

HOUSE BILL 1419

C5

5lr3419

By: **Delegate Fraser–Hidalgo**

Introduced and read first time: February 7, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Distribution System Support Services – Cost Recovery and Energy**
3 **Storage**

4 FOR the purpose of requiring the Public Service Commission to approve the use of
5 regulatory asset accounting in recovering certain costs associated with electric
6 distribution system support services programs and incentives if the Commission
7 makes a certain determination; stating that a certain provision of law may not be
8 construed to prohibit certain entities from offering certain energy storage; and
9 generally relating to electric distribution system support services.

10 BY repealing and reenacting, without amendments,
11 Article – Public Utilities
12 Section 7–1005(a)
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2024 Supplement)

15 BY adding to
16 Article – Public Utilities
17 Section 7–1005(g)
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Public Utilities
22 Section 7–1007
23 Annotated Code of Maryland
24 (2020 Replacement Volume and 2024 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Public Utilities

7–1005.

(a) The Commission shall develop a program for each investor–owned electric company to establish a pilot program or temporary tariff to compensate owners and aggregators of distributed energy resources for electric distribution system support services through an incentive mechanism determined by the Commission.

(G) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT AN ELECTRIC COMPANY, PRIVATE ENTITY, OR AGGREGATOR OF DISTRIBUTED ENERGY RESOURCES FROM OFFERING ENERGY STORAGE TO RESIDENTIAL CUSTOMERS SEPARATE FROM THE PILOT PROGRAM OR TEMPORARY TARIFF.

7–1007.

(a) An investor–owned electric company may recover all reasonable costs incurred in:

(1) participating in and administering a program under § 7–1005 of this subtitle; and

(2) offering an upfront incentive or rebate under § 7–1006 of this subtitle.

(b) NOTWITHSTANDING ANY PROVISION OF THIS SUBTITLE, IF THE COMMISSION DETERMINES THAT THE COSTS LISTED IN SUBSECTION (A) OF THIS SECTION ARE CONSISTENT WITH THE GOALS OF §§ 7–1005 AND 7–1006 OF THIS SUBTITLE, THE COMMISSION SHALL APPROVE THE USE OF REGULATORY ASSET ACCOUNTING IN RECOVERING THE COSTS.

(C) To the extent feasible, the costs listed in subsection (a) of this section shall be recovered by the investor–owned electric company within the calendar year in which those costs were incurred.

[(c)] (D) Notwithstanding any provision of this subtitle, an investor–owned electric company may pursue and use a performance incentive mechanism to cover the cost of using distributed energy resources or an aggregator of distributed **ENERGY** resources under this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.