTER, EACH ELECTRIC COMPANY SHALL SUBMIT AN ANNUAL PROGRESS**
13 **REPORT TO THE COMMISSION THAT INFORMS THE COMMISSION ON THE ELECTRIC**
14 **COMPANY'S PROGRESS IN IMPLEMENTING THE PLANS SUBMITTED UNDER**
15 **SUBSECTION (A) OF THIS SECTION, INCLUDING:**

16 **(1) PROGRESS TOWARD COORDINATED PLANNING WITH GAS**
17 **COMPANIES; AND**

18 **(2) PROTOCOLS ESTABLISHED REGARDING DATA SHARING THAT**
19 **PROTECT CUSTOMERS WHILE FACILITATING A MEANINGFUL EXCHANGE OF USABLE**
20 **INFORMATION.**

21 **7-806.**

22 **(A) IN THIS SECTION, "FUND" MEANS THE ELECTRIC DISTRIBUTION**
23 **SYSTEM MAKE-READY FUND.**

24 **(B) THERE IS AN ELECTRIC DISTRIBUTION SYSTEM MAKE-READY FUND.**

25 **(C) THE PURPOSE OF THE FUND IS TO COVER THE COSTS OF UTILITY**
26 **PROJECTS DIRECTLY RELATED TO THE BUILDOUT OF THE STATE'S ELECTRIC**
27 **DISTRIBUTION SYSTEM IN ANTICIPATION OF INCREASED VEHICLE AND BUILDING**
28 **ELECTRIFICATION.**

1 **(D) THE MARYLAND ENERGY ADMINISTRATION SHALL HOLD AND**
2 **ADMINISTER THE FUND.**

3 **(E) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO**
4 **§ 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

5 **(F) THE FUND CONSISTS OF:**

6 **(1) FEDERAL FUNDS APPLIED FOR BY THE COMMISSION, IN**
7 **COORDINATION WITH THE MARYLAND ENERGY ADMINISTRATION AND ELECTRIC**
8 **COMPANIES IN THE STATE; AND**

9 **(2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
10 **THE BENEFIT OF THE FUND.**

11 **(G) THE FUND MAY BE USED ONLY FOR ELECTRIC UTILITY PROJECTS**
12 **DIRECTLY RELATED TO THE BUILDOUT OF THE STATE'S ELECTRIC DISTRIBUTION**
13 **SYSTEM IN ANTICIPATION OF INCREASED VEHICLE AND BUILDING**
14 **ELECTRIFICATION.**

15 **(H) THE MARYLAND ENERGY ADMINISTRATION SHALL ESTABLISH BY**
16 **REGULATION PROCEDURES FOR ELECTRIC COMPANIES TO APPLY FOR MONEY FROM**
17 **THE FUND TO IMPLEMENT PROJECTS IN FURTHERANCE OF ACCEPTED ELECTRIC**
18 **DISTRIBUTION SYSTEM EXPANSION PLANS.**

19 13-205.

20 A public service company is subject to a fine of \$100 for each day beyond 30 days
21 after the deadline set by the Commission that the public service company fails to:

22 (1) file its annual report with the Commission in accordance with Title 6,
23 Subtitle 2 of this article;

24 (2) make a report or furnish information that the Commission requests or
25 requires; [or]

26 (3) [fails to] give a full, specific, and responsive answer to any question
27 reasonably directed to it by the Commission; **OR**

28 **(4) SUBMIT A PLAN OR REPORT TO THE COMMISSION IN ACCORDANCE**
29 **WITH § 7-805 OF THIS ARTICLE.**

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