

# SENATE BILL 434

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By: **The President (By Request – Administration) and Senators Brooks, Ellis, and Watson**

Introduced and read first time: January 20, 2025

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Empowering New Energy Resources and Green Initiatives Toward a**  
3 **Zero-Emission (ENERGIZE) Maryland Act**

4 FOR the purpose of renaming the “renewable energy portfolio standard” to be the “clean  
5 energy portfolio standard”; altering the definition of “qualified offshore wind project”  
6 for purposes of the clean energy portfolio standard; altering the minimum required  
7 percentage of energy that must be derived from clean energy sources in certain years  
8 under the clean energy portfolio standard; altering the contents of and approval  
9 criteria for an application for an offshore wind project; altering the compliance fee  
10 for a shortfall from certain Tier 1 renewable source requirements; establishing a  
11 process for the Public Service Commission to review and approve an application for  
12 a proposed nuclear energy generation project; requiring the Governor’s Office of  
13 Small, Minority, and Women Business Affairs, in consultation with the Office of the  
14 Attorney General, to provide certain assistance to potential applicants and minority  
15 investors; requiring that approved applicants for a proposed nuclear energy  
16 generation project comply with the Minority Business Enterprise Program; requiring  
17 a certain nuclear energy generation project to sell certain energy, capacity, and  
18 ancillary services into certain markets and distribute the proceeds in a certain  
19 manner; prohibiting a certain debt, obligation, or liability from being considered a  
20 debt, obligation, or liability of the State; renaming the “Maryland Offshore Wind  
21 Business Development Fund” to be the “Clean Energy Business Development Fund”;  
22 reinstating and renaming the “Maryland Offshore Wind Business Development  
23 Advisory Committee” to be the “Clean Energy Business Development Advisory  
24 Committee”; authorizing funds to be transferred by budget amendment from the  
25 Dedicated Purpose Account in a certain fiscal year to implement certain provisions  
26 of this Act; applying this Act retroactively; and generally relating to the clean energy  
27 portfolio standard, offshore wind energy, and nuclear energy.

28 BY repealing  
29 Article – Public Utilities

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 Section 7-701(n)  
2 Annotated Code of Maryland  
3 (2020 Replacement Volume and 2024 Supplement)
- 4 BY renumbering  
5 Article – Public Utilities  
6 Section 7-701(c) through (e-1), (f) through (g-1), (h), (h-1), (i), (i-1), (j) through (m),  
7 (o) through (p-1), and (q) through (t)  
8 to be Section 7-701(e) through (z), respectively  
9 Annotated Code of Maryland  
10 (2020 Replacement Volume and 2024 Supplement)
- 11 BY repealing and reenacting, with amendments,  
12 Article – Natural Resources  
13 Section 5-102(a)(9)  
14 Annotated Code of Maryland  
15 (2023 Replacement Volume and 2024 Supplement)
- 16 BY repealing and reenacting, with amendments,  
17 Article – Public Utilities  
18 Section 7-306.2(b)(1), 7-510.3(k)(1), 7-702, 7-703(a), (b)(20) through (25), and (d)  
19 through (f), 7-704, 7-704.1(c)(6), (e)(1)(xiii), and (f)(1)(iii), 7-704.2(a) through  
20 (c), 7-704.4(c)(2), 7-705, 7-706(a) and (b), 7-707(c)(1), (d)(2) and (3), and  
21 (g)(4), 7-709(a) and (c)(1)(i), and 7-709.1(c), (d)(2), and (i)  
22 Annotated Code of Maryland  
23 (2020 Replacement Volume and 2024 Supplement)
- 24 BY repealing and reenacting, without amendments,  
25 Article – Public Utilities  
26 Section 7-701(a), 7-703(c), 7-704.1(f)(2), and 7-704.4(c)(1)  
27 Annotated Code of Maryland  
28 (2020 Replacement Volume and 2024 Supplement)
- 29 BY adding to  
30 Article – Public Utilities  
31 Section 7-701(c) and (d), 7-703(g), and 7-704.1(f)(4); and 7-1201 through 7-1211 to  
32 be under the new subtitle “Subtitle 12. Nuclear Energy Procurement”  
33 Annotated Code of Maryland  
34 (2020 Replacement Volume and 2024 Supplement)
- 35 BY repealing and reenacting, with amendments,  
36 Article – Public Utilities  
37 Section 7-701(q)  
38 Annotated Code of Maryland  
39 (2020 Replacement Volume and 2024 Supplement)  
40 (As enacted by Section 2 of this Act)

1 BY repealing and reenacting, with amendments,  
2 Article – State Government  
3 Section 9–20C–01, 9–20C–02, and 9–20C–03(a)  
4 Annotated Code of Maryland  
5 (2021 Replacement Volume and 2024 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That Section(s) 7–701(n) of Article – Public Utilities of the Annotated Code of Maryland be  
8 repealed.

9 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7–701(c) through  
10 (e–1), (f) through (g–1), (h), (h–1), (i), (i–1), (j) through (m), (o) through (p–1), and (q) through  
11 (t) of Article – Public Utilities of the Annotated Code of Maryland be renumbered to be  
12 Section(s) 7–701(e) through (z), respectively.

13 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
14 as follows:

#### 15 **Article – Natural Resources**

16 5–102.

17 (a) The General Assembly finds that:

18 (9) Forests are a renewable resource that help the State meet its renewable  
19 energy goals that are consistent with the State’s:

20 (i) Green power goal for State facilities;

21 (ii) [Renewable] CLEAN Energy Portfolio Standard;

22 (iii) Healthy Air Act; and

23 (iv) Maryland Clean Energy Incentive Act of 2006; and

#### 24 **Article – Public Utilities**

25 7–306.2.

26 (b) The General Assembly finds that:

27 (1) community solar energy generating systems:

28 (i) provide residents and businesses, including those that lease  
29 property, increased access to local solar electricity while encouraging private investment in  
30 solar resources;

1 (ii) enhance continued diversification of the State's energy resource  
2 mix to achieve the State's [renewable] CLEAN energy portfolio standard and Greenhouse  
3 Gas Emissions Reduction Act goals; and

4 (iii) provide electric companies and ratepayers the opportunity to  
5 realize the many benefits associated with distributed energy; and

6 7-510.3.

