

HB1035/123320/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1035
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike in their entirety lines 2 and 3 and substitute:

“Electricity and Gas – Emissions Reductions, Rate Regulation, Cost Recovery, Infrastructure, Planning, Renewable Energy Portfolio Standard, and Energy Assistance Programs”;

in line 5, after “of” insert “authorizing the Department of Housing and Community Development to issue loans, in addition to grants, for certain purposes relating to reducing direct greenhouse gas emissions from certain multifamily residential buildings;”; in line 8, after “stations;” insert “expanding the sources of savings that the Department of Housing and Community Development may procure and provide when calculating the achievement of certain greenhouse gas emissions reduction targets; requiring certain public service companies to demonstrate to the Commission the reasonableness of the use of certain labor in a base rate proceeding; altering the required contents of a certain plan that a gas company may file with the Commission for proposed eligible infrastructure replacement projects; requiring that the plan meet certain requirements for a gas company to recover certain costs; altering the required findings of the Commission in considering whether to approve a certain infrastructure replacement plan; authorizing the Commission to authorize a gas company to use a mechanism to promptly recover certain costs for certain eligible infrastructure replacement projects; requiring each electric company to submit to the Commission for approval a specific rate schedule for certain large load customers; requiring the Commission, in making a certain determination on a specific rate schedule, to consider certain factors; authorizing the Commission to approve the use of certain multiyear rate plans under certain circumstances; altering the alternative forms of regulation that may be used by the Commission to regulate the regulated services of certain public service

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companies; authorizing an investor-owned gas company to recover certain costs associated with a gas infrastructure investment if the investor-owned gas company makes certain demonstrations at a rate setting proceeding; prohibiting certain public service companies from recovering through rates certain costs; specifying that certain contracts entered into by certain public service companies include a contract that has been executed, amended, or altered after a certain date;"; in line 8, after "stations;" insert "requiring each investor-owned electric company in the State to submit to the Commission by certain dates plans for the construction or procurement of distribution-connected front-of-the-meter energy storage devices and to construct or procure the devices in accordance with the plan;"; in line 10, after "circumstances;" insert "authorizing the Commission to apply to a certain large load customer and a certain generating station certain costs and fees under certain circumstances;"; strike beginning with "establishing" in line 11 down through "projects" in line 13 and substitute "establishing certain processes and requirements for the solicitation and procurement of certain dispatchable energy generation, large capacity energy resources, nuclear energy generation, and front-of-the-meter transmission energy storage devices"; strike beginning with "requiring" in line 17 down through "manner" in line 22 and substitute "requiring each electric company to procure a certain quantity of zero-emission credits from a certain escrow account; authorizing certain units of State government to issue certain competitive sealed bids for projects that are higher than the amount authorized for small procurements; requiring the Chief Procurement Officer to approve certain procurement contracts under certain circumstances; altering the authorized uses of certain compliance fee revenue paid into the Maryland Strategic Energy Investment Fund; allowing a subtraction under the Maryland income tax for certain legislative energy relief refunds; altering the definition of "Tier 1 renewable source" for purposes of excluding energy derived from waste and refuse from being eligible for inclusion in the renewable energy portfolio standard"; in line 24, after "devices;" insert "requiring that certain funds in the Maryland Strategic Energy Investment Fund be used in a certain manner in a certain fiscal year; requiring the Department of Human Services to report to the Governor and the General Assembly on certain changes necessary to implement a certain recommendation;"; and in lines 24 and 25, strike "energy generation and procurement in Maryland" and substitute "electricity and gas".

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On page 2, after line 6, insert:

“BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 4–211(d)
Annotated Code of Maryland
(2019 Replacement Volume and 2024 Supplement)”;

in line 9, after “1–101(a)” insert “, 7–224(a) and (b), and 7–701(a)”; after line 11, insert:

“BY repealing and reenacting, with amendments,
Article - Public Utilities
Section 1–101(i), (l), and (ee), 4–210, 5–305, 7–207(b)(1)(i), 7–216(a), 7–224(c),
7–505(c), 7–701(s), and 7–704(a)
Annotated Code of Maryland
(2020 Replacement Volume and 2024 Supplement)”;

in line 14, after “(w–2),” insert “4–206.1, 4–212, 4–213, 4–214, 4–504,”; in the same line, strike the second “and” and substitute a comma; in the same line, after “(v),” insert “and (vi),”; in the same line, after “7–211,” insert “7–216.2,”; in line 15, strike “7–1218” and substitute “7–1229”; in line 15, after “Energy” insert “Solicitation and”; strike in their entirety lines 19 through 23, inclusive; and after line 23, insert:

“BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 13–102(a)
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY adding to
Article – State Finance and Procurement
Section 13–117

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Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government
Section 9–20B–05(a)
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government
Section 9–20B–05(e) and (i)
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,

Article - Tax - General
Section 10-207(a)
Annotated Code of Maryland
(2022 Replacement Volume and 2024 Supplement)

BY adding to

Article - Tax - General
Section 10-207(qq)
Annotated Code of Maryland
(2022 Replacement Volume and 2024 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 34, insert:

“(i) (1) “Electric company” means a person who physically transmits or distributes electricity in the State to a retail electric customer.

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(2) “Electric company” does not include:

(i) the following persons who supply electricity and electricity supply services solely to occupants of a building for use by the occupants:

1. an owner/operator who holds ownership in and manages the internal distribution system serving the building; or

2. a lessee/operator who holds a leasehold interest in and manages the internal distribution system serving the building;

(ii) any person who generates on-site generated electricity; [or]

(iii) a person who transmits or distributes electricity within a site owned by the person or the person’s affiliate that is incidental to a primarily landlord-tenant relationship; OR

(IV) A PERSON WHO PROVIDES ELECTRICITY TO A COMMERCIAL OR INDUSTRIAL CUSTOMER IN ACCORDANCE WITH § 7-506.1 OF THIS ARTICLE.

(1) (1) “Electricity supplier” means a person:

(i) who sells:

1. electricity;

2. electricity supply services;

3. competitive billing services; or

4. competitive metering services; or

(ii) who purchases, brokers, arranges, or markets electricity or electricity supply services for sale to a retail electric customer.

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(2) “Electricity supplier” includes an electric company, an aggregator, a broker, [and] a marketer of electricity, AND A PERSON WHO PROVIDES ELECTRICITY TO A COMMERCIAL OR INDUSTRIAL CUSTOMER IN ACCORDANCE WITH § 7-506.1 OF THIS ARTICLE.

(3) “Electricity supplier” does not include:

(i) the following persons who supply electricity and electricity supply services solely to occupants of a building for use by the occupants:

1. an owner/operator who holds ownership in and manages the internal distribution system serving the building; or

2. a lessee/operator who holds a leasehold interest in and manages the internal distribution system serving the building;

(ii) a person who generates on-site generated electricity; or

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

1. an electric vehicle charging station;

2. electric vehicle supply equipment; or

3. an electric vehicle charging station service company or provider.”;

in line 35, strike “OR” and substitute a comma; and in line 36, strike “MEANS” and substitute “, OR “PJM” MEANS”.

On page 3, before line 4, insert:

“5-305.

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(a) This section applies to a project by an investor-owned gas company, electric company, or combination gas and electric company involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company, and any related traffic control activities.

(b) An investor-owned gas company, electric company, or combination gas and electric company shall require a contractor or subcontractor on a project described in subsection (a) of this section to pay its employees not less than the prevailing wage rate determined solely by the Commissioner of Labor and Industry in a process substantially similar to the process established under Title 17, Subtitle 2 of the State Finance and Procurement Article.

(c) In accordance with Title 3, Subtitle 5 of the Labor and Employment Article, the Maryland Department of Labor shall enforce the requirement under subsection (b) of this section for contractors and subcontractors to pay employees not less than the prevailing wage rate determined solely by the Commissioner of Labor and Industry.

(D) A CONTRACT ENTERED INTO AFTER MARCH 1, 2024, BY AN INVESTOR-OWNED GAS COMPANY, ELECTRIC COMPANY, OR COMBINATION GAS AND ELECTRIC COMPANY THAT IS FOR THE CONSTRUCTION, RECONSTRUCTION, INSTALLATION, DEMOLITION, RESTORATION, OR ALTERATION OF ANY UNDERGROUND GAS OR ELECTRIC INFRASTRUCTURE, AND ANY RELATED TRAFFIC CONTROL ACTIVITIES INCLUDES A CONTRACT THAT HAS BEEN EXECUTED, AMENDED, OR ALTERED AFTER MARCH 1, 2024.;

in line 28, strike “**PART II**” and substitute “**PART III**”; and after line 29, insert:

“7-216.

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

(2) (i) “Energy storage device” means a resource capable of absorbing electrical energy, storing it for a period of time, and delivering the energy for

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use at a later time as needed, regardless of where the resource is located on the electric [distribution] system.

(ii) “Energy storage device” includes all types of electric storage technologies, regardless of their size, storage medium, or operational purpose, including:

1. thermal storage;
2. electrochemical storage;
3. [virtual power plants] THERMO-MECHANICAL STORAGE; and
4. hydrogen-based storage.

(3) “Investor-owned electric company” means an electric company that is not a municipal electric utility or an electric cooperative.

7-216.2.

(A) IN THIS SECTION, “ENERGY STORAGE DEVICE” HAS THE MEANING STATED IN § 7-216 OF THIS SUBTITLE.

(B) (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE STATE HAS A GOAL OF REACHING AT LEAST 150 MEGAWATTS OF DISTRIBUTION-CONNECTED FRONT-OF-THE-METER ENERGY STORAGE DEVICES.

(2) ON OR BEFORE JULY 1, 2025, AND ON OR BEFORE JULY 1, 2026, THE COMMISSION SHALL NOTIFY EACH INVESTOR-OWNED ELECTRIC COMPANY OF ITS PROPORTION OF THE GOAL ESTABLISHED UNDER THIS SUBSECTION, BASED ON:

(I) THE ELECTRIC COMPANY'S SERVICE LOAD; OR

(II) OTHER CRITERIA ESTABLISHED BY THE COMMISSION.

(C) (1) ON OR BEFORE NOVEMBER 1, 2025, THE COMMISSION SHALL REQUIRE EACH INVESTOR-OWNED ELECTRIC COMPANY TO SUBMIT A PLAN TO ACHIEVE UP TO ONE-THIRD OF THE PROPORTION OF DISTRIBUTION-CONNECTED FRONT-OF-THE-METER ENERGY STORAGE DEVICES NECESSARY TO REACH THE ELECTRIC COMPANY'S APPORTIONMENT OF THE GOAL STATED IN SUBSECTION (B) OF THIS SECTION.

(2) ON OR BEFORE NOVEMBER 1, 2026, THE COMMISSION SHALL REQUIRE EACH INVESTOR-OWNED ELECTRIC COMPANY TO SUBMIT A PLAN FOR THE BALANCE OF THE PROPORTION OF DISTRIBUTION-CONNECTED FRONT-OF-THE-METER ENERGY STORAGE DEVICES NECESSARY TO REACH THE ELECTRIC COMPANY'S APPORTIONMENT OF THE GOAL STATED IN SUBSECTION (B) OF THIS SECTION.

(3) ON OR BEFORE MAY 1, 2026, FOR PLANS SUBMITTED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, AND ON OR BEFORE MAY 1, 2027, FOR PLANS SUBMITTED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL:

(I) EVALUATE EACH PLAN;

(II) ACCEPT PUBLIC COMMENTS ON EACH PLAN; AND

(III) ISSUE AN ORDER FOR EACH PLAN THAT:

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1. APPROVES THE PLAN;
2. APPROVES THE PLAN WITH MODIFICATIONS THAT THE COMMISSION CONSIDERS NECESSARY; OR
3. REJECTS THE PLAN, WITH AN EXPLANATION OF THE REASONS FOR THE REJECTION.

(4) THE ENERGY STORAGE DEVICES CONSTRUCTED OR PROCURED UNDER EACH PLAN SHALL INCLUDE A COMBINATION OF DEVICES OWNED BY THE INVESTOR-OWNED ELECTRIC COMPANY AND DEVICES OWNED BY A THIRD PARTY, WITH A GOAL OF 30% OF THE DEVICES BEING OWNED BY A THIRD PARTY.

(5) (I) THE ENERGY STORAGE DEVICES THAT ARE CONSTRUCTED OR PROCURED UNDER A PLAN SUBMITTED BY NOVEMBER 1, 2025, SHALL BE OPERATIONAL BY NOVEMBER 1, 2027.

(II) THE ENERGY STORAGE DEVICES THAT ARE CONSTRUCTED OR PROCURED UNDER A PLAN SUBMITTED BY NOVEMBER 1, 2026, SHALL BE OPERATIONAL BY NOVEMBER 1, 2028.

(III) THE COMMISSION MAY EXTEND A DEADLINE UNDER THIS PARAGRAPH FOR GOOD CAUSE.

(D) THE COMMISSION SHALL REQUIRE EACH PLAN TO DEMONSTRATE THAT THE CONSTRUCTION OR PROCUREMENT OF EACH ENERGY STORAGE DEVICE:

(1) IS COST-EFFECTIVE IN CONSIDERATION OF A COST-BENEFIT ANALYSIS, INCLUDING A DEMONSTRATION OF ANY:

(I) AVOIDED OR DELAYED TRANSMISSION, DISTRIBUTION, AND GENERATION COSTS; AND

(II) AVOIDED EMISSIONS IN THE SHORT TERM AND PROJECTED EMISSIONS IN THE LONG TERM, MEASURED USING THE SOCIAL COST OF CARBON, AS DETERMINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY AS OF JANUARY 1, 2025;

(2) CAN BE COMPLETED WITHIN 18 MONTHS AFTER THE PLAN IS APPROVED; AND

(3) COMPLIES WITH ANY OTHER FACTORS DETERMINED BY THE COMMISSION.

(E) (1) A DEVELOPER OF A THIRD-PARTY-OWNED ENERGY STORAGE DEVICE CONSTRUCTED IN ACCORDANCE WITH THIS SECTION SHALL ENSURE THAT WORKERS ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) AN ENERGY STORAGE DEVICE CONSTRUCTED AND OWNED BY AN ELECTRIC COMPANY SHALL BE CONSTRUCTED BY:

(I) EMPLOYEES OF THE ELECTRIC COMPANY; OR

(II) CONTRACTORS THAT SHALL ENSURE THAT WORKERS CONSTRUCTING THE ENERGY STORAGE DEVICE ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) (I) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL OPERATE AND MAINTAIN ENERGY STORAGE DEVICES INSTALLED BY THE ELECTRIC COMPANY IN ACCORDANCE WITH THIS SECTION.

(II) IN PERFORMING THE MAINTENANCE AND OPERATIONS REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, AN INVESTOR-OWNED ELECTRIC COMPANY SHALL MEET WITH THE EMPLOYEE BARGAINING UNIT'S LABOR REPRESENTATIVE AND CONFER IN GOOD FAITH REGARDING THE VIABILITY OF:

1. ALLOCATING MAINTENANCE AND OPERATIONS WORK TO CURRENT BARGAINING UNIT EMPLOYEES;

2. TRAINING CURRENT BARGAINING UNIT EMPLOYEES TO PERFORM MAINTENANCE AND OPERATIONS WORK;

3. HIRING QUALIFIED INDIVIDUALS TO PERFORM MAINTENANCE AND OPERATION WORK;

4. TRAINING NEWLY HIRED INDIVIDUALS TO PERFORM MAINTENANCE AND OPERATIONS WORK; AND

5. MAINTAINING AND OPERATING STORAGE DEVICES IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN INVESTOR-OWNED ELECTRIC COMPANY MAY CONTRACT ANY WORK UNDER THIS SECTION NOT CONDUCTED BY THE COMPANY'S EMPLOYEE BARGAINING UNIT TO A QUALIFIED CONTRACTOR.

(II) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL REQUIRE A CONTRACTOR OR SUBCONTRACTOR ON A PROJECT UNDER THIS SECTION TO:

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

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

(F) (1) EACH ENERGY STORAGE PROJECT CONSTRUCTED IN ACCORDANCE WITH THIS SECTION SHALL INCLUDE A PROPOSED DECOMMISSIONING PLAN.

(2) THE PROPOSED DECOMMISSIONING PLAN SHALL INCLUDE A PLAN TO MAXIMIZE THE RECYCLING OR REUSE OF ALL QUALIFYING COMPONENTS OF EACH ENERGY STORAGE DEVICE.

(3) THE OWNER OR OPERATOR OF AN ENERGY STORAGE DEVICE MAY SUBMIT A REVISED RECYCLING AND REUSE PLAN THAT INCORPORATES EMERGING RECYCLING AND REUSE OPPORTUNITIES UP TO 1 YEAR BEFORE EXECUTING THE DECOMMISSIONING PLAN.”.

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On page 4, strike in their entirety lines 1 through 7, inclusive; in line 8, strike “(B)” and substitute “(A) (1) THIS SECTION APPLIES ONLY TO:”

(I) AN ELECTRICITY SUPPLIER OR OTHER OWNER OF A GENERATING STATION THAT ENTERS INTO A CONTRACT FOR THE PROVISION OF THE DIRECT SUPPLY OF ELECTRICITY TO A COMMERCIAL OR INDUSTRIAL CUSTOMER IN A WAY THAT BYPASSES:

1. INTERCONNECTION OF THE LOAD WITH THE ELECTRIC TRANSMISSION AND DISTRIBUTION SYSTEMS; OR

2. THE DISTRIBUTION SERVICES OF AN ELECTRIC COMPANY; AND

(II) A COMMERCIAL OR INDUSTRIAL CUSTOMER THAT ENTERS INTO A CONTRACT WITH AN ELECTRICITY SUPPLIER OR OTHER OWNER OF A GENERATING STATION FOR THE PROVISION OF THE DIRECT SUPPLY OF ELECTRICITY AS SPECIFIED IN ITEM (I) OF THIS PARAGRAPH.

(2)”.

On pages 4 and 5, strike in their entirety the lines beginning with line 11 on page 4 through line 3 on page 5, inclusive, and substitute:

“(B) THE COMMISSION MAY APPLY TO A COMMERCIAL OR INDUSTRIAL CUSTOMER AND ANY GENERATING STATION SUPPLYING ELECTRICITY TO THE COMMERCIAL OR INDUSTRIAL CUSTOMER IN THE MANNER SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION:

(1) ANY DIRECT OR INDIRECT COSTS, FEES, AND OBLIGATIONS THAT ARE NORMALLY APPLIED TO RETAIL ELECTRIC CUSTOMERS IN THE SERVICE TERRITORY IN WHICH THE COMMERCIAL OR INDUSTRIAL CUSTOMER OR GENERATING STATION IS LOCATED OR INTERCONNECTED IF THE COMMISSION DETERMINES THAT THE DIRECT OR INDIRECT COSTS, FEES, AND OBLIGATIONS SHOULD BE ATTRIBUTABLE TO THE COMMERCIAL OR INDUSTRIAL CUSTOMER AND ANY GENERATING STATION SUPPLYING ELECTRICITY TO THE COMMERCIAL OR INDUSTRIAL CUSTOMER; AND

(2) ANY AVOIDED WHOLESALE COSTS THAT THE COMMISSION DETERMINES HAVE BEEN OR MAY BE SHIFTED INAPPROPRIATELY TO OTHER RETAIL ELECTRIC CUSTOMERS AS A RESULT OF THE PROVISION OF THE DIRECT SUPPLY OF ELECTRICITY AS SPECIFIED IN SUBSECTION (A)(1) OF THIS SECTION, INCLUDING:

(I) TRANSMISSION COSTS;

(II) ENERGY COSTS;

(III) CAPACITY COSTS; AND

(IV) ANCILLARY SERVICES COSTS.”.

On page 5, in line 4, after “ENERGY” insert “SOLICITATION AND”; in line 5, strike “EMERGENCY ENERGY PROCUREMENT” and substitute “DEFINITIONS; GENERAL PROVISIONS”; after line 19, insert:

“(D) “EFFECTIVE NAMEPLATE CAPACITY” MEANS THE AMOUNT OF ENERGY AN ENERGY STORAGE DEVICE CAN DELIVER CONTINUOUSLY TO THE ELECTRIC SYSTEM OVER A PERIOD OF AT LEAST 4 HOURS.”;

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in lines 20 and 22, strike “(D)” and “(E)”, respectively, and substitute “(E)” and “(F)”, respectively; after line 23, insert:

“(G) “LARGE CAPACITY ENERGY RESOURCE” MEANS A GENERATING STATION OR ENERGY STORAGE DEVICE THAT:

(1) ON OR BEFORE JANUARY 1, 2025:

(i) HAS APPLIED TO PJM FOR INTERCONNECTION APPROVAL; OR

(ii) HAS BEEN APPROVED BY PJM FOR INTERCONNECTION;
AND

(2) HAS A CAPACITY RATING EQUAL TO OR GREATER THAN 20 MEGAWATTS AFTER ACCOUNTING FOR THE EFFECTIVE LOAD CARRYING CAPABILITY.”;

after line 24, insert:

“(A) AN APPLICATION FOR A PROPOSED PROJECT UNDER PARTS III AND IV OF THIS SUBTITLE IS SUBJECT TO A COMMUNITY BENEFIT AGREEMENT.

(B) A COMMUNITY BENEFIT AGREEMENT SHALL:

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

(2) ENSURE THE TIMELY, SAFE, AND EFFICIENT COMPLETION OF THE PROJECT BY:

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

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

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

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

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

4. CREATES MUTUALLY BINDING PROCEDURES FOR RESOLVING LABOR DISPUTES ARISING DURING THE TERM OF THE DISPATCHABLE ENERGY GENERATION PROJECT;

5. SETS FORTH OTHER MECHANISMS FOR LABOR-MANAGEMENT COOPERATION ON MATTERS OF MUTUAL INTEREST AND

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CONCERN, INCLUDING PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH;
AND

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

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

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

(5) INCLUDE PROVISIONS FOR LOCAL HIRING AND THE HIRING OF
HISTORICALLY DISADVANTAGED GROUPS;

(6) USE LOCALLY, SUSTAINABLY, AND DOMESTICALLY
MANUFACTURED CONSTRUCTION MATERIALS AND COMPONENTS TO THE EXTENT
PRACTICABLE;

(7) REQUIRE THE USE OF SKILLED LOCAL LABOR, PARTICULARLY
WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING COMPONENTS OF
THE PROJECT, USING METHODS INCLUDING OUTREACH, HIRING, AND REFERRAL
METHODS THAT ARE AFFILIATED WITH REGISTERED APPRENTICESHIP

PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT
ARTICLE; AND

(8) AUTHORIZE THE MARYLAND DEPARTMENT OF LABOR AND
THE COMMISSION TO CONSIDER, REVIEW, AND ENFORCE A STORAGE DEVELOPER
OR ENERGY DEVELOPER’S COMPLIANCE WITH ANY COMMUNITY BENEFIT
AGREEMENT.

7-1203.

THE COMMISSION MAY CONTRACT FOR THE SERVICES OF INDEPENDENT
CONSULTANTS AND EXPERTS TO IMPLEMENT AND EXECUTE ANY PART OF THIS
SUBTITLE.

7-1204. RESERVED.

7-1205. RESERVED.

PART II. DISPATCHABLE ENERGY GENERATION AND LARGE CAPACITY
RESOURCES.

7-1206.”;

in line 25, after “**2025,**” insert “AND AT OTHER TIMES AS PROVIDED IN SUBSECTION
(B) OF THIS SECTION,”; in line 26, strike “**COMPETITIVE**”; and strike beginning with
“**CONSTRUCTING**” in line 26 down through “**STATE**” in line 27 and substitute “THE
CONSTRUCTION OR EXPANSION OF:

- (I) DISPATCHABLE ENERGY GENERATION; AND
- (II) LARGE CAPACITY ENERGY RESOURCES”.

(Over)

On page 6, in line 2, strike “120” and substitute “30”; in the same line, after “AFTER” insert “ISSUING”; in line 3, strike “IS ISSUED”; in line 5, strike “§ 7-1203(B)(1)” and substitute “§ 7-1208(D)(1)”; in line 7, after “(C)” insert “THE COMMISSION SHALL PROVIDE TO THE POWER PLANT RESEARCH PROGRAM A COPY OF EACH PROPOSAL RECEIVED IN RESPONSE TO THE SOLICITATION.”

(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION MAY NOT APPROVE OR DEVELOP A FINANCIAL COMMITMENT FOR;

in line 8, after “PROJECT” insert “OR LARGE CAPACITY ENERGY RESOURCE PROJECT”; in line 9, strike “MAY NOT BE RECOVERED THROUGH UTILITY RATES” and substitute “.

(2) A DISPATCHABLE ENERGY GENERATION PROJECT OR LARGE CAPACITY ENERGY RESOURCE PROJECT APPROVED IN ACCORDANCE WITH THIS PART MAY PARTICIPATE IN OTHER PROCESSES UNDER WHICH RATEPAYER FUNDS ARE AWARDED TO DISPATCHABLE ENERGY GENERATION OR LARGE CAPACITY ENERGY RESOURCES;

strike in their entirety lines 10 through 15, inclusive, and substitute:

“7-1207.

THE COMMISSION SHALL INCLUDE SPECIFICATIONS IN A SOLICITATION ISSUED UNDER § 7-1206 OF THIS SUBTITLE THAT REQUIRE EACH PROPOSAL FOR A DISPATCHABLE ENERGY GENERATION PROJECT AND LARGE CAPACITY ENERGY RESOURCE PROJECT TO:

(1) IF THE PROJECT IS A NATURAL GAS ENERGY GENERATING STATION, ENSURE THAT THE PROJECT CAN BE CONVERTED TO USE ONLY HYDROGEN OR A ZERO-EMISSIONS BIOFUEL AS THE ENERGY SOURCE WHEN THE COMMISSION DETERMINES THAT THE CONVERSION IS FEASIBLE;

(2) INCLUDE A DETAILED DESCRIPTION OF THE TIMELINE FOR CONSTRUCTION OF THE PROJECT, INCLUDING:

(I) IDENTIFYING THE ENTITY THAT HAS OWNERSHIP OR SITE CONTROL OF THE PROJECT SITE;

(II) QUEUE POSITION FOR PJM APPROVAL;

(III) THE ABILITY TO PROCURE MATERIALS, INCLUDING TURBINES AND OTHER PIPELINE MATERIALS; AND

(IV) ANY INFORMATION THAT DEMONSTRATES THE APPLICANT'S:

1. READINESS TO APPLY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-207.4 OF THIS TITLE AS SOON AS IS REASONABLY FEASIBLE AFTER RECEIVING APPROVAL FOR THE PROJECT, INCLUDING THE ANTICIPATED APPLICATION DATE; AND

2. ABILITY TO DEVELOP THE PROJECT WITHIN THE TIMELINE PRESENTED;

(3) INCLUDE A DESCRIPTION OF THE LOCATION OF THE PROJECT SITE, INCLUDING:

(I) THE PROXIMITY OF THE SITE TO EXISTING TRANSMISSION LINES AND RIGHTS-OF-WAY; AND

(II) WHETHER THE PROJECT WOULD BE RETROFITTING A CURRENT OR PREVIOUS GENERATING STATION SITE;

(4) IF APPLICABLE, INCLUDE A DESCRIPTION OF:

(I) THE TYPE AND AMOUNT OF CO-LOCATED ENERGY GENERATION FROM TIER 1 RENEWABLE SOURCES, AS DEFINED IN § 7-701 OF THIS TITLE, THAT WOULD BE USED WITH THE PROJECT;

(II) THE AMOUNT OF CO-LOCATED ENERGY STORAGE THAT WOULD BE USED WITH THE PROJECT;

(III) THE USE OF CARBON CAPTURE OR SEQUESTRATION TECHNOLOGY TO MITIGATE GREENHOUSE GAS EMISSIONS FROM THE PROJECT; AND

(IV) THE AMOUNT OF HYDROGEN OR ZERO-EMISSIONS BIOFUELS THAT THE PROJECT WILL MIX WITH NATURAL GAS FOR ENERGY GENERATION; AND

(5) STATE THE EMISSIONS INTENSITY OF THE GENERATION OUTPUT OVER THE LIFE OF THE PROJECT.

7-1208.

(A) (1) WITHIN 45 DAYS AFTER THE CLOSING DATE FOR THE SOLICITATION PERIOD SET IN ACCORDANCE WITH § 7-1206 OF THIS SUBTITLE OR SOONER AS DETERMINED BY THE COMMISSION, THE POWER PLANT RESEARCH PROGRAM SHALL RECOMMEND TO THE COMMISSION PROPOSALS TO BE AUTHORIZED TO UTILIZE THE EXPEDITED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY PROCESS UNDER § 7-207.4 OF THIS TITLE.

(2) THE POWER PLANT RESEARCH PROGRAM SHALL BASE ITS RECOMMENDATIONS ON THE INFORMATION IN THE PROPOSALS RECEIVED AND THE SPECIFICATIONS LISTED IN §§ 7-1207 AND 7-1209 OF THIS SUBTITLE.

(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION AND AFTER CONSIDERING THE RECOMMENDATIONS OF THE POWER PLANT RESEARCH PROGRAM MADE UNDER SUBSECTION (A) OF THIS SECTION, UNLESS THE COMMISSION GRANTS A REQUEST FOR AN EXTENSION FOR GOOD CAUSE, NOT

LATER THAN 60 DAYS AFTER THE CLOSE OF THE SOLICITATION PERIOD THE COMMISSION SHALL APPROVE, CONDITIONALLY APPROVE, OR DENY A PROPOSAL SUBMITTED IN RESPONSE TO A SOLICITATION ISSUED UNDER § 7-1206 OF THIS SUBTITLE.

(C) IN ADDITION TO THE CRITERIA SPECIFIED IN § 7-1207 OF THIS SUBTITLE, THE COMMISSION SHALL DETERMINE WHICH PROPOSALS TO APPROVE BASED ON THE FACTORS AND REQUIREMENTS SPECIFIED IN § 7-1209 OF THIS SUBTITLE.”;

in line 16, strike “(B)” and substitute “(D)”; in lines 17 and 23, in each instance, after “PROJECTS” insert “AND LARGE CAPACITY ENERGY RESOURCE PROJECTS”; and strike in their entirety lines 28 through 31, inclusive, and substitute:

“(E) EVERY 5 YEARS AFTER THE DATE THAT A NATURAL GAS DISPATCHABLE ENERGY GENERATION PROJECT OR LARGE CAPACITY ENERGY RESOURCE PROJECT BECOMES OPERATIONAL UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED UNDER § 7-207.4 OF THIS TITLE, THE OWNER OR OPERATOR OF THE NATURAL GAS DISPATCHABLE ENERGY GENERATION OR LARGE CAPACITY ENERGY RESOURCE SHALL SUBMIT TO THE COMMISSION A REPORT REGARDING THE FEASIBILITY OF CONVERTING THE NATURAL GAS DISPATCHABLE ENERGY GENERATION OR LARGE CAPACITY ENERGY RESOURCE TO THE USE OF ONLY HYDROGEN OR ZERO-EMISSIONS BIOFUEL.

(F) AN APPROVAL OR CONDITIONAL APPROVAL OF A PROJECT UNDER THIS SECTION DOES NOT GUARANTEE THAT THE PROJECT WILL BE ISSUED A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-207.4 OF THIS TITLE.”.

On pages 6 through 9, strike in their entirety the lines beginning with line 32 on page 6 through line 28 on page 9, inclusive, and substitute:

“7-1209.

(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE COMMISSION MAY APPROVE UP TO 10 PROPOSALS TO BE ELIGIBLE TO UNDERGO THE EXPEDITED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY PROCESS UNDER § 7-207.4 OF THIS TITLE.

(2) THE COMMISSION MAY APPROVE MORE THAN 10 PROPOSALS TO BE ELIGIBLE TO UNDERGO THE EXPEDITED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY PROCESS UNDER § 7-207.4 OF THIS TITLE ONLY IF THE COMMISSION DETERMINES THAT:

(I) THE COMMISSION HAS SUFFICIENT RESOURCES TO COMPLETE THAT NUMBER OF EXPEDITED REVIEWS OF APPLICATIONS FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207.4 OF THIS TITLE; AND

(II) THE NUMBER OF EXPEDITED REVIEWS OF APPLICATIONS FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207.4 OF THIS TITLE IS IN THE PUBLIC INTEREST.

(3) IF NOT MORE THAN 10 PROJECTS RESPOND TO A SOLICITATION ISSUED UNDER § 7-1206 OF THIS SUBTITLE, THE COMMISSION SHALL APPROVE, SUBJECT TO § 7-1208(D)(2) OF THIS SUBTITLE, ALL PROJECTS THAT APPLY FOR THE SOLICITATION.

(B) (1) FOR THE PURPOSE OF THIS SUBSECTION, A TRANSMISSION ENERGY STORAGE DEVICE SHALL BE CONSIDERED A NON-EMISSIONS-EMITTING PROJECT.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE COMMISSION SHALL APPROVE 4 NON-EMISSIONS-EMITTING PROJECTS TO EVERY 1 EMISSIONS-EMITTING PROJECT.

(3) THE COMMISSION MAY WAIVE THE REQUIREMENT UNDER PARAGRAPH (2) OF THIS SUBSECTION IF A SUFFICIENT NUMBER OF

APPLICATIONS FOR PROJECTS THAT MEET THE REQUIREMENT ARE NOT RECEIVED.

(C) (1) IN DETERMINING WHICH PROPOSALS TO APPROVE, THE COMMISSION SHALL PRIORITIZE DISPATCHABLE ENERGY GENERATION PROJECTS OVER LARGE CAPACITY ENERGY RESOURCES.

(2) IN ADDITION TO THE PRIORITIZATION IN PARAGRAPH (1) OF THIS SUBSECTION, IF THE COMMISSION RECEIVES MORE THAN 10 PROPOSALS OR DETERMINES THAT MORE THAN 10 PROPOSALS MAY BE APPROVED UNDER § 7-1208 OF THIS SUBTITLE, THE COMMISSION SHALL BASE THE APPROVALS ON:

(I) WHICH PROJECTS WILL PROVIDE THE HIGHEST CAPACITY VALUE TO THE STATE;

(II) THE TIMELINESS OF A PROJECT TO BEGIN CONSTRUCTION;

(III) THE TIMELINESS OF A PROJECT TO BEGIN OPERATION;
AND

(IV) WHICH PROJECTS HAVE THE LOWEST EMISSIONS INTENSITY.

(D) THE COMMISSION SHALL DETERMINE WHEN THE PROCEEDINGS FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207.4 OF THIS TITLE WILL BEGIN FOR A PROPOSAL APPROVED UNDER THIS PART.

(E) THE COMMISSION MAY CONTRACT FOR THE SERVICES OF INDEPENDENT CONSULTANTS AND EXPERTS IN EVALUATING AND COMPARING WHETHER A PROPOSAL SHALL BE APPROVED TO BE ELIGIBLE TO UNDERGO AN EXPEDITED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY PROCESS UNDER § 7-207.4 OF THIS TITLE.

(Over)

(F) A PROPOSAL THAT IS NOT APPROVED TO BE ELIGIBLE TO UNDERGO AN EXPEDITED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY PROCESS UNDER § 7-207.4 OF THIS TITLE MAY APPLY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OF THIS TITLE.

7-1210. RESERVED.

7-1211. RESERVED.”;

in line 29, strike “**PART II.**” and substitute “**PART III.**”; and in the same line, strike “**PROCUREMENT**”.

On page 10, in lines 1, 22, and 27, strike “**7-1208.**”, “**7-1209.**”, and “**7-1210.**”, respectively, and substitute “**7-1212.**”, “**7-1213.**”, and “**7-1214.**”, respectively; in line 2, after “**(A)**” insert “**(1)**”; after line 6, insert:

“(2) FOR AN APPLICATION SUBMITTED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION, THE LONG-TERM PRICING SCHEDULE SHALL BE BASED ONLY ON ANY NEW GENERATION PROPOSED IN THE APPLICATION, INCLUDING NEW GENERATION AT AN EXISTING NUCLEAR ENERGY GENERATING STATION.”;

in line 23, strike “**UNLESS EXTENDED BY MUTUAL CONSENT OF THE PARTIES**” and substitute “**(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION**”; in lines 25 and 29, in each instance, strike “**§ 7-1208**” and substitute “**§ 7-1212**”; and after line 26, insert:

“(B) THE COMMISSION MAY EXTEND THE TIME TO APPROVE, CONDITIONALLY APPROVE, OR DENY AN APPLICATION UNDER SUBSECTION (A) OF THIS SECTION FOR GOOD CAUSE.”.

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On page 11, in line 26, strike “ENVIRONMENTAL” and substitute “ECONOMIC”.

On page 12, in line 12, strike “§ 7-1211(C)(2)” and substitute “§ 7-1215(B)(2)”; in line 15, strike “7-1211.” and substitute “7-1215.”; in line 18, strike “§ 7-1208” and substitute “§ 7-1212”; in line 20, after “PROPOSED” insert “LONG-TERM”; and in line 29, strike “§ 7-1210” and substitute “§ 7-1214”.

On page 12 in line 8, on page 18 in line 14, and on page 19 in line 3, in each instance, strike “§ 7-1213” and substitute “§ 7-1202”.

On page 13, strike beginning with “IN” in line 25 down through “(C)” in line 29.

On page 14, in line 29, strike “7-1212.” and substitute “7-1216.”; in line 31, strike “§ 7-1208” and substitute “§ 7-1212”; and in line 33, strike “DISTRIBUTION”.

On pages 15 through 17, strike in their entirety the lines beginning with line 21 on page 15 through line 16 on page 17, inclusive, and substitute:

“7-1217.”.

On page 17, in line 18, strike “§ 7-1208” and substitute “§ 7-1212”.

On page 18, in line 12, strike “§ 7-1211(C)” and substitute “§ 7-1215(B)”; in line 22, strike “§ 7-1213(B)” and substitute “§ 7-1202”; in line 23, strike “7-1215.” and substitute “7-1218.”; in line 24, strike “(1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF” and substitute “IF”; in line 25, strike “PROPOSALS THAT DEMONSTRATE” and substitute “AN APPLICATION THAT DEMONSTRATES”; in line 26, strike “§ 7-1210” and substitute “§ 7-1214”; in the same line, strike the second comma and substitute “IMPACTS AND”; in line 27, strike the first comma; strike

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beginning with “APPROVE” in line 28 down through “PROJECTS” in line 29 and substitute “ISSUE AN ORDER IN COMPLIANCE WITH § 7-1217 OF THIS SUBTITLE”; and strike in their entirety lines 30 through 32, inclusive.

On page 19, in line 1, strike “APPROVE” and substitute “ISSUE”; in lines 5 and 31, strike “7-1216.” and “7-1217.”, respectively, and substitute “7-1219.” and “7-1220.”, respectively; in line 12, strike “§ 7-1209” and substitute “§ 7-1213”; and in line 32, after “(A)” insert “IN THIS SECTION, “ZERO-EMISSION CREDIT” MEANS THE DIFFERENCE BETWEEN THE PRICE THAT A NUCLEAR ENERGY GENERATING STATION WITH A LONG-TERM PRICING SCHEDULE APPROVED IN AN ORDER ISSUED UNDER § 7-1217 OF THIS SUBTITLE MAY RECEIVE ON THE WHOLESALE MARKET AND THE COST OF CONSTRUCTING THE NUCLEAR ENERGY GENERATING STATION.”

(B)”.

On page 20, in lines 2 and 3, strike “PAID BY ALL DISTRIBUTION CUSTOMERS OF THE ELECTRIC COMPANY” and substitute “THAT IS ADDED TO THE ELECTRIC COMPANY’S BASE DISTRIBUTION RATE ON CUSTOMER BILLS”; strike beginning with “ESTABLISH” in line 4 down through “(4)” in line 10; in line 12, after “PARTIES” insert “;

(3) DEFINE THE TERMS AND PROCEDURES OF THE NUCLEAR ENERGY LONG-TERM PRICING SCHEDULE OBLIGATIONS, INCLUDING:

(I) ESTABLISHING A FORMULA AND PROCESS TO ADJUST THE VALUE OF THE LONG-TERM PRICING SCHEDULE EVERY 2 YEARS BASED ON PROJECTED WHOLESALE MARKET PRICES ADJUSTED BY THE LOCATIONAL VALUE AND EARNING POTENTIAL IN THE PJM REGION OF THE NUCLEAR ENERGY GENERATING STATION; AND

(II) ESTABLISHING A PER MEGAWATT HOUR CAP ON ANY LONG-TERM PRICING SCHEDULE SPECIFIED IN AN ORDER ISSUED UNDER § 7-1217 OF THIS SUBTITLE;

(4) REQUIRE THE COMMISSION TO ESTABLISH AN ESCROW ACCOUNT; AND

(5) TO MEET THE TOTAL STATEWIDE LONG-TERM PRICING PURCHASE OBLIGATION FOR ALL APPLICATIONS APPROVED IN AN ORDER ISSUED UNDER § 7-1217 OF THIS SUBTITLE, REQUIRE THE COMMISSION TO ANNUALLY ESTABLISH EACH ELECTRIC COMPANY'S ZERO-EMISSION CREDIT PURCHASE OBLIGATION BASED ON THE MOST RECENT FINAL ELECTRICITY SALES DATA AS REPORTED BY PJM INTERCONNECTION AND MEASURED AT THE CUSTOMER'S METER IN PROPORTION TO THE ELECTRIC COMPANY'S SHARE OF STATEWIDE LOAD”;

in line 13, strike “(B)” and substitute “(C)”; in line 14, strike “VOLUME” and substitute “QUANTITY”; in lines 15 and 19, in each instance, strike “NUCLEAR ENERGY” and substitute “ZERO-EMISSION CREDITS”; in line 17, strike “(I)”; in line 18, strike “IS” and substitute “ARE”; in lines 19 and 20, strike “NUCLEAR ENERGY OBLIGATION” and substitute “ZERO-EMISSION CREDIT PURCHASE OBLIGATIONS”; and strike in their entirety lines 24 through 28, inclusive.

On pages 20 and 21, strike in their entirety the lines beginning with line 29 on page 20 through line 5 on page 21, inclusive.

On page 21, in line 6, strike “(C)” and substitute “(D)”; in line 10, strike “7-1218.” and substitute “7-1221.”; after line 12, insert:

(Over)

“7-1222. RESERVED.

7-1223. RESERVED.

PART IV. TRANSMISSION ENERGY STORAGE DEVICES.

7-1224.

(A) THE COMMISSION SHALL, BY REGULATION OR ORDER, ESTABLISH A COMPETITIVE PROCESS FOR THE PROCUREMENT OF PROJECTS FOR THE CONSTRUCTION AND DEPLOYMENT OF FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICES IN THE STATE.

(B) (1) (I) ON OR BEFORE JANUARY 1, 2026, THE COMMISSION SHALL ISSUE A PROCUREMENT SOLICITATION FOR APPLICATIONS FOR PROJECTS FOR THE CONSTRUCTION AND DEPLOYMENT OF FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICES.

(II) THE PROCUREMENT SOLICITATION SHALL BE FOR A MAXIMUM OF 800 MEGAWATTS OF CUMULATIVE ENERGY STORAGE CAPACITY, AS MEASURED IN EFFECTIVE NAMEPLATE CAPACITY.

(2) ON OR BEFORE OCTOBER 1, 2026, THE COMMISSION SHALL ISSUE A DECISION ON WHETHER TO APPROVE ONE OR MORE PROPOSALS IN ACCORDANCE WITH § 7-1226(C) OF THIS SUBTITLE.

(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE TRANSMISSION ENERGY STORAGE DEVICES PROCURED IN

ACCORDANCE WITH THIS SUBSECTION SHALL BE OPERATIONAL WITHIN 24 MONTHS AFTER A PROJECT IS SELECTED BY THE COMMISSION.

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

(C) (1) ON OR BEFORE JANUARY 1, 2027, THE COMMISSION SHALL ISSUE A SECOND PROCUREMENT SOLICITATION FOR THE PROCUREMENT OF PROJECTS FOR THE CONSTRUCTION AND DEPLOYMENT OF FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICES.

(2) THE PROCUREMENT SOLICITATION SHALL BE FOR A MAXIMUM OF 800 MEGAWATTS OF CUMULATIVE ENERGY STORAGE CAPACITY, AS MEASURED IN EFFECTIVE NAMEPLATE CAPACITY.

(3) ON OR BEFORE OCTOBER 1, 2027, THE COMMISSION SHALL ISSUE A DECISION ON WHETHER TO APPROVE ONE OR MORE PROPOSALS IN ACCORDANCE WITH § 7-1226(C) OF THIS SUBTITLE.

(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE TRANSMISSION ENERGY STORAGE DEVICES PROCURED IN ACCORDANCE WITH THIS SUBSECTION SHALL BE OPERATIONAL WITHIN 24 MONTHS AFTER A PROJECT IS SELECTED BY THE COMMISSION.

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

7-1225.

(A) THE COMMISSION SHALL INCLUDE SPECIFICATIONS IN A PROCUREMENT SOLICITATION ISSUED UNDER § 7-1224 OF THIS SUBTITLE THAT REQUIRE EACH PROPOSAL TO:

(1) INCLUDE A PROPOSED PRICING SCHEDULE FOR THE TRANSMISSION ENERGY STORAGE PROJECT THAT:

(I) IS FOR AT LEAST 15 YEARS; AND

(II) REPRESENTS THE ANTICIPATED MONTHLY WHOLESALE VALUE OF CAPACITY PER MEGAWATT AND OTHER BENEFITS IDENTIFIED IN A COST-BENEFIT ANALYSIS, BUT NOT INCLUDING ANY ANTICIPATED WHOLESALE ENERGY AND ANCILLARY SERVICES REVENUE;

(2) INCLUDE A COST-BENEFIT ANALYSIS OF THE PROJECT AND PROPOSED PRICING SCHEDULE COMPARISON ON A DOLLAR-PER-MEGAWATT-HOUR BASIS, INCLUDING AN ANALYSIS OF:

(I) THE LOCATIONAL VALUE AND TIME TO DEPLOYMENT OF THE ENERGY STORAGE DEVICES;

(II) THE VALUE OF LONG-DURATION STORAGE, INCLUDING ITS CAPACITY ACCREDITATION VALUE FOR RESOURCE ADEQUACY AS MEASURED IN PJM INTERCONNECTION'S EFFECTIVE LOAD CARRYING CAPABILITY CLASS RATINGS;

(III) AVOIDED OR DELAYED TRANSMISSION, GENERATION, AND DISTRIBUTION COSTS;

(IV) AVOIDED EMISSIONS IN THE SHORT TERM AND PROJECTED AVOIDED EMISSIONS IN THE LONG TERM, MEASURED USING THE SOCIAL COST OF CARBON, AS DETERMINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY AS OF JANUARY 1, 2025;

(V) THE VALUE OF THE RAPID DEPLOYMENT OF ENERGY STORAGE DEVICES;

(VI) THE VALUE OF RELIABILITY DURING PERIODS OF ELECTRIC SYSTEM STRESS, INCLUDING THE ABILITY TO DELIVER CAPACITY DURING PERIODS OF EXTREME WEATHER, FUEL SCARCITY, AND LARGE UNPLANNED RESOURCE OUTAGES; AND

(VII) ANY OTHER AVOIDED COSTS;

(3) ENSURE THAT THE OWNER OR OPERATOR OF THE PROJECT HAS THE CAPABILITY TO EXPORT ELECTRICITY FOR SALE ON THE WHOLESALE MARKET AND BID INTO THE PJM CAPACITY MARKET UNDER AN AGREEMENT WITH PJM INTERCONNECTION;

(4) ENSURE THAT THE ENERGY STORAGE DEVICES CAN DELIVER THEIR EFFECTIVE NAMEPLATE CAPACITY;

(5) INCORPORATE A COMMUNITY BENEFIT AGREEMENT;

(6) ATTEST IN WRITING THAT ALL CONTRACTORS AND SUBCONTRACTORS WORKING ON THE PROJECT HAVE BEEN IN COMPLIANCE WITH FEDERAL AND STATE WAGE AND HOUR LAWS FOR THE IMMEDIATELY PRECEDING 3 YEARS OR THE DURATION OF THE CONTRACTOR'S OR SUBCONTRACTOR'S BUSINESS OPERATION, WHICHEVER IS LONGER; AND

(7) ENSURE A COMPETITIVE BIDDING PROCESS, INCLUDING BY REDACTING PROPRIETARY INFORMATION PROVIDED TO THE COMMISSION.

(B) AN ENERGY STORAGE DEVICE SHALL BE CONSIDERED CAPABLE OF DELIVERING ITS EFFECTIVE NAMEPLATE CAPACITY UNDER THIS SECTION IF:

(1) THE ENERGY STORAGE DEVICE WILL HAVE THE CAPACITY INTERCONNECTION RIGHTS WITH PJM INTERCONNECTION EQUAL TO ITS EFFECTIVE NAMEPLATE CAPACITY; OR

(2) (I) THE ENERGY STORAGE DEVICE WILL HAVE SURPLUS INTERCONNECTION SERVICE WITH PJM INTERCONNECTION; AND

(II) THE ABILITY OF THE ENERGY STORAGE DEVICE TO DELIVER ITS EFFECTIVE NAMEPLATE CAPACITY WILL BE LIMITED ONLY BY THE GENERATION OF ANOTHER NONENERGY STORAGE GENERATION RESOURCE WITH WHICH THE ENERGY STORAGE DEVICE SHARES A POINT OF INTERCONNECTION TO THE ELECTRIC TRANSMISSION SYSTEM.

(C) FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICES PAIRED WITH TIER 1 OR TIER 2 RENEWABLE SOURCES, AS DEFINED UNDER § 7-701 OF THIS TITLE, MAY BE INCLUDED IN A PROPOSAL IN RESPONSE TO A PROCUREMENT SOLICITATION UNDER § 7-1224 OF THIS SUBTITLE.

7-1226.

(A) IN SELECTING A PROPOSAL FOR A FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICE PROJECT, THE COMMISSION:

(1) SHALL SPECIFY:

(I) A 15-YEAR PRICING SCHEDULE THAT USES A MONTHLY FIXED PRICE FOR EACH MEGAWATT THAT REPRESENTS THE ANTICIPATED WHOLESALE VALUE OF CAPACITY FOR THE FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICE AND THE BENEFITS IDENTIFIED IN § 7-1225(A)(2) OF THE SUBTITLE;

(II) THAT EACH ELECTRICITY SUPPLIER SHALL BE RESPONSIBLE FOR PURCHASING STORAGE CAPACITY CREDITS AT THE MONTHLY FIXED PRICE SCHEDULE PROPORTIONAL TO THE ELECTRICITY SUPPLIER'S CAPACITY OBLIGATION;

(III) THAT ALL PJM CAPACITY MARKET REVENUE EARNED BY THE ENERGY STORAGE PROJECT BE TRANSMITTED TO THE COMMISSION TO BE HELD IN ESCROW FOR DISTRIBUTION TO ELECTRIC COMPANIES TO BE REFUNDED OR CREDITED TO EACH DISTRIBUTION CUSTOMER PROPORTIONAL TO THE ELECTRICITY SUPPLIER'S MONTHLY CAPACITY PURCHASE OBLIGATION;

(IV) THAT THE ENERGY STORAGE PROJECT SHALL RETAIN ANY ENERGY AND ANCILLARY SERVICES REVENUE EARNED;

(Over)

(V) THAT ELECTRIC COMPANIES MUST JOINTLY SELECT AN ESCROW ADMINISTRATOR, IN CONSULTATION WITH THE COMMISSION; AND

(VI) FOR ANY COST RECOVERY BY AN ELECTRIC COMPANY, THAT THE RECOVERY SHALL BE DONE THROUGH A NONBYPASSABLE SURCHARGE ESTABLISHED BY THE ELECTRIC COMPANY THAT IS ADDED TO THE ELECTRIC COMPANY'S BASE DISTRIBUTION RATE OR SUPPLY RATE ON CUSTOMER BILLS;

(2) SHALL SPECIFY THAT FOR CONTINUED RECEIPT OF PAYMENT UNDER ITEM (1) OF THIS SUBSECTION, AN APPLICANT SHALL DEMONSTRATE, TO THE SATISFACTION OF THE COMMISSION, THAT THE APPLICANT'S ENERGY STORAGE DEVICE IS AVAILABLE;

(3) SHALL INCORPORATE PENALTIES FOR NONPERFORMANCE AND UNDERPERFORMANCE IN THE CONTRACT, INCLUDING WITHHOLDING OF PAYMENT THAT REFLECTS THE DEGREE OF UNDERPERFORMANCE, FOR ENERGY STORAGE DEVICES THAT FAIL TO MEET AVAILABILITY METRICS;

(4) MAY TERMINATE ENERGY STORAGE DEVICES FROM THE PROGRAM IF DEVICE PERFORMANCE DOES NOT IMPROVE AFTER APPROPRIATE NOTICE AND OPPORTUNITY TO CURE;

(5) SHALL CONSIDER OTHER NONPRICE FACTORS TO ENSURE PROJECT DELIVERABILITY WITHIN 24 MONTHS AFTER THE AWARD DATE, SUCH AS:

(I) PROJECT MATURITY DATES;

(II) INTERCONNECTION QUEUE STATUS;

(III) SITE CONTROL;

(IV) DEVELOPER EXPERIENCE, INCLUDING PROCURING, CONSTRUCTING, AND OPERATING FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE DEVICES;

(V) ANY EVIDENCE OF KEY DEVELOPMENT MILESTONES TO SUBSTANTIATE PROJECT DELIVERABILITY WITHIN 24 MONTHS AFTER THE AWARD DATE;

(VI) SAFETY PLANS; AND

(VII) ANY OTHER RELEVANT NONPRICE FACTORS AS DETERMINED BY THE COMMISSION; AND

(6) SHALL REQUIRE, AT A MINIMUM, ALL ENERGY STORAGE DEVICES THAT UTILIZE LITHIUM-ION BATTERIES TO COMPLY WITH THE MOST UP-TO-DATE REVISION OF THE NATIONAL FIRE PROTECTION ASSOCIATION 855: STANDARD FOR THE INSTALLATION OF STATIONARY ENERGY STORAGE SYSTEMS IN EFFECT AT THE PROJECT'S FINAL PERMIT APPLICATION DATE.

(B) (1) EACH ENERGY STORAGE PROJECT SHALL INCLUDE A PROPOSED DECOMMISSIONING PLAN.

(2) THE PROPOSED DECOMMISSIONING PLAN SHALL INCLUDE A PLAN TO MAXIMIZE THE RECYCLING OR REUSE OF ALL QUALIFYING COMPONENTS OF EACH ENERGY STORAGE DEVICE.

(Over)

(3) THE OWNER OR OPERATOR OF AN ENERGY STORAGE DEVICE MAY SUBMIT A REVISED RECYCLING AND REUSE PLAN THAT INCORPORATES EMERGING RECYCLING AND REUSE OPPORTUNITIES UP TO 1 YEAR BEFORE EXECUTING THE DECOMMISSIONING PLAN.

(C) THE COMMISSION SHALL:

(1) AFTER GIVING PUBLIC NOTICE, HOLD ONE OR MORE PUBLIC HEARINGS TO RECEIVE PUBLIC COMMENT AND EVALUATE THE PROPOSALS; AND

(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ISSUE ONE OR MORE ORDERS TO SELECT A PROPOSAL OR PROPOSALS FOR DEVELOPMENT.

(D) THE COMMISSION MAY END THE SOLICITATION PROCESS WITHOUT SELECTING A PROPOSAL IF THE COMMISSION FINDS THAT NONE OF THE PROPOSALS ADEQUATELY SUPPORT THE GOALS ESTABLISHED UNDER THIS SUBTITLE, INCLUDING THE GOAL OF SECURING AFFORDABLE, RELIABLE ELECTRICAL SERVICE FOR MARYLAND RESIDENTS.

7-1227.

(A) FOR ANY PROPOSAL SELECTED UNDER THIS PART, THE COMMISSION MAY ADOPT CONDITIONS FOR THE CONSTRUCTION AND OPERATION OF FACILITIES INCLUDED IN THE PROPOSAL.

(B) AN ORDER SELECTING A PROPOSAL UNDER § 7-1226 OF THIS SUBTITLE BESTOWS THE SAME RIGHTS TO THE SELECTED PROPOSAL THAT A GENERATING SYSTEM WOULD OTHERWISE BE GRANTED THROUGH A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OF THIS

TITLE IF THE SELECTED PROPOSAL IS REVIEWED UNDER AN ALTERNATIVE
PROCESS AS DETERMINED BY THE COMMISSION.

7-1228.

ANY TRANSMISSION ENERGY STORAGE DEVICE BUILT IN ACCORDANCE
WITH THIS SUBTITLE SHALL COUNT TOWARD THE ENERGY STORAGE DEVICE
DEPLOYMENT GOALS UNDER § 7-216.1 OF THIS TITLE.

7-1229.

ON OR BEFORE DECEMBER 31, 2026, THE COMMISSION SHALL REPORT, IN
ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE
GENERAL ASSEMBLY ON THE EFFECTIVENESS OF THE PROCUREMENT PROCESS
ESTABLISHED UNDER THIS PART.

Article – State Finance and Procurement

13-102.

(a) The following procurement methods are authorized at the procurement
officer's discretion, where applicable:

- (1) competitive sealed bids under § 13-103 of this subtitle;
- (2) competitive sealed proposals under § 13-104 or § 13-105 of this
subtitle;
- (3) noncompetitive negotiation under § 13-106 of this subtitle;
- (4) sole source procurement under § 13-107 of this subtitle;

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- (5) emergency or expedited procurement under § 13–108 of this subtitle;
- (6) small procurement under § 13–109 of this subtitle;
- (7) an intergovernmental cooperative purchasing agreement under § 13–110 of this subtitle;
- (8) auction bids under § 13–111 of this subtitle;
- (9) architectural, engineering, and land surveying services qualification based selection under § 13–112 of this subtitle;
- (10) master contracting under § 13–113 of this subtitle; [or]
- (11) pay–for–success contracting under § 13–112.1 of this subtitle; OR
- (12) **LEGISLATIVE FAST–TRACK PROCUREMENTS UNDER § 13–117 OF THIS SUBTITLE.**

13–117.

(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO:

- (1) RECOGNIZE THE NEED FOR STATE AGENCIES TO BE RESPONSIVE TO THE REQUESTS AND LEGISLATIVE DIRECTIVES OF THE GENERAL ASSEMBLY;**
- (2) REDUCE THE TIME IT TAKES FOR STATE AGENCIES TO PROCURE CONSULTANTS TO ASSIST WITH LEGISLATIVE MANDATES THAT HAVE DEADLINES SPECIFIED IN LAW; AND**

(3) BE TIMELY IN ADDRESSING CLIMATE CHANGE, ENVIRONMENTAL, ENERGY, AND GREENHOUSE GAS EMISSIONS RELATED ISSUES.

(B) THIS SECTION APPLIES ONLY TO THE PROCUREMENT OF CONSULTANTS THAT:

(1) ARE LEGISLATIVELY MANDATED WITH SPECIFIC TIME FRAMES ESTABLISHED IN LAW; AND

(2) WILL ADDRESS ISSUES RELATED ONLY TO CLIMATE CHANGE, THE ENVIRONMENT, ENERGY, AND GREENHOUSE GAS EMISSIONS.

(C) THE FOLLOWING UNITS ARE AUTHORIZED TO ISSUE COMPETITIVE SEALED BIDS HIGHER THAN THEIR DESIGNATED SMALL PROCUREMENT DELEGATION AUTHORITIES:

(1) THE PUBLIC SERVICE COMMISSION;

(2) THE OFFICE OF PEOPLE'S COUNSEL;

(3) THE MARYLAND ENERGY ADMINISTRATION;

(4) THE DEPARTMENT OF THE ENVIRONMENT; AND

(5) THE DEPARTMENT OF NATURAL RESOURCES.

(D) BEFORE AWARDING A PROCUREMENT CONTRACT UNDER THIS SECTION, THE PROCUREMENT OFFICER SHALL OBTAIN THE APPROVAL OF:

(Over)

(1) THE HEAD OF THE UNIT; AND

(2) THE CHIEF PROCUREMENT OFFICER, OR THEIR DESIGNEE.

(E) (1) THE CHIEF PROCUREMENT OFFICER, OR THEIR DESIGNEE, SHALL APPROVE A PROCUREMENT CONTRACT SUBMITTED UNDER THIS SECTION IF IT COMPLIES WITH THE REQUIREMENTS OF THIS SECTION.

(2) IF THE CHIEF PROCUREMENT OFFICER, OR THEIR DESIGNEE, DOES NOT APPROVE A PROCUREMENT CONTRACT SUBMITTED UNDER THIS SECTION WITHIN 5 BUSINESS DAYS AFTER RECEIVING THE CONTRACT, THE CONTRACT SHALL BE CONSIDERED APPROVED.

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;

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- (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;
 - (7) money transferred from the Public Service Commission under [§ 7–207.2(c)(3)] § 7–207.2(D)(3) of the Public Utilities Article; and
 - (8) money distributed under § 2–614.1 of the Tax – General Article.
- (i) (1) Except as provided in [paragraph] PARAGRAPHS (2) AND (3) of this subsection, compliance fees paid under § 7–705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State that are owned by or directly benefit:
- (i) low– to moderate–income communities located in a census tract with an average median income at or below 80% of the average median income for the State; or
 - (ii) overburdened or underserved communities, as defined in § 1–701 of the Environment Article.
- (2) Compliance fees paid under § 7–705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit:
- (i) low– to moderate–income communities located in a census tract with an average median income at or below 80% of the average median income for the State;

(Over)

(ii) overburdened or underserved communities, as defined in § 1–701 of the Environment Article; or

(iii) households with low to moderate income, as defined in § 9–2016 of this title.

(3) (I) SUBJECT TO SUBPARAGRAPHS (II), (III), AND (IV) OF THIS PARAGRAPH, COMPLIANCE FEES PAID UNDER § 7–705 OF THE PUBLIC UTILITIES ARTICLE MAY BE USED TO PROVIDE GRANTS TO ELECTRIC COMPANIES TO BE REFUNDED OR CREDITED TO EACH RESIDENTIAL DISTRIBUTION CUSTOMER BASED ON THE CUSTOMER’S CONSUMPTION OF ELECTRICITY SUPPLY THAT IS SUBJECT TO THE RENEWABLE ENERGY PORTFOLIO STANDARD.

(II) THE REFUNDING OR CREDITING OF AMOUNTS TO RESIDENTIAL DISTRIBUTION CUSTOMERS SHALL BE IDENTIFIED ON THE CUSTOMER’S BILL AS A LINE ITEM IDENTIFIED AS A “LEGISLATIVE ENERGY RELIEF REFUND”.

(III) AN ELECTRIC COMPANY AWARDED A GRANT UNDER THIS PARAGRAPH:

1. MAY NOT RETAIN ANY OF THE GRANT FUNDS TO COVER OVERHEAD EXPENSES; AND

2. SHALL PROVIDE ALL OF THE GRANT FUNDS TO RESIDENTIAL DISTRIBUTION CUSTOMERS.

(IV) THE PROCESS UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH RELATED TO THE REFUNDING OR CREDITING OF AMOUNTS TO

RESIDENTIAL DISTRIBUTION CUSTOMERS SHALL BE DIRECTED AND OVERSEEN BY THE COMMISSION.

SECTION 4. AND BE IT FURTHER ENACTED, That the laws of Maryland read as follows:

Article – Tax – General

10–207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(QQ) (1) IN THIS SUBSECTION, “LEGISLATIVE ENERGY RELIEF REFUND” MEANS A CREDIT AGAINST A PERSON’S ELECTRIC UTILITY BILL THAT IS OFFERED THROUGH GRANTS PROVIDED TO ELECTRIC COMPANIES IN ACCORDANCE WITH § 9–20B–05(I)(3) OF THE STATE GOVERNMENT ARTICLE.

(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF A LEGISLATIVE ENERGY RELIEF REFUND RECEIVED BY A PERSON DURING THE TAXABLE YEAR.”;

in line 13, strike “4.” and substitute “5.”; in lines 23 and 24, strike “ACCEPTED BY THE COMMISSION DURING A SOLICITATION PERIOD UNDER § 7–1202” and substitute “APPROVED BY THE COMMISSION UNDER § 7–1206”; and strike line 28 in its entirety and substitute “APPROVED BY THE COMMISSION UNDER § 7–1206”.

On page 22, strike beginning with “ACCEPTED” in line 2 down through “TITLE.” in line 3 and substitute “APPROVED BY THE COMMISSION UNDER § 7–1206 OF THIS TITLE.”

(Over)

(VI) 1. THE COMMISSION MAY PRIORITIZE THE REVIEW OF AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207.4 OF THIS SUBTITLE OVER THE REVIEW OF AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION.

2. THE COMMISSION MAY EXTEND THE TIME FOR THE REVIEW OF AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION IF, IN ACCORDANCE WITH SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE COMMISSION HAS PRIORITIZED THE REVIEW OF AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207.4 OF THIS SUBTITLE OVER THE REVIEW OF THE APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION.”;

in lines 9 and 15, in each instance, strike “GENERATING” and substitute “GENERATION”; strike beginning with the colon in line 10 down through “PJM” in line 14 and substitute “THAT IS PART OF A PROPOSAL APPROVED BY THE COMMISSION UNDER § 7-1206 OF THIS TITLE”; after line 21, insert:

“(6) “LARGE CAPACITY ENERGY RESOURCE” MEANS A GENERATING STATION THAT:

(I) ON OR BEFORE JANUARY 1, 2025:

1. HAS APPLIED TO PJM FOR INTERCONNECTION APPROVAL; OR

2. HAS BEEN APPROVED BY PJM FOR INTERCONNECTION;

(II) HAS A CAPACITY RATING EQUAL TO OR GREATER THAN 20 MEGAWATTS AFTER ACCOUNTING FOR THE EFFECTIVE LOAD CARRYING CAPABILITY; AND

(III) IS PART OF A PROPOSAL APPROVED BY THE COMMISSION UNDER § 7-1206 OF THIS TITLE.

(7) “QUALIFYING PROJECT” MEANS A DISPATCHABLE ENERGY GENERATION PROJECT OR LARGE CAPACITY ENERGY RESOURCE PROJECT THAT HAS BEEN APPROVED BY THE COMMISSION UNDER § 7-1208 OF THIS TITLE.”;

in lines 24 and 27, in each instance, strike “DISPATCHABLE ENERGY GENERATION” and substitute “QUALIFYING”; and in line 26, after “SECTION” insert “OR § 7-207 OF THIS SUBTITLE”.

On pages 22 and 23, strike in their entirety the lines beginning with line 28 on page 22 through line 5 on page 23, inclusive, and substitute:

“(D) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED UNDER THIS SECTION BESTOWS THE SAME RIGHTS AS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED UNDER § 7-207 OF THIS SUBTITLE.

(E) A PERSON APPLYING FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION SHALL:

(1) AT LEAST 45 DAYS BEFORE SUBMITTING AN APPLICATION UNDER THIS SECTION, NOTIFY THE COMMISSION AND THE POWER PLANT RESEARCH PROGRAM; AND

(2) UNLESS OTHERWISE SPECIFIED UNDER THIS SECTION, COMPLETE ALL PRE-APPLICATION REQUIREMENTS BEFORE SUBMITTING AN APPLICATION.

(F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE TIMELINES ASSOCIATED WITH THE NORMAL PRE-APPLICATION REQUIREMENTS UNDER § 7-207 OF THIS SUBTITLE, INCLUDING THE REQUIREMENTS UNDER COMAR 20.79.01.04 AND COMAR 20.79.01.05,

SHALL BE SHORTENED TO 45 DAYS FOR APPLICATIONS SUBMITTED UNDER THIS SECTION.

(2) IF THE PROPOSED LOCATION OF A QUALIFYING PROJECT IS IN AN OVERBURDENED COMMUNITY OR UNDERSERVED COMMUNITY, AS DEFINED IN § 1-701 OF THE ENVIRONMENT ARTICLE, THE TIMELINE FOR THE PRE-APPLICATION REQUIREMENTS UNDER COMAR 20.79.01.04 AND COMAR 20.79.01.05 SHALL REMAIN AT 90 DAYS.

(G) ONCE FIVE APPLICATIONS HAVE BEEN RECEIVED UNDER THIS SECTION WITHIN A 2-MONTH PERIOD, THE COMMISSION MAY DELAY PROCESSING ANY SUBSEQUENT APPLICATIONS SUBMITTED UNDER THIS SECTION WITHOUT IMPACTING THE TIMELINES SPECIFIED IN THIS SECTION.”.

On page 23, in line 6, strike “(E)” and substitute “(H)”; strike in their entirety lines 9 and 10 and substitute “QUALIFYING PROJECT; AND”; in lines 12 and 20, in each instance, strike “DISPATCHABLE ENERGY GENERATION” and substitute “QUALIFYING”; in line 13, strike “6 MONTHS” and substitute “295 DAYS”; strike beginning with the first “THE” in line 13 down through “SECTION” in line 14 and substitute “THE POWER PLANT RESEARCH PROGRAM DETERMINES THAT THE APPLICATION IS COMPLETE IN ACCORDANCE WITH COMAR 20.79.01.10”; strike beginning with “A” in line 15 down through “SECTION” in line 19 and substitute “THE COMMISSION MAY EXTEND THE TIME TO TAKE FINAL ACTION ON A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION IF AN APPLICANT FAILS TO COMPLY WITH THE LAW, REGULATORY REQUIREMENTS, OR COMMISSION ORDERS ASSOCIATED WITH OBTAINING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.”

(3) NOTWITHSTANDING ANY OTHER LAW OR REGULATION, IN ORDER TO MEET THE REQUIRED TIMELINES FOR THE ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER THIS SECTION, THE COMMISSION MAY REVIEW AND DETERMINE WHETHER TO APPROVE

DECOMMISSIONING PLANS FOR A QUALIFYING PROJECT AFTER THE
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY HAS BEEN ISSUED”;

strike in their entirety lines 20 through 32, inclusive, and substitute:

“(I) IN EVALUATING AN APPLICATION FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY UNDER THIS SECTION, THE COMMISSION MAY
CONTRACT FOR THE SERVICES OF INDEPENDENT CONSULTANTS AND EXPERTS.”;

and after line 32, insert:

“SECTION 7. AND BE IT FURTHER ENACTED, That on or before January 15,
2026, the Public Service Commission shall report to General Assembly, in accordance
with § 2–1257 of the State Government Article, on:

(1) the status of developing regulations for the establishment and
purchase of zero–emission credits in accordance with § 7–1220 of the Public Utilities
Article, as enacted by Section 3 of this Act; and

(2) whether any legislative action is necessary to implement the zero–
emission credit provisions in § 7–1220 of the Public Utilities Article, as enacted by
Section 3 of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That a presently existing
obligation or contract right may not be impaired in any way by this Act.

SECTION 9. AND BE IT FURTHER ENACTED, That Section 5 of this Act shall
apply:

(1) except as specified in item (2) of this section, to all renewable energy
portfolio standard compliance years starting on or after January 1, 2025; and

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(2) beginning July 1, 2026, and to each renewable energy portfolio standard compliance year thereafter, for each facility owned by a public instrumentality of the State.”.

On page 24, in lines 1 and 4, strike “5.” and “6.”, respectively, and substitute “10.” and “14.”, respectively; after line 3, insert:

“SECTION 11. AND BE IT FURTHER ENACTED, That:

(a) (1) Notwithstanding any other provision of law, from the alternative compliance fees paid into the Maryland Strategic Energy Investment Fund in accordance with § 7–705 of the Public Utilities Article, a portion shall be used to provide grant awards to electric companies, including electric cooperatives and municipal electric utilities, to be refunded or credited to residential distribution customers for electric service in fiscal 2026 in accordance with subsection (b) of this section.

(2) The Governor may transfer by budget amendment the funds described in paragraph (1) of this subsection to the Public Service Commission to be awarded to electric companies, including electric cooperatives and municipal electric utilities.

(b) The funds described in subsection (a)(1) of this section shall be distributed:

(1) in accordance with § 9–20B–05(i)(3) of the State Government Article, as enacted by Section 3 of this Act;

(2) twice during the 2026 fiscal year; and

(3) to residential distribution customers as follows:

(i) half of the amount granted under subsection (a)(1) to be refunded or credited during a peak summer month; and

(ii) half of the amount granted under subsection (a)(1) to be refunded or credited during a peak winter month.

SECTION 12. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall be applicable to all taxable years beginning after December 31, 2024.”;

in line 4, strike “July” and substitute “June”; in lines 5 and 6, in each instance, strike “4” and substitute “6”; and in line 5, after “years” insert “and 1 month”.

AMENDMENT NO. 3

On page 3, after line 3, insert:

“(ee) (1) “Retail electric customer” means a purchaser of electricity for end use in the State.

(2) “Retail electric customer” includes:

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

1. an electric vehicle charging station;
2. electric vehicle supply equipment; or
3. an electric vehicle charging station service company or provider; [and]

(ii) a person that charges an electric vehicle at an electric vehicle charging station that the person owns or operates; AND

(III) A COMMERCIAL OR INDUSTRIAL CUSTOMER THAT PURCHASES ELECTRICITY IN ACCORDANCE WITH § 7-506.1 OF THIS ARTICLE.

(3) “Retail electric customer” does not include:

(Over)

(i) an occupant of a building in which the owner/operator or lessee/operator manages the internal distribution system serving the building and supplies electricity and electricity supply services solely to occupants of the building for use by the occupants;

(ii) a person who generates on-site generated electricity, to the extent the on-site generated electricity is consumed by that person or its tenants; or

(iii) except as provided in paragraph (2)(ii) of this subsection, a person that charges an electric vehicle at an electric vehicle charging station.

4-206.1.

(A) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY THAT IS AN INVESTOR-OWNED GAS COMPANY OR INVESTOR-OWNED ELECTRIC COMPANY.

(B) IN A BASE RATE PROCEEDING TO SET JUST AND REASONABLE RATES UNDER THIS TITLE, EACH PUBLIC SERVICE COMPANY SHALL DEMONSTRATE TO THE COMMISSION THE REASONABLENESS OF THE USE OF INTERNAL LABOR IN COMPARISON TO CONTRACTUAL LABOR.

(C) TO DEMONSTRATE REASONABLENESS OF THE USE OF LABOR AS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, A PUBLIC SERVICE COMPANY SHALL PROVIDE TO THE COMMISSION, AT A MINIMUM:

(1) A COMPARISON OF THE COSTS OF INTERNAL LABOR AND CONTRACTUAL LABOR;

(2) A DEMONSTRATION OF THE REASONABLENESS OF THE DECISION TO USE CONTRACTUAL LABOR;

(3) A JUSTIFICATION FOR THE USE OF CONTRACTUAL LABOR WHEN USED INSTEAD OF INTERNAL LABOR, INCLUDING A COST-BASED RATIONALE; AND

(4) ANY OTHER INFORMATION THAT THE COMMISSION REQUIRES.

4-210.

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

(2) “Customer” means a retail natural gas customer.

(3) “Eligible infrastructure replacement” means a replacement or an improvement in an existing infrastructure of a gas company that:

(i) is made on or after June 1, 2013;

(ii) is designed to improve public safety or infrastructure reliability;

(iii) does not increase the revenue of a gas company by connecting an improvement directly to new customers;

(iv) reduces or has the potential to reduce greenhouse gas emissions through a reduction in natural gas system leaks; and

(v) is not included in the current rate base of the gas company as determined in the gas company’s most recent base rate proceeding.

(Over)

(4) “Plan” means a plan that a gas company files under subsection [(d)] (E) of this section.

(5) “Project” means an eligible infrastructure replacement project proposed by a gas company in a plan filed under this section.

(b) It is the intent of the General Assembly that the purpose of this section is to [accelerate] ALLOW FOR THE APPROPRIATE ACCELERATION OF gas infrastructure improvements in the State [by establishing a mechanism for gas companies to promptly recover reasonable and prudent costs of investments in eligible infrastructure replacement projects separate from base rate proceedings] WHEN:

(1) NECESSARY TO ENSURE SAFETY AND IMPROVE RELIABILITY;

AND

(2) CONSISTENT WITH STATE POLICY.

(c) NOTHING IN THIS SECTION MAY BE CONSTRUED TO ALTER A GAS COMPANY’S OBLIGATION UNDER THIS DIVISION TO MAKE IMPROVEMENTS TO A GAS SYSTEM THAT ARE NECESSARY TO ENSURE THE SAFETY OF THE GAS SYSTEM.

[(c)] (D) This section does not apply to a gas cooperative.

[(d)] (E) (1) A gas company may file with the Commission:

(i) a plan to invest in eligible infrastructure replacement projects; and

(ii) in accordance with paragraph [(4)] (5) of this subsection, a cost–recovery schedule associated with the plan that includes a fixed annual surcharge

on customer bills to recover reasonable and prudent costs of proposed eligible infrastructure replacement projects.

(2) A plan under this subsection shall include:

(i) A DESCRIPTION OF EACH ELIGIBLE INFRASTRUCTURE REPLACEMENT PROJECT, INCLUDING THE PROJECT'S EXPECTED USEFUL LIFE;

(II) a time line for the completion of each eligible project;

~~[(ii)] (III)~~ the estimated cost of each project;

~~[(iii)] (IV)~~ a description of customer benefits under the plan;

[and]

(V) A DEMONSTRATION THAT THE GAS COMPANY HAS SELECTED AND GIVEN PRIORITY TO PROJECTS BASED ON RISK TO THE PUBLIC AND COST-EFFECTIVENESS;

(VI) AN ANALYSIS THAT COMPARES THE COSTS OF PROPOSED REPLACEMENT PROJECTS WITH ALTERNATIVES TO REPLACEMENT, INCLUDING LEAK DETECTION AND REPAIR;

(VII) A PLAN FOR NOTIFYING CUSTOMERS AFFECTED BY PROPOSED PROJECTS AT LEAST 6 MONTHS IN ADVANCE OF CONSTRUCTION; AND

~~[(iv)] (VIII)~~ any other information the Commission considers necessary to evaluate the plan.

(Over)

(3) A CUSTOMER NOTIFICATION PLAN REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL PROVIDE FOR:

(I) AN INITIAL NOTIFICATION OF CONSTRUCTION IN A MANNER DETERMINED BY THE COMMISSION;

(II) AT LEAST TWO SUBSEQUENT NOTIFICATIONS OF CONSTRUCTION IN A MANNER DETERMINED BY THE COMMISSION; AND

(III) THE COMMUNICATING OF:

1. A COMPLETE AND ACCURATE DESCRIPTION OF PROJECT ACTIVITIES; AND

2. ANY OTHER INFORMATION THE COMMISSION CONSIDERS NECESSARY TO EVALUATE THE PLAN.

[(3)] (4) (i) When calculating the estimated cost of a project under paragraph (2) of this subsection, a gas company shall include:

1. the pretax rate of return on the gas company's investment in the project;

2. depreciation associated with the project, based on new assets less retired plant; and

3. property taxes associated with the project, based on new assets less retired plant.

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(ii) The estimated project costs described in subparagraph (i) of this paragraph are collectible at the same time the eligible infrastructure replacement is made.

(iii) The pretax rate of return under subparagraph (i)1 of this paragraph shall:

1. be calculated using the gas company's capital structure and weighted average cost of capital as the Commission approved in the gas company's most recent base rate proceeding; and

2. include an adjustment for bad debt expenses as the Commission approved in the gas company's most recent base rate proceeding.

[(4) (5)] For a plan filed under this section:

(i) the cost-recovery schedule shall include a fixed annual surcharge that:

1. may not exceed \$2 each month on each residential customer account; and

2. for each nonresidential customer account, may not be less than the fixed annual surcharge applicable to a residential customer account, but shall be capped under item (ii) of this paragraph; and

(ii) to create a surcharge cap for all customer classes, costs shall be allocated to nonresidential and residential customers consistent with the proportions of total distribution revenues that those classes bear in accordance with the most recent base rate proceeding for the gas company.

(Over)

(6) FOR A GAS COMPANY TO RECOVER COSTS ASSOCIATED WITH ELIGIBLE INFRASTRUCTURE REPLACEMENT PROJECTS, A PLAN SHALL DEMONSTRATE:

(I) CUSTOMER BENEFITS; AND

(II) THAT THE GAS COMPANY HAS:

1. ANALYZED AVAILABLE COST-EFFECTIVE OPTIONS TO DEFER, REDUCE, OR REMOVE THE NEED TO REPLACE, CONSTRUCT, OR UPGRADE COMPONENTS OF THE GAS COMPANY'S DISTRIBUTION INFRASTRUCTURE, INCLUDING LEAK DETECTION AND REPAIR; AND

2. MET ANY OTHER REQUIREMENTS ESTABLISHED BY THE COMMISSION WHEN SETTING RATES UNDER THIS TITLE.

(7) A PLAN UNDER THIS SUBSECTION SHALL BE FILED SEPARATELY FROM A BASE RATE PROCEEDING.

[(5)] (8) In a base rate proceeding after approval of a plan, the Commission shall, in establishing a gas company's revenue requirements, take into account any benefits the gas company realized as a result of a surcharge approved under the plan.

[(6)] (9) Any adjustment for return on equity based on an approved plan only shall be considered and determined in a subsequently filed base rate case.

[(e)] (F) (1) Within 180 days after a gas company files a plan, the Commission:

(i) may hold a public hearing on the plan; and

(ii) shall take a final action to approve or deny the plan.

(2) Within 150 days after a gas company files an amendment to an approved plan, the Commission shall take final action to approve or deny the amendment.

(3) The Commission may approve a plan if it finds that the investments and estimated costs of eligible infrastructure replacement projects are:

(i) reasonable and prudent; [and]

(ii) designed to improve public safety or infrastructure reliability over the short term and long term; AND

(III) REQUIRED TO IMPROVE THE SAFETY OF THE GAS SYSTEM AFTER CONSIDERATION OF ALTERNATIVES TO REPLACEMENT.

(4) (i) The Commission shall approve the cost-recovery schedule associated with the plan at the same time that it approves the plan.

(ii) Costs recovered under the schedule approved in subparagraph (i) of this paragraph may relate only to the projects within the plan approved by the Commission.

(5) The Commission may not consider a revenue requirement or rate-making issue that is not related to the plan when reviewing a plan for approval or denial unless the plan is filed in conjunction with a base rate case.

[(f)] (G) (1) Subject to paragraph (2) of this subsection, if the Commission does not take final action on a plan within the time period required under subsection [(e)] (F) of this section, the gas company may implement the plan.

(2) If a gas company implements a plan that the Commission has not approved, the gas company shall refund to customers any amount of the surcharge that the Commission later determines is not reasonable or prudent, including interest.

(H) THE COMMISSION MAY AUTHORIZE A GAS COMPANY TO USE A MECHANISM TO PROMPTLY RECOVER REASONABLE AND PRUDENT COSTS OF INVESTMENTS FOR ELIGIBLE INFRASTRUCTURE REPLACEMENT PROJECTS THAT:

(1) ARE PART OF A PLAN APPROVED UNDER THIS SECTION OR IMPLEMENTED UNDER SUBSECTION (G) OF THIS SECTION; AND

(2) ACCELERATE GAS INFRASTRUCTURE IMPROVEMENTS IN THE STATE.

[(g)] (I) (1) (i) A surcharge under this section shall be in effect for 5 years from the date of initial implementation of an approved plan.

(ii) 1. Before the end of the 5-year period, the gas company shall file a base rate case application.

2. In a base rate proceeding filed under subparagraph 1 of this subparagraph, if a plan approved by the Commission remains in effect:

A. eligible infrastructure project costs included in base rates in accordance with a final Commission order on the base rate case shall be removed from a surcharge; and

B. the surcharge mechanism shall continue for eligible future infrastructure project costs that are not included in the base rate case.

(2) (i) If the actual cost of a plan is less than the amount collected under a surcharge, the gas company shall refund to customers the difference on customer bills, including interest.

(ii) If the actual cost of a plan is more than the amount collected under the surcharge and the Commission determines that the higher costs were reasonably and prudently incurred, the Commission shall authorize the gas company to increase the surcharge to recover the difference, subject to the rate limit under subsection [(d)(4)] (E)(5) of this section.

[(h)] (J) Each year a gas company shall file with the Commission a reconciliation to adjust the amount of a surcharge to account for any difference between the actual cost of a plan and the actual amount recovered under the surcharge.

[(i)] (K) If, after approving a surcharge in a plan, the Commission establishes new base rates for the gas company that include costs on which the surcharge is based, the gas company shall file a revised rate schedule with the Commission that subtracts those costs from the surcharge.

[(j)] (L) (1) The Commission may review a previously approved plan.

(2) If the Commission determines that an investment of a project or cost of a project no longer meets the requirements of subsection [(e)(3)] (F)(3) of this section, the Commission may:

(i) reduce future base rates or surcharges; or

(ii) alter or rescind approval of that part of the plan.

(Over)

4-212.

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

(2) "CONTRACT CAPACITY" MEANS THE AMOUNT OF MONTHLY PEAK LOAD REQUIREMENTS:

(I) THAT IS MUTUALLY AGREED TO BY AN ELECTRIC COMPANY AND A LARGE LOAD CUSTOMER FOR EACH MONTH REMAINING IN A CONTRACT TERM AFTER THE LOAD RAMP PERIOD HAS ENDED; AND

(II) FOR WHICH:

1. THE ELECTRIC COMPANY AGREES TO PROVIDE ALL OF THE COMPONENTS OF RETAIL ELECTRIC SERVICE SUBJECT TO THE TERMS AND CONDITIONS IN ITS TARIFFS; AND

2. THE LARGE LOAD CUSTOMER AGREES TO PURCHASE SERVICE AT THAT LOAD LEVEL FOR THE STATED TERM OF THE CONTRACT AND UNDER THE SAME TERMS AND CONDITIONS AS THOSE STATED IN THE CONTRACT.

(3) "LARGE LOAD CUSTOMER" MEANS A COMMERCIAL OR INDUSTRIAL CUSTOMER FOR RETAIL ELECTRIC SERVICE THAT:

(I) HAS OR IS PROJECTED TO HAVE AN AGGREGATE MONTHLY DEMAND OF AT LEAST 100 MEGAWATTS; AND

(II) HAS OR IS PROJECTED TO HAVE A LOAD FACTOR OF OVER 80%.

(4) “LOAD RAMP PERIOD” MEANS THE PERIOD OF TIME FROM COMMENCEMENT OF SERVICE UNTIL A LARGE LOAD CUSTOMER’S BILLING CALCULATION IS BASED ON THE FULL CONTRACT CAPACITY.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT RESIDENTIAL RETAIL ELECTRIC CUSTOMERS IN THE STATE SHOULD NOT BEAR THE FINANCIAL RISKS ASSOCIATED WITH LARGE LOAD CUSTOMERS INTERCONNECTING TO THE ELECTRIC SYSTEM SERVING THE STATE.

(C) (1) (I) ON OR BEFORE SEPTEMBER 1, 2026, EACH INVESTOR-OWNED ELECTRIC COMPANY AND EACH ELECTRIC COOPERATIVE SHALL SUBMIT TO THE COMMISSION FOR APPROVAL A SPECIFIC RATE SCHEDULE FOR LARGE LOAD CUSTOMERS THAT ACCOMPLISHES THE INTENT OF SUBSECTION (B) OF THIS SECTION.

(II) EACH MUNICIPAL ELECTRIC UTILITY THAT RECEIVES AN APPLICATION FOR RETAIL ELECTRIC SERVICE FROM A LARGE LOAD CUSTOMER SHALL SUBMIT TO THE COMMISSION FOR APPROVAL A SPECIFIC RATE SCHEDULE FOR LARGE LOAD CUSTOMERS.

(2) (I) SERVICE UNDER A SPECIFIC RATE SCHEDULE SHALL BE AVAILABLE TO LARGE LOAD CUSTOMERS THAT WILL USE, WITHIN THE INITIAL CONTRACT TERM:

1. A MONTHLY MAXIMUM DEMAND OF MORE THAN 100 MEGAWATTS AT A SINGLE LOCATION; OR

(Over)

2. AN AGGREGATED CONTRACT CAPACITY IN THE ELECTRIC COMPANY'S SERVICE TERRITORY OF MORE THAN 100 MEGAWATTS.

(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, LARGE LOAD CUSTOMERS THAT QUALIFY FOR A SPECIFIC RATE SCHEDULE AFTER THE EFFECTIVE DATE OF THAT SCHEDULE:

1. SHALL TAKE SERVICE UNDER THE SPECIFIC RATE SCHEDULE; AND

2. MAY NOT BE ALLOWED TO TAKE SERVICE UNDER ANY OTHER EXISTING SCHEDULE.

(III) A SPECIFIC RATE SCHEDULE DOES NOT APPLY TO THE FACILITY OF AN EXISTING LARGE LOAD CUSTOMER THAT HAS SIGNED A SERVICE AGREEMENT BEFORE THE EFFECTIVE DATE OF THE SCHEDULE IF:

1. THE LARGE LOAD CUSTOMER'S EXISTING LOAD DOES NOT EXPAND BY MORE THAN 25 MEGAWATTS AT THAT FACILITY UNDER THE EXISTING SERVICE AGREEMENT; OR

2. THE LARGE LOAD CUSTOMER DOES NOT SIGN A NEW SERVICE AGREEMENT TO EXPAND THE FACILITY'S LOAD BY MORE THAN 25 MEGAWATTS ABOVE THE CONTRACT CAPACITY OF THE EXISTING SERVICE AGREEMENT.

(D) IN MAKING A DETERMINATION ON WHETHER TO APPROVE A SPECIFIC RATE SCHEDULE SUBMITTED UNDER SUBSECTION (C) OF THIS SECTION, THE COMMISSION SHALL CONSIDER WHETHER THE RATE SCHEDULE:

(1) REQUIRES A LARGE LOAD CUSTOMER TO COVER THE JUST AND REASONABLE COSTS ASSOCIATED WITH ANY ELECTRIC TRANSMISSION OR DISTRIBUTION SYSTEM BUILDOUT REQUIRED TO:

(I) INTERCONNECT THE LARGE LOAD CUSTOMER TO THE ELECTRIC SYSTEM SERVING THE STATE; OR

(II) SERVE THE LARGE LOAD CUSTOMER;

(2) PROTECTS RESIDENTIAL RETAIL ELECTRIC CUSTOMERS FROM THE FINANCIAL RISKS ASSOCIATED WITH LARGE LOAD CUSTOMERS THROUGH THE USE OF:

(I) LOAD RAMP PERIODS;

(II) MINIMUM BILLING DEMAND FOR ELECTRIC DISTRIBUTION AND TRANSMISSION SERVICE THAT IS A HIGH PERCENTAGE OF A LARGE LOAD CUSTOMER'S CONTRACT CAPACITY;

(III) LONG-TERM CONTRACTUAL COMMITMENTS AND EXIT FEES;

(IV) GUARANTEE OR COLLATERAL REQUIREMENTS; AND

(Over)

(V) PENALTIES AND REIMBURSEMENT REQUIREMENTS FOR THE LARGE LOAD CUSTOMER IF THE LARGE LOAD CUSTOMER DELAYS OR CANCELS A PROJECT AFTER THE ELECTRIC COMPANY HAS BEGUN BUILDOUT TO ACCOMMODATE THE LARGE LOAD CUSTOMER; AND

(3) SUFFICIENTLY ENSURES THAT THE ALLOCATION OF COSTS TO LARGE LOAD CUSTOMERS UNDER THE SCHEDULE DOES NOT RESULT IN CUSTOMERS THAT ARE NOT LARGE LOAD CUSTOMERS UNREASONABLY SUBSIDIZING THE COSTS OF LARGE LOAD CUSTOMERS UNDER THE SCHEDULE.

(E) BEFORE SIGNING A CONTRACT FOR SERVICE UNDER A SPECIFIC RATE SCHEDULE SUBMITTED UNDER SUBSECTION (C) OF THIS SECTION, A LARGE LOAD CUSTOMER UNDER THE SCHEDULE IS REQUIRED TO:

(1) SUBMIT A REQUEST FOR A LOAD STUDY TO DETERMINE THE NECESSARY CONTRACT CAPACITY FOR THE LARGE LOAD CUSTOMER AND PAY ANY APPLICABLE FEES ASSOCIATED WITH THE STUDY;

(2) DESIGNATE A SPECIFIC SITE WHERE THE LARGE LOAD CUSTOMER'S PROJECT WILL BE CONSTRUCTED AND SERVED BY THE ELECTRIC COMPANY;

(3) OWN OR HAVE THE EXCLUSIVE RIGHT TO USE THE LAND DESIGNATED IN ITEM (2) OF THIS SUBSECTION FOR THE PROJECT; AND

(4) MEET ANY OTHER REQUIREMENTS SPECIFIED UNDER THE RATE SCHEDULE.

(F) (1) ON OR BEFORE JUNE 1, 2026, THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

(2) THE REGULATIONS SHALL:

(I) ESTABLISH MINIMUM NOTICE REQUIREMENTS AND DEADLINES RELATED TO LOAD STUDY REQUESTS AND CONTRACT TERMINATIONS AND ADJUSTMENTS;

(II) IF CONSIDERED NECESSARY BY THE COMMISSION, SPECIFY COMMON FORMS OF ACCEPTABLE COLLATERAL TO SATISFY THE REQUIREMENTS OF THIS SECTION; AND

(III) ESTABLISH DEADLINES RELATED TO COMPLETION OF LOAD STUDIES AND PAYMENT OF FEES.

4-213.

(A) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY THAT IS AN ELECTRIC COMPANY, GAS COMPANY, OR COMBINATION GAS AND ELECTRIC COMPANY.

(B) UNLESS OTHERWISE AUTHORIZED BY LAW, THE COMMISSION MAY APPROVE THE USE OF A MULTIYEAR RATE PLAN FOR DISTRIBUTION BASE RATES ONLY IF THE PLAN:

(1) DEMONSTRATES THE CUSTOMER BENEFITS OF THE INVESTMENT; AND

(Over)

(2) DOES NOT ALLOW FOR THE PUBLIC SERVICE COMPANY TO FILE FOR RECONCILIATION OF COST OR REVENUE VARIANCES OF THE APPROVED REVENUE COMPONENT USED BY THE COMMISSION TO ESTABLISH JUST AND REASONABLE RATES.

(C) A PUBLIC SERVICE COMPANY THAT FILES OR HAS FILED AN APPLICATION FOR A MULTIYEAR RATE PLAN MAY NOT SUBSEQUENTLY FILE FOR RECONCILIATION OF COST OR REVENUE VARIANCES OF THE APPROVED REVENUE COMPONENT USED BY THE COMMISSION TO ESTABLISH THE MULTIYEAR RATES UNLESS THE FILING FOR RECONCILIATION WAS MADE ON OR BEFORE JANUARY 1, 2025.

4-214.

(A) IN THIS SECTION, “NONPIPELINE ALTERNATIVE” MEANS AN INVESTMENT OR ACTIVITY THAT DEFERS, REDUCES, OR ELIMINATES THE NEED TO CONSTRUCT A NEW GAS PIPELINE.

(B) NOTHING IN THIS SECTION MAY BE CONSTRUED TO RESTRICT AN INVESTOR-OWNED GAS COMPANY’S ABILITY TO MAKE IMPROVEMENTS TO ITS GAS SYSTEM TO ENSURE THE SAFE AND RELIABLE OPERATION OF THE SYSTEM.

(C) AN INVESTOR-OWNED GAS COMPANY MAY RECOVER REASONABLE AND PRUDENT COSTS ASSOCIATED WITH A PLANNED GAS INFRASTRUCTURE INVESTMENT IF THE INVESTOR-OWNED GAS COMPANY DEMONSTRATES AT A RATE SETTING PROCEEDING:

(1) THE CUSTOMER BENEFITS OF THE INVESTMENT;

(2) THAT THE INVESTOR-OWNED GAS COMPANY ANALYZED COST-EFFECTIVE OPTIONS AVAILABLE TO DEFER, REDUCE, OR ELIMINATE THE NEED TO REPLACE, UPGRADE, OR CONSTRUCT NEW COMPONENTS, INCLUDING AN ANALYSIS OF:

(I) FOR NEW INVESTMENTS UNRELATED TO SAFETY, NONPIPELINE ALTERNATIVES; AND

(II) LEAK DETECTION AND REPAIR; AND

(3) THE ESTIMATED RISK REDUCTION ASSOCIATED WITH A SAFETY-RELATED INVESTMENT, IF APPLICABLE.

4-504.

(A) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY THAT IS AN INVESTOR-OWNED ELECTRIC COMPANY, GAS COMPANY, OR COMBINATION GAS AND ELECTRIC COMPANY.

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

(1) MEMBERSHIP, DUES, SPONSORSHIPS, OR CONTRIBUTIONS TO AN INDUSTRY TRADE ASSOCIATION, GROUP, OR RELATED ENTITY EXEMPT FROM TAXATION UNDER § 501(C)(6) OF THE INTERNAL REVENUE CODE; OR

(2) THE ACQUISITION, USE, OR ALLOCATION OF COSTS ASSOCIATED WITH A PRIVATE PLANE THAT IS OWNED OR LEASED BY THE PUBLIC SERVICE COMPANY OR ITS HOLDING COMPANY.”;

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and before line 30, insert:

“7-505.

(c) (1) Notwithstanding any other provision of law, including subsection (d) of this section, AND SUBJECT TO § 4-213 OF THIS ARTICLE, the Commission may regulate the regulated services of an electric company through alternative forms of regulation.

(2) The Commission may adopt an alternative form of regulation under this section if the Commission finds, after notice and hearing, that the alternative form of regulation:

- (i) protects consumers;
- (ii) ensures the quality, availability, and reliability of regulated electric services; and
- (iii) is in the interest of the public, including shareholders of the electric company.

(3) Alternative forms of regulation may include:

- (i) price regulation, including price freezes or caps;
- (ii) revenue regulation;
- (iii) ranges of authorized return;
- (iv) rate of return;
- (v) categories of services; or
- (vi) price-indexing.”.

AMENDMENT NO. 4

On page 21, after line 14, insert:

“Article – Public Utilities

7-701.

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

(s) “Tier 1 renewable source” means one or more of the following types of energy sources:

(1) solar energy, including energy from photovoltaic technologies and solar water heating systems;

(2) wind;

(3) qualifying biomass;

(4) methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;

(5) geothermal, including energy generated through geothermal exchange from or thermal energy avoided by, groundwater or a shallow ground source;

(6) ocean, including energy from waves, tides, currents, and thermal differences;

(7) a fuel cell that produces electricity from a Tier 1 renewable source under item (3) or (4) of this subsection;

(8) a small hydroelectric power plant of less than 30 megawatts in capacity that is licensed or exempt from licensing by the Federal Energy Regulatory Commission;

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(9) poultry litter-to-energy;

(10) [waste-to-energy;

(11) refuse-derived fuel;

(12)] thermal energy from a thermal biomass system; and

[(13)] (11) raw or treated wastewater used as a heat source or sink for a heating or cooling system.

7-704.

(a) (1) Energy from a Tier 1 renewable source:

(i) is eligible for inclusion in meeting the renewable energy portfolio standard regardless of when the generating system or facility was placed in service; and

(ii) may be applied to the percentage requirements of the standard for either Tier 1 renewable sources or Tier 2 renewable sources.

(2) (i) Energy from a Tier 1 renewable source under § 7-701(s)(1), (5), OR (9)[, (10), or (11)] of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard only if the source is connected with the electric distribution grid serving Maryland.

(ii) Energy from a Tier 1 renewable source under [§ 7-701(s)(13)] § 7-701(S)(11) of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard only if the source:

1. is connected with the electric distribution grid serving Maryland; or
2. processes wastewater from Maryland residents.

(iii) If the owner of a solar generating system in this State chooses to sell solar renewable energy credits from that system, the owner must first offer the credits for sale to an electricity supplier or electric company that shall apply them toward compliance with the renewable energy portfolio standard under § 7-703 of this subtitle.

(3) Energy from a Tier 1 renewable source under § 7-701(s)(8) of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it is generated at a dam that existed as of January 1, 2004, even if a system or facility that is capable of generating electricity did not exist on that date.

(4) Energy from a Tier 2 renewable source under § 7-701(t) of this subtitle is eligible for inclusion in meeting the renewable energy portfolio standard if it is generated at a system or facility that existed and was operational as of January 1, 2004, even if the facility or system was not capable of generating electricity on that date.

SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:".

AMENDMENT NO. 5

On page 2, after line 31, insert:

"Article – Housing and Community Development

4-211.

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(d) (1) (i) In this subsection the following words have the meanings indicated.

(ii) “Covered building” has the meaning stated in § 2–1601 of the Environment Article.

(iii) “Energy conservation project” means a project that qualifies under § 4–218 of this subtitle.

(2) For the purpose of reducing direct greenhouse gas emissions from multifamily residential buildings in accordance with the standards adopted under § 2–1602 of the Environment Article, the Administration shall develop and implement a program to provide grants AND LOANS for energy conservation projects and projects to install renewable energy generating systems in covered buildings that house primarily low- to moderate-income households.

(3) Grants AND LOANS provided under this subsection may not be used for a project to install new equipment that uses fossil fuels or improve the efficiency of existing equipment that uses fossil fuels.

(4) In each of fiscal years 2024 through 2026, the Governor shall include in the annual budget bill an appropriation of \$5,000,000 to the Department for the purpose of providing grants AND LOANS under this subsection.

(5) On or before December 1, 2023, and each December 1 thereafter, the Administration shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the projects funded under this subsection.”;

On page 3, after line 29, insert:

“7–224.

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(a) (1) Beginning January 1, 2025, and on or before January 1 every 3 years, starting in 2027, the Department shall procure or provide to low-income individuals energy efficiency and conservation programs and services, demand response programs and services, and beneficial electrification programs and services that achieve the greenhouse gas emissions reduction targets established for the Department under paragraph (2) of this subsection.

(2) For the period 2025–2033, the programs and services required under paragraph (1) of this subsection shall be on a trajectory to achieve greenhouse gas reductions after 2027 of at least 0.9% of the baseline determined under subsection (b) of this section.

(3) (i) When establishing greenhouse gas emissions reduction targets under this subsection, the Commission shall measure the greenhouse gas emissions from electricity using current data and projections from the Department of the Environment.

(ii) The greenhouse gas emissions reduction targets established under this subsection shall be measured in metric tons.

(4) The greenhouse gas reductions achieved to meet the targets established under paragraph (2) of this subsection shall count toward the achievement of the greenhouse gas reduction target established under § 7–223(b) of this subtitle.

(5) The target greenhouse gas savings shall be achieved based on the 3–year average of the Department’s plan submitted in accordance with subsection (d) of this section.

(6) For 2025 and 2026:

(i) the Commission shall, after making appropriate findings, determine whether the Department’s existing 2024–2026 plan must be modified to comply with:

1. the targets established in this subsection; and
2. § 7–225(d) of this subtitle; and

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(ii) the Department:

1. shall provide information as required by the Commission to assist in making the determination in item (i) of this paragraph; and

2. is only required to file new plans in accordance with subsection (d) of this section and § 7–225 of this subtitle if directed by the Commission.

(b) As a baseline for determining greenhouse gas emissions reduction targets under this section, the Commission shall use the greenhouse gas emissions resulting from the direct consumption of gas and electricity by low-income residential households in 2016, as determined by the Department of the Environment.

(c) [(1) The] WHEN CALCULATING THE ACHIEVEMENT OF GREENHOUSE GAS EMISSIONS REDUCTION TARGETS UNDER THIS SECTION, THE Department may procure or provide savings that are achieved through [funding sources that meet the standards of program funding through utility rates or the U.S. Department of Energy] ALL FUNDING SOURCES, TO THE EXTENT THAT THE SAVINGS FROM THOSE FUNDING SOURCES ARE ACHIEVED:

(1) IN A MANNER CONSISTENT WITH REQUIREMENTS OF THE U.S. DEPARTMENT OF ENERGY; OR

(2) IN A MANNER OTHERWISE CONSISTENT WITH THE ENERGY SAVINGS REQUIREMENTS APPLICABLE TO THOSE FUNDING SOURCES.

[(2) The Department may use the savings achieved through all funding sources toward calculating the targeted greenhouse gas reductions if the funding sources meet the standards of programs funded through:

(i) a surcharge under § 7–222 of this subtitle; or

(ii) the U.S. Department of Energy.]”.

On page 24, after line 3, insert:

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“SECTION 13. AND BE IT FURTHER ENACTED, That, on or before January 1, 2026, the Department of Human Services shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on any legislative or regulatory changes necessary to implement the recommendation to combine all energy assistance programs operated by the State into one program as discussed in the Department of Legislative Services Office of Program Evaluation and Government Accountability’s February 2025 “Evaluation of the Office of Home Energy Programs”.”.