7 (k) (1) Except for the purposes of meeting the requirements of the [renewable]  
8 CLEAN energy portfolio standard under Subtitle 7 of this title, a community choice  
9 aggregator may not be considered to be an electricity supplier under § 7-507(a) of this  
10 subtitle.

11 7-701.

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

13 (C) "CLEAN ENERGY PORTFOLIO STANDARD" OR "STANDARD" MEANS THE  
14 PERCENTAGE OF ELECTRICITY SALES AT RETAIL IN THE STATE THAT IS TO BE  
15 DERIVED FROM CLEAN ENERGY SOURCES IN ACCORDANCE WITH § 7-703(B) OF THIS  
16 SUBTITLE.

17 (D) "CLEAN ENERGY SOURCE" MEANS:

18 (1) A TIER 1 RENEWABLE SOURCE;

19 (2) A TIER 2 RENEWABLE SOURCE; OR

20 (3) A NUCLEAR ENERGY GENERATING STATION, INCLUDING A SMALL  
21 MODULAR REACTOR, CONNECTED WITH THE ELECTRIC DISTRIBUTION GRID  
22 SERVING THE STATE.

23 (q) "Qualified offshore wind project" means a wind turbine electricity generation  
24 facility, including the associated transmission-related interconnection facilities and  
25 equipment, that:

26 (1) is located:

27 (i) on the outer continental shelf of the Atlantic Ocean in an area  
28 that the United States Department of the Interior designates for leasing; and

29 (ii) more than 10 miles off the coast of the State for a project selected  
30 under § 7-704.4 of this subtitle or approved under § 7-704.1 of this subtitle after June 1,  
31 2023; and

- 1           (2)   interconnects to the **TRANSMISSION SYSTEM THROUGH:**
- 2                    **(I)    THE PJM Interconnection [grid:**
- 3                    (i)    at a point located on the Delmarva Peninsula]; or
- 4                    (ii)   an offshore wind transmission project selected under § 7–704.3
- 5 of this subtitle.
- 6 7–702.

7           (a)   It is the intent of the General Assembly to:

- 8                    (1)   recognize the economic, environmental, fuel diversity, and security
- 9 benefits of [renewable] **CLEAN** energy resources;
- 10                   (2)   reduce greenhouse gas emissions and eliminate carbon–fueled
- 11 generation from the State’s electric grid by using these resources;
- 12                   (3)   establish a market for electricity from these resources in Maryland; and
- 13                   (4)   lower the cost to consumers of electricity produced from these resources.

14           (b)   The General Assembly finds **AND DECLARES** that:

15                   **(1)    THE STATE HAS A GOAL OF ACHIEVING 100% CLEAN ELECTRICITY;**

16                   **(2)    AS OF JANUARY 1, 2025, THE RENEWABLE ENERGY PORTFOLIO**

17 **STANDARD AND OFFSHORE WIND ENERGY LEASES WILL NOT SATISFY THE GOAL**

18 **STATED IN ITEM (1) OF THIS SUBSECTION;**

19                   **(3)    TO ACHIEVE ITS CLEAN ELECTRICITY GOAL, THE STATE MUST**

20 **FACILITATE THE CONSTRUCTION OF AT LEAST 3,000 MEGAWATTS OF ELECTRICITY**

21 **FROM CLEAN ENERGY GENERATION PROJECTS TO:**

22                           **(I)    REDUCE THE ADVERSE CLIMATE AND HEALTH IMPACTS OF**

23 **TRADITIONAL FOSSIL FUEL ENERGY SOURCES;**

24                           **(II)   PROMOTE THE DEVELOPMENT OF CLEAN ENERGY SOURCES**

25 **THAT INCREASE THE NATION’S INDEPENDENCE FROM FOREIGN SOURCES OF FOSSIL**

26 **FUELS;**

1 (III) POSITION THE STATE TO TAKE ADVANTAGE OF THE  
2 ECONOMIC DEVELOPMENT BENEFITS OF THE EMERGING SMALL MODULAR REACTOR  
3 INDUSTRY; AND

4 (IV) PROVIDE A LONG-TERM HEDGE AGAINST VOLATILE PRICES  
5 OF FOSSIL FUELS;

6 [(1)] (4) the benefits of electricity from [renewable] CLEAN energy  
7 resources, including long-term decreased emissions, a healthier environment, increased  
8 energy security, and decreased reliance on and vulnerability from imported energy sources,  
9 accrue to the public at large;

10 [(2)] (5) electricity suppliers and consumers share an obligation to  
11 develop a minimum level of these resources in the electricity supply portfolio of the State;  
12 and

13 [(3)] (6) the State needs to increase its reliance on [renewable] CLEAN  
14 energy in order to:

15 (i) reduce greenhouse gas emissions and meet the State's  
16 greenhouse gas emissions reduction goals under § 2-1205 of the Environment Article; and

17 (ii) provide opportunities for small, minority, women-owned, and  
18 veteran-owned businesses to participate in and develop a highly skilled workforce for clean  
19 energy industries in the State.

20 7-703.

21 (a) (1) (i) The Commission shall implement a [renewable] CLEAN energy  
22 portfolio standard that, except as provided under paragraphs (2) and (3) of this subsection,  
23 applies to all retail electricity sales in the State by electricity suppliers.

24 (ii) If the standard becomes applicable to electricity sold to a  
25 customer after the start of a calendar year, the standard does not apply to electricity sold  
26 to the customer during that portion of the year before the standard became applicable.

27 (2) A [renewable] CLEAN energy portfolio standard may not apply to  
28 electricity sales at retail by any electricity supplier:

29 (i) in excess of 300,000,000 kilowatt-hours of industrial process load  
30 to a single customer in a year;

31 (ii) to residential customers in a region of the State in which  
32 electricity prices for residential customers are subject to a freeze or cap contained in a  
33 settlement agreement entered into under § 7-505 of this title until the freeze or cap has  
34 expired; or

1 (iii) to a customer served by an electric cooperative under an  
2 electricity supplier purchase agreement that existed on October 1, 2004, until the  
3 expiration of the agreement, as the agreement may be renewed or amended.

4 (3) The portion of a [renewable] CLEAN energy portfolio standard that  
5 represents offshore wind:

6 (i) applies only to the distribution sales of electric companies; and

7 (ii) may not apply to distribution sales by any electric company in  
8 excess of:

9 1. 75,000,000 kilowatt-hours of industrial process load to a  
10 single customer in a year; and

11 2. 3,000 kilowatt-hours of electricity in a month to a  
12 customer who is an owner of agricultural land and files an Internal Revenue Service form  
13 1040, schedule F.

14 (b) Except as provided in subsections (e) and (f) of this section, the [renewable]  
15 CLEAN energy portfolio standard shall be as follows:

16 (20) **60.5% in 2025, INCLUDING AT LEAST:**

17 (i) 35.5% from Tier 1 renewable sources, including:

18 1. at least 7% derived from solar energy;

19 2. an amount set by the Commission under § 7-704.2(a) of  
20 this subtitle, not to exceed 10%, derived from offshore wind energy; and

21 3. at least 0.25% derived from post-2022 geothermal  
22 systems;

23 (ii) 2.5% from Tier 2 renewable sources;

24 (21) **63% in 2026, INCLUDING AT LEAST:**

25 (i) 38% from Tier 1 renewable sources, including:

26 1. at least 8% derived from solar energy;

27 2. an amount set by the Commission under § 7-704.2(a) of  
28 this subtitle derived from offshore wind energy, including at least 400 megawatts of Round  
29 2 offshore wind projects; and

1 3. at least 0.5% derived from post–2022 geothermal systems;

2 and

3 (ii) 2.5% from Tier 2 renewable sources; and

4 (22) **66.5%** in 2027, **INCLUDING AT LEAST:**

5 (i) 41.5% from Tier 1 renewable sources, including:

6 1. at least 9.5% derived from solar energy;

7 2. an amount set by the Commission under § 7–704.2(a) of  
8 this subtitle derived from offshore wind energy, including at least 400 megawatts of Round  
9 2 offshore wind projects; and

10 3. at least 0.75% derived from post–2022 geothermal  
11 systems; and

12 (ii) 2.5% from Tier 2 renewable sources; and

13 (23) **68%** in 2028, **INCLUDING AT LEAST:**

14 (i) 43% from Tier 1 renewable sources, including:

15 1. at least 11% derived from solar energy;

16 2. an amount set by the Commission under § 7–704.2(a) of  
17 this subtitle derived from offshore wind energy, including at least 800 megawatts of Round  
18 2 offshore wind projects; and

19 3. at least 1% derived from post–2022 geothermal systems;  
20 and

21 (ii) 2.5% from Tier 2 renewable sources; and

22 (24) **74.5%** in 2029, **INCLUDING AT LEAST:**

23 (i) 49.5% from Tier 1 renewable sources, including:

24 1. at least 12.5% derived from solar energy;

25 2. an amount set by the Commission under § 7–704.2(a) of  
26 this subtitle derived from offshore wind energy, including at least 800 megawatts of Round  
27 2 offshore wind projects; and

28 3. at least 1% derived from post–2022 geothermal systems;  
29 and



1 (ii) 2.5% from Tier 2 renewable sources; and

2 (25) **75%** in 2030 and later, **INCLUDING AT LEAST:**

3 (i) 50% from Tier 1 renewable sources, including:

4 1. at least 14.5% derived from solar energy;

5 2. an amount set by the Commission under § 7–704.2(a) of  
6 this subtitle derived from offshore wind energy, including at least 1,200 megawatts of  
7 Round 2 offshore wind projects; and

8 3. at least 1% derived from post–2022 geothermal systems;  
9 and

10 (ii) 2.5% from Tier 2 renewable sources.

11 (c) Before calculating the number of credits required to meet the percentages  
12 established under subsection (b) of this section, an electricity supplier shall exclude from  
13 its total retail electricity sales all retail electricity sales described in subsection (a)(2) and  
14 (3) of this section.

15 (d) (1) Subject to subsections (a) and (c) of this section, an electricity supplier  
16 shall meet the [renewable] **CLEAN** energy portfolio standard for all Tier 1 and Tier 2  
17 renewable sources except offshore wind by accumulating the equivalent amount of  
18 renewable energy credits that equal the percentages required under this section.

19 (2) An electric company shall meet the [renewable] **CLEAN** energy portfolio  
20 standard for offshore wind in accordance with § 7–704.2 of this subtitle.

21 (e) (1) The required percentage of an electric cooperative’s [renewable] **CLEAN**  
22 energy portfolio standard derived from solar energy shall be 2.5% in 2020 and later.

23 (2) The required percentage of a municipal electric utility’s [renewable]  
24 **CLEAN** energy portfolio standard shall be:

25 (i) in 2021:

26 1. 20.4% from Tier 1 renewable sources, including:

27 A. at least 1.95% derived from solar energy; and

28 B. an amount set by the Commission under § 7–704.2(a) of  
29 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

1 2. 2.5% from Tier 2 renewable sources; and

2 (ii) in 2022 and later, 20.4% from Tier 1 renewable sources,  
3 including:

4 1. at least 1.95% derived from solar energy; and

5 2. an amount set by the Commission under § 7–704.2(a) of  
6 this subtitle, not to exceed 2.5%, derived from offshore wind energy.

7 (f) (1) (i) In this subsection the following words have the meanings  
8 indicated.

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

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

14 (2) At least 25% of the required percentage of the [renewable] CLEAN  
15 energy portfolio STANDARD for each year as set forth in subsection (b) of this section  
16 derived from post–2022 geothermal systems shall be derived from systems that were  
17 installed:

18 (i) at single or multifamily housing units that qualified as low or  
19 moderate income housing on the date the system was installed on the property; or

20 (ii) at institutions that primarily serve low and moderate income  
21 individuals and families, including:

22 1. schools with a majority of students who are eligible for free  
23 and reduced price meals;

24 2. hospitals with a majority of patients eligible for financial  
25 assistance or who are enrolled in Medicaid; and

26 3. other institutions that serve individuals and families  
27 where the majority of those served are eligible based on income for federal or State safety  
28 net programs.

29 (G) (1) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, STARTING IN**  
30 **2025, THE COMMISSION SHALL REDUCE THE REQUIREMENTS OF SUBSECTION (B) OF**  
31 **THIS SECTION EACH YEAR BY A PERCENTAGE EQUAL TO THE GENERATION OUTPUT**  
32 **OF NUCLEAR ENERGY GENERATING STATIONS CONNECTED TO THE ELECTRIC**

1 DISTRIBUTION SYSTEM IN THE STATE IN THE PREVIOUS YEAR DIVIDED BY THE  
2 ELECTRICITY RETAIL SALES IN THE SAME YEAR.

3 (2) THE PERCENTAGE REQUIREMENT REDUCED UNDER PARAGRAPH  
4 (1) OF THIS SUBSECTION MAY NOT INCLUDE THE PERCENTAGE REQUIRED FROM  
5 TIER 1 RENEWABLE SOURCES OR TIER 2 RENEWABLE SOURCES.

6 7-704.

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

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

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

13 (2) (i) Energy from a Tier 1 renewable source under [§ 7-701(s)(1), (5),  
14 (9), (10), or (11)] § 7-701(Y)(1), (5), (9), (10), OR (11) of this subtitle is eligible for  
15 inclusion in meeting the [renewable] CLEAN energy portfolio standard only if the source is  
16 connected with the electric distribution [grid] SYSTEM serving Maryland.

17 (ii) Energy from a Tier 1 renewable source under [§ 7-701(s)(13)] §  
18 7-701(Y)(13) of this subtitle is eligible for inclusion in meeting the [renewable] CLEAN  
19 energy portfolio standard only if the source:

20 1. is connected with the electric distribution [grid] SYSTEM  
21 serving Maryland; or

22 2. processes wastewater from Maryland residents.

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

28 (3) Energy from a Tier 1 renewable source under [§ 7-701(s)(8)] §  
29 7-701(Y)(8) of this subtitle is eligible for inclusion in meeting the [renewable] CLEAN  
30 energy portfolio standard if it is generated at a dam that existed as of January 1, 2004,  
31 even if a system or facility that is capable of generating electricity did not exist on that  
32 date.

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

6           (b) On or after January 1, 2004, an electricity supplier may:

7               (1) receive renewable energy credits; and

8               (2) accumulate renewable energy credits under this subtitle.

9           (c) (1) This subsection applies only to a generating facility that is placed in  
10 service on or after January 1, 2004.

11               (2) (i) On or before December 31, 2005, an electricity supplier shall  
12 receive 120% credit toward meeting the [renewable] CLEAN energy portfolio standard for  
13 energy derived from wind.

14               (ii) After December 31, 2005, and on or before December 31, 2008,  
15 an electricity supplier shall receive 110% credit toward meeting the [renewable] CLEAN  
16 energy portfolio standard for energy derived from wind.

17           (3) On or before December 31, 2008, an electricity supplier shall receive  
18 110% credit toward meeting the [renewable] CLEAN energy portfolio standard for energy  
19 derived from methane under [§ 7-701(r)(4)] § **7-701(y)(4)** of this subtitle.

20           (d) An electricity supplier shall receive credit toward meeting the [renewable]  
21 CLEAN energy portfolio standard for electricity derived from the biomass fraction of  
22 biomass co-fired with other fuels.

23           (e) (1) In this subsection, “customer” means:

24               (i) an industrial electric customer that is not on standard offer  
25 service; or

26               (ii) a renewable on-site generator.

27           (2) This subsection does not apply to offshore wind renewable energy  
28 credits.

29           (3) (i) A customer may independently acquire renewable energy credits  
30 to satisfy the standards applicable to the customer’s load, including credits created by a  
31 renewable on-site generator.

1 (ii) Credits that a customer transfers to its electricity supplier to  
2 meet the standard and that the electricity supplier relies on in submitting its compliance  
3 report may not be resold or retransferred by the customer or by the electricity supplier.

4 (4) A renewable on-site generator may retain or transfer at its sole option  
5 any credits created by the renewable on-site generator, including credits for the portion of  
6 its on-site generation from a Tier 1 renewable source or a Tier 2 renewable source that  
7 displaces the purchase of electricity by the renewable on-site generator from the grid.

8 (5) A customer that satisfies the standard applicable to the customer's load  
9 under this subsection may not be required to contribute to a compliance fee recovered under  
10 § 7-706 of this subtitle.

11 (6) The Commission shall adopt regulations governing the application and  
12 transfer of credits under this subsection consistent with federal law.

13 (f) (1) In order to create a renewable energy credit, a Tier 1 renewable source  
14 or Tier 2 renewable source must substantially comply with all applicable environmental  
15 and administrative requirements, including air quality, water quality, solid waste, and  
16 right-to-know provisions, permit conditions, and administrative orders.

17 (2) (i) This paragraph applies to Tier 1 renewable sources that  
18 incinerate solid waste.

19 (ii) At least 80% of the solid waste incinerated at a Tier 1 renewable  
20 source facility shall be collected from:

21 1. for areas in Maryland, jurisdictions that achieve the  
22 recycling rates required under § 9-505 of the Environment Article; and

23 2. for other states, jurisdictions for which the electricity  
24 supplier demonstrates recycling substantially comparable to that required under § 9-505  
25 of the Environment Article, in accordance with regulations of the Commission.

26 (iii) An electricity supplier may report credits received under this  
27 paragraph based on compliance by the facility with the percentage requirement of  
28 subparagraph (ii) of this paragraph during the year immediately preceding the year in  
29 which the electricity supplier receives the credit to apply to the standard.

30 (g) (1) Energy from a solar water heating system is eligible for inclusion in  
31 meeting the [renewable] CLEAN energy portfolio standard.

32 (2) A person that owns and operates a solar water heating system shall  
33 receive a renewable energy credit equal to the amount of energy, converted from BTUs to  
34 kilowatt-hours, that is generated by the system that is used by the person for water  
35 heating.

1           (3) The total amount of energy generated and consumed for a  
2 nonresidential or commercial solar water heating system shall be measured by an on-site  
3 meter that meets the required performance standards of the International Organization of  
4 Legal Metrology.

5           (4) The total amount of energy generated and consumed by a residential  
6 solar water heating system shall be:

7                   (i) measured by a meter that meets the required standards of the  
8 International Organization of Legal Metrology; or

9                   (ii) 1. measured by the Solar Ratings and Certification  
10 Corporation's OG-300 thermal performance rating for the system or an equivalent  
11 certification that the Commission approves in consultation with the Administration; and

12                               2. certified to the OG-300 standard of the Solar Ratings and  
13 Certification Corporation or an equivalent certification body that the Commission approves  
14 in consultation with the Administration.

15           (5) A residential solar water heating system shall be installed in  
16 accordance with applicable State and local plumbing codes.

17           (6) A residential solar water heating system may not produce more than  
18 five solar renewable energy credits in any 1 year.

19           (h) (1) Except as provided in paragraph (6) of this subsection, energy from a  
20 geothermal heating and cooling system, including energy from a legacy geothermal system  
21 and energy from a post-2022 geothermal system, is eligible for inclusion in meeting the  
22 [renewable] CLEAN energy portfolio standard.

23           (2) A person shall receive a renewable energy credit equal to the amount of  
24 energy, converted from BTUs to kilowatt-hours, that is generated by a geothermal heating  
25 and cooling system for space heating and cooling or water heating if the person:

26                   (i) owns and operates the system;

27                   (ii) leases and operates the system; or

28                   (iii) contracts with a third party who owns and operates the portion  
29 of the system that consists of:

30                               1. a closed loop or a series of closed loop systems in which  
31 fluid is permanently confined within a pipe or tubing and does not come in contact with the  
32 outside environment; or

1                   2.     an open loop system in which ground or surface water is  
2 circulated in an environmentally safe manner directly into the facility and returned to the  
3 same aquifer or surface water source.

4                   (3)    To determine the energy savings of a geothermal heating and cooling  
5 system for a residence, the Commission shall:

6                   (i)     identify available energy consumption calculators developed by  
7 the geothermal heating and cooling industry;

8                   (ii)    collect the following data provided in the renewable energy credit  
9 application that:

10                   1.     describes the name of the applicant and the address at  
11 which the geothermal heating and cooling system is installed; and

12                   2.     provides the annual BTU energy savings attributable to  
13 home heating, cooling, and water heating; and

14                   (iii)  in determining the annual amount of renewable energy credits  
15 awarded for the geothermal heating and cooling system, convert the annual BTUs into  
16 annual megawatt–hours.

17                   (4)    To determine the energy savings of a nonresidential geothermal  
18 heating and cooling system, the Commission shall:

19                   (i)     use the geothermal heating and cooling engineering technical  
20 system designs provided with the renewable energy credit application; and

21                   (ii)  in determining the annual amount of renewable energy credits  
22 awarded for the geothermal heating and cooling system, convert the annual BTUs into  
23 annual megawatt–hours.

24                   (5)    A geothermal heating and cooling system shall be installed in  
25 accordance with applicable State well construction and local building code standards.

26                   (6)    (i)     A post–2022 geothermal system with a 360,000 BTU capacity is  
27 eligible for inclusion in meeting the [renewable] CLEAN energy portfolio standard only if  
28 the company installing the system provides for its employees:

29                   1.     family–sustaining wages;

30                   2.     employer–provided health care with affordable  
31 deductibles and co–pays;

32                   3.     career advancement training, as provided in  
33 subparagraph (ii) of this paragraph;

- 1 4. fair scheduling;
- 2 5. employer–paid workers’ compensation and unemployment  
3 insurance;
- 4 6. a retirement plan;
- 5 7. paid time off; and
- 6 8. the right to bargain collectively for wages and benefits.

7 (ii) As part of the career advancement training the installation  
8 company provides, the company shall ensure that a minimum of 10% of the employees  
9 working on the installation are enrolled in an apprenticeship program approved by and  
10 registered with the State or the federal government.

11 (iii) Compliance with this paragraph shall be regulated and enforced  
12 by the Department of Labor.

13 (i) (1) Energy from a thermal biomass system is eligible for inclusion in  
14 meeting the [renewable] CLEAN energy portfolio standard.

15 (2) (i) A person that owns and operates a thermal biomass system that  
16 uses anaerobic digestion is eligible to receive a renewable energy credit.

17 (ii) A person that owns and operates a thermal biomass system that  
18 uses a thermochemical process is eligible to receive a renewable energy credit if the person  
19 demonstrates to the Maryland Department of the Environment that the operation of the  
20 thermal biomass system:

21 1. is not significantly contributing to local or regional air  
22 quality impairments; and

23 2. will substantially decrease emissions of oxides of nitrogen  
24 beyond that achieved by a direct burn combustion unit through the use of precombustion  
25 techniques, combustion techniques, or postcombustion techniques.

26 (3) A person that is eligible to receive a renewable energy credit under  
27 paragraph (2) of this subsection shall receive a renewable energy credit equal to the amount  
28 of energy, converted from BTUs to kilowatt–hours, that is generated by the thermal  
29 biomass system and used on site.

30 (4) The total amount of energy generated and consumed for a residential,  
31 nonresidential, or commercial thermal biomass system shall be measured by an on–site  
32 meter that meets the required performance standards established by the Commission.



1           (5)    The Commission shall adopt regulations for the metering, verification,  
2 and reporting of the output of thermal biomass systems.

3           (j)    (1)    Energy from a wastewater heating or cooling system is eligible for  
4 inclusion in meeting the [renewable] **CLEAN** energy portfolio standard.

5                   (2)    A person shall receive a renewable energy credit equal to the amount of  
6 energy, converted from BTUs to kilowatt–hours, that is generated by a wastewater heating  
7 or cooling system for space heating or cooling, industrial heating or cooling, or another  
8 useful thermal purpose, if the person:

9                           (i)    owns and operates the system;

10                           (ii)   leases and operates the system; or

11                           (iii)   contracts with a third party who owns and operates the system.

12           (3)    To determine the energy savings of a wastewater heating or cooling  
13 system, the Commission shall:

14                           (i)    use the wastewater heating or cooling engineering technical  
15 system designs provided with the renewable energy credit application; and

16                           (ii)   in determining the annual amount of renewable energy credits  
17 awarded for the wastewater heating or cooling system, convert the annual BTUs into  
18 annual megawatt–hours.

19           (4)    The Commission shall adopt regulations for the metering, verification,  
20 and reporting of the output of wastewater heating or cooling systems.

21 7–704.1.

22           (c)    An application shall include:

23                   (6)    a commitment to:

24                           (i)    abide by the requirements set forth in subsection (f) of this  
25 section; [and]

26                           (ii)   deposit at least \$6,000,000, in the manner required under  
27 subsection (h) of this section, into the Maryland [Offshore Wind] **CLEAN ENERGY**  
28 Business Development Fund established under § 9–20C–03 of the State Government  
29 Article;

30                           **(III) DEPOSIT INTO AN ESCROW ACCOUNT AN AMOUNT:**

1                   **1. DETERMINED BY THE COMMISSION TO DISSUADE**  
2 **WITHDRAWAL FROM THE OREC PROCESS; AND**

3                   **2. NOT LESS THAN \$5,000 PER MEGAWATT OF**  
4 **NAMEPLATE CAPACITY; AND**

5                   **(IV) ABIDE BY A WITHDRAWAL PROCESS ESTABLISHED BY THE**  
6 **COMMISSION, INCLUDING FORFEITURE OF ANY DEPOSIT REQUIRED BY THE**  
7 **COMMISSION UNDER ITEM (III) OF THIS ITEM;**

8           (e) (1) The Commission shall use the following criteria to evaluate and  
9 compare proposed offshore wind projects submitted during an application period:

10                   (xiii) estimated ability to assist in meeting the [renewable] CLEAN  
11 energy portfolio standard under § 7–703 of this subtitle; and

12           (f) (1) (iii) The Commission may not approve an applicant's proposed  
13 offshore wind project unless:

14                   1. for a Round 1 offshore wind project application:

15                   A. **OVER THE DURATION OF THE PROPOSED OREC**  
16 **PRICING SCHEDULE** the projected net rate impact for an average residential customer,  
17 based on annual consumption of 12,000 kilowatt–hours[,] **AND** combined with the projected  
18 net rate impact of other Round 1 offshore wind projects, does not exceed [\$1.50 per month  
19 in 2012 dollars, over the duration of the proposed OREC pricing schedule] **AN AMOUNT**  
20 **DETERMINED BY THE COMMISSION;**

21                   B. **OVER THE DURATION OF THE PROPOSED OREC**  
22 **PRICING SCHEDULE** the projected net rate impact for all nonresidential customers,  
23 considered as a blended average[,] **AND** combined with the projected net rate impact of  
24 other Round 1 offshore wind projects, does not exceed [1.5%] **A PERCENTAGE**  
25 **DETERMINED BY THE COMMISSION** of nonresidential customers' total annual electric  
26 bills[, over the duration of the proposed OREC pricing schedule]; and

27                   C. the price specified in the proposed OREC pricing schedule  
28 does not exceed [\$190 per megawatt–hour in 2012 dollars] **AN AMOUNT DETERMINED BY**  
29 **THE COMMISSION;** and

30                   2. for a Round 2 offshore wind project application:

31                   A. **OVER THE DURATION OF THE PROPOSED OREC**  
32 **PRICING SCHEDULE** the projected incremental net rate impact for an average residential  
33 customer, based on annual consumption of 12 megawatt–hours[,] **AND** combined with the  
34 projected incremental net rate impact of other Round 2 offshore wind projects, does not

1 exceed [88 cents per month in 2018 dollars, over the duration of the proposed OREC pricing  
2 schedule] **AN AMOUNT DETERMINED BY THE COMMISSION;**

3 B. the projected incremental net rate impact for all  
4 nonresidential customers, considered as a blended average[,] **AND** combined with the  
5 projected net rate impact of other Round 2 offshore wind projects, does not exceed [0.9%] **A**  
6 **PERCENTAGE DETERMINED BY THE COMMISSION** of nonresidential customers' total  
7 annual electric bills during any year of the proposed OREC pricing schedule; and

8 C. the project is subject to a community benefit agreement.

9 (2) (i) When calculating the net benefits to the State under paragraph  
10 (1)(ii) of this subsection, the Commission shall contract for the services of independent  
11 consultants and experts.

12 (ii) When calculating the projected net average rate impacts for  
13 Round 1 offshore wind projects under paragraph (1)(iii)1A and B of this subsection and for  
14 Round 2 offshore wind projects under paragraph (1)(iii)2A and B of this subsection, the  
15 Commission shall apply the same net OREC cost per megawatt-hour to residential and  
16 nonresidential customers.

17 **(4) THE COMMISSION SHALL KEEP ANY AMOUNTS DETERMINED**  
18 **UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION CONFIDENTIAL.**

19 7-704.2.

20 (a) (1) The Commission shall determine the offshore wind energy component  
21 of the [renewable] **CLEAN** energy portfolio standard under § 7-703(b)(12) through (25) of  
22 this subtitle based on the projected annual creation of ORECs by qualified offshore wind  
23 projects.

24 (2) The Commission shall establish the [renewable] **CLEAN** energy  
25 portfolio standard obligation for ORECs on a forward-looking basis that includes a surplus  
26 to accommodate reasonable forecasting error in estimating overall electricity sales in the  
27 State.

28 (3) Any positive adjustment to the [renewable] **CLEAN** energy portfolio  
29 standard shall be on a forward-looking basis and sufficiently in advance to allow an electric  
30 company to reflect OREC costs as a nonbypassable surcharge to distribution customers.

31 (4) The Commission shall adopt regulations that establish:

32 (i) the offshore wind purchase obligation sufficiently in advance to  
33 allow an electric company to reflect OREC costs as a nonbypassable surcharge paid by all  
34 distribution customers of the electric company;

1 (ii) a mechanism to adjust the [renewable] CLEAN energy portfolio  
2 standard obligation in a given year to accommodate a shortfall of ORECs in one or more  
3 earlier years that is the result of the variation between the quantity of ORECs calculated  
4 from the [renewable] CLEAN energy portfolio standard obligation and the quantity of  
5 ORECs approved in the Commission order for the same years; and

6 (iii) a nonbypassable surcharge that allows an electric company to  
7 recover all costs associated with the purchase of ORECs from all distribution customers of  
8 the electric company.

9 (b) The Commission shall adopt regulations:

10 (1) establishing an escrow account under Commission supervision; and

11 (2) defining rules that facilitate and ensure the secure and transparent  
12 transfer of revenues and ORECs among the parties.

13 (c) (1) Each electric company shall purchase from the escrow account  
14 established under this section the number of ORECs required to satisfy the offshore wind  
15 energy component of the [renewable] CLEAN energy portfolio standard under §  
16 7-703(b)(12) through (25) of this subtitle.

17 (2) (i) Subject to any escrow account reserve requirement the  
18 Commission establishes, if there are insufficient ORECs available to satisfy the electric  
19 companies' OREC obligation, the overpayment shall be distributed to electric companies to  
20 be refunded or credited to each distribution customer based on the customer's consumption  
21 of electricity supply that is subject to the [renewable] CLEAN energy portfolio standard.

22 (ii) Subject to any escrow account reserve requirement the  
23 Commission establishes, the calculation of an electric company's OREC purchase obligation  
24 shall be based on final electricity sales data as reported by the PJM Interconnection as  
25 measured at the customer meter.

26 (3) For each OREC for which a qualified offshore wind project receives  
27 payment, a qualified offshore wind project shall:

28 (i) sell all energy, capacity, and ancillary services associated with  
29 the creation of ORECs into the markets operated by PJM Interconnection; and

30 (ii) distribute the proceeds received from the sales to PJM  
31 Interconnection markets, under item (i) of this paragraph to electric companies to be  
32 refunded or credited to each distribution customer based on the customer's consumption of  
33 electricity supply that is subject to the [renewable] CLEAN energy portfolio standard.

1           (4) Notwithstanding § 7–709 of this subtitle, the Commission shall adopt  
2 regulations regarding the transfer and expiration of ORECs created by a qualified offshore  
3 wind project in excess of the OREC pricing schedule.

4 7–704.4.

5           (c) (1) The Department of General Services shall identify the amount of  
6 energy necessary to meet the State’s energy needs.

7           (2) (i) The State shall use the energy procured under subsection (b) of  
8 this section to meet the State’s energy needs and retire the associated renewable energy  
9 credits to meet its obligations under the [renewable] CLEAN energy portfolio standard and  
10 Chapter 38 of the Acts of the General Assembly of 2022.

11           (ii) The State shall be exempted from the [renewable] CLEAN energy  
12 portfolio standard requirements under § 7–703 of this subtitle if the Department of General  
13 Services procures 100% of the State’s energy needs from the power purchase agreement  
14 required under subsection (b) of this section.

15 7–705.

16           (a) (1) Except as provided in paragraph (2) of this subsection, each electricity  
17 supplier shall submit a report to the Commission each year in a form and by a date specified  
18 by the Commission that:

19           (i) 1. demonstrates that the electricity supplier has complied  
20 with the applicable [renewable] CLEAN energy portfolio standard under § 7–703 of this  
21 subtitle and includes the submission of the required amount of renewable energy credits;  
22 or

23           2. demonstrates the amount of electricity sales by which the  
24 electricity supplier failed to meet the applicable [renewable] CLEAN energy portfolio  
25 standard;

26           (ii) documents the level of participation of minority business  
27 enterprises and minorities in the activities that support the creation of renewable energy  
28 credits used to satisfy the standard under § 7–703 of this subtitle, including development,  
29 installation, and operation of generating facilities that create credits;

30           (iii) documents the amounts and types of generation associated with  
31 renewable energy credits purchased in compliance with § 7–707(b) of this subtitle during  
32 the reporting period; and

33           (iv) documents the amount of renewable energy certificates that do  
34 not qualify as renewable energy credits as defined in § 7–701 of this subtitle, including, for  
35 each certificate:

1                   1.     the energy source associated with the certificate, including  
2 its location, when it was constructed, and which electric distribution system received the  
3 energy;

4                   2.     whether the purchase of the certificate was bundled with  
5 a power purchase agreement from the energy source associated with the certificate;

6                   3.     whether the certificate was purchased directly from the  
7 operator of the energy source or through a third party; and

8                   4.     any other information required by the Commission.

9           (2)     Paragraph (1)(iii) and (iv) of this subsection does not apply to:

10                   (i)    the Department of General Services' sale of energy under §  
11 7-704.4 of this subtitle; or

12                   (ii)   a community choice aggregator under § 7-510.3 of this title.

13           (b)    (1)    This subsection does not apply to a shortfall from the required Tier 1  
14 renewable sources that is to be derived from post-2022 geothermal systems.

15                   (2)    If an electricity supplier fails to comply with the [renewable] CLEAN  
16 energy portfolio standard for the applicable year, the electricity supplier shall pay into the  
17 Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the State  
18 Government Article:

19                   (i)    except as provided in item (ii) of this paragraph, a compliance fee  
20 of:

21                   1.     the following amounts for each kilowatt-hour of shortfall  
22 from required Tier 1 renewable sources other than the shortfall from the required Tier 1  
23 renewable sources that is to be derived from solar energy:

24                   A.     4 cents through 2016;

25                   B.     3.75 cents in 2017 and 2018;

26                   C.     3 cents in 2019 through 2023;

27                   D.     2.75 cents in 2024;

28                   E.     2.5 cents in 2025;

29                   F.     2.475 cents in 2026;

30                   G.     2.45 cents in 2027;

- 1 H. 2.25 cents in 2028 and 2029; and
- 2 I. 2.235 cents in 2030 and later;
- 3 2. the following amounts for each kilowatt-hour of shortfall
- 4 from required Tier 1 renewable sources that is to be derived from solar energy:
- 5 A. 45 cents in 2008;
- 6 B. 40 cents in 2009 through 2014;
- 7 C. 35 cents in 2015 and 2016;
- 8 D. 19.5 cents in 2017;
- 9 E. 17.5 cents in 2018;
- 10 F. 10 cents in 2019;
- 11 G. 10 cents in 2020;
- 12 H. 8 cents in 2021;
- 13 I. 6 cents in 2022;
- 14 J. 6 cents in 2023;
- 15 K. 6 cents in 2024[;
- 16 L. 5.5 cents in 2025;
- 17 M. 4.5 cents in 2026;
- 18 N. 3.5 cents in 2027;
- 19 O. 3.25 cents in 2028;
- 20 P. 2.5 cents in 2029; and
- 21 Q. 2.25 cents in 2030] and later; and
- 22 3. 1.5 cents for each kilowatt-hour of shortfall from required
- 23 Tier 2 renewable sources; or
- 24 (ii) for industrial process load:

- 1                   1.     for each kilowatt–hour of shortfall from required Tier 1  
2 renewable sources, a compliance fee of:
- 3                   A.     0.8 cents in 2006, 2007, and 2008;
- 4                   B.     0.5 cents in 2009 and 2010;
- 5                   C.     0.4 cents in 2011 and 2012;
- 6                   D.     0.3 cents in 2013 and 2014;
- 7                   E.     0.25 cents in 2015 and 2016; and
- 8                   F.     except as provided in paragraph (3) of this subsection, 0.2  
9 cents in 2017 and later; and
- 10                  2.     nothing for any shortfall from required Tier 2 renewable  
11 sources.

12                  (3)     For industrial process load, the compliance fee for each kilowatt–hour  
13 of shortfall from required Tier 1 renewable sources is nothing for the year following any  
14 year during which, after final calculations, the net rate impact per megawatt–hour from  
15 Round 1 offshore wind projects exceeded \$1.65 in 2012 dollars.

16                  **[(b–1)] (C)**   If an electricity supplier fails to comply with the **[renewable] CLEAN**  
17 energy portfolio standard that is required to be derived from post–2022 geothermal systems  
18 for the applicable year, the electricity supplier shall pay into the Maryland Strategic  
19 Energy Investment Fund established under § 9–20B–05 of the State Government Article a  
20 compliance fee of the following amounts for each kilowatt–hour of shortfall from required  
21 post–2022 geothermal systems:

- 22                  (1)     10 cents in 2023 through 2025;
- 23                  (2)     9 cents in 2026;
- 24                  (3)     8 cents in 2027; and
- 25                  (4)     6.5 cents in 2028 and later.

26                  **[(c)] (D)**     The Commission may allow an electricity supplier to submit the report  
27 required under § 7–505(b)(4) of this title to demonstrate compliance with the **[renewable]**  
28 **CLEAN** energy portfolio standard.

29                  **[(d)] (E)**     An aggregator or broker who assists an electricity customer in  
30 purchasing electricity but who does not supply the electricity or take title to or ownership



1 of the electricity may require the electricity supplier who supplies the electricity to  
2 demonstrate compliance with this subtitle.

3 **[(e)] (F)** (1) Notwithstanding the requirements of § 7–703(b) of this subtitle,  
4 if the actual or projected dollar–for–dollar cost incurred or to be incurred by an electricity  
5 supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy  
6 in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,  
7 6.0% of the electricity supplier’s total annual electricity sales revenues in Maryland, the  
8 electricity supplier may request that the Commission:

9 (i) delay by 1 year each of the scheduled percentages for solar energy  
10 under § 7–703(b) of this subtitle that would apply to the electricity supplier; and

11 (ii) allow the **[renewable] CLEAN** energy portfolio standard for solar  
12 energy for that year to continue to apply to the electricity supplier for the following year.

13 (2) In making its determination under paragraph (1) of this subsection, the  
14 Commission shall consider the actual or projected dollar–for–dollar compliance costs of  
15 other electricity suppliers.

16 (3) If an electricity supplier makes a request under paragraph (1) of this  
17 subsection based on projected costs, the electricity supplier shall provide verifiable evidence  
18 of the projections to the Commission at the time of the request.

19 (4) If the Commission allows a delay under paragraph (1) of this  
20 subsection:

21 (i) the **[renewable] CLEAN** energy portfolio standard for solar  
22 energy applicable to the electricity supplier under the delay continues for each subsequent  
23 consecutive year that the actual or projected dollar–for–dollar costs incurred, or to be  
24 incurred, by the electricity supplier solely for the purchase of solar renewable energy credits  
25 is greater than or equal to, or is anticipated to be greater than or equal to, 6.0% of the  
26 electricity supplier’s total annual retail electricity sales revenues in Maryland; and

27 (ii) the **[renewable] CLEAN** energy portfolio standard for solar  
28 energy applicable to the electricity supplier under the delay is increased to the next  
29 scheduled percentage increase under § 7–703(b) of this subtitle for each year in which the  
30 actual or projected dollar–for–dollar costs incurred, or to be incurred, by the electricity  
31 supplier solely for the purchase of solar renewable energy credits is less than, or is  
32 anticipated to be less than, 6.0% of the electricity supplier’s total annual retail electricity  
33 sales revenues in Maryland.

34 7–706.

35 (a) (1) Except as provided in paragraph (2) of this subsection, in accordance  
36 with the obligation to provide standard offer service through the bid process created under  
37 § 7–510 of this title, the Commission shall allow an electricity supplier to recover actual

1 dollar-for-dollar costs incurred, including a compliance fee under § 7-705 of this subtitle,  
2 in complying with a State-mandated [renewable] CLEAN energy portfolio standard.

3 (2) In accordance with the Phase II settlement agreement approved by the  
4 Commission in Order No. 78710 in Case No. 8908 on September 30, 2003, for any  
5 full-service agreement executed before the [renewable] CLEAN energy PORTFOLIO  
6 standard under this subtitle applies to an electric company, the electric company and its  
7 wholesale electricity suppliers may pass through their commercially reasonable additional  
8 costs, if any, associated with complying with the standard, through the end of the year of  
9 standard offer service in which the requirement took effect.

10 (b) An electricity supplier may recover a compliance fee if:

11 (1) the payment of a compliance fee is the least-cost measure to customers  
12 as compared to the purchase of Tier 1 renewable sources to comply with a [renewable]  
13 CLEAN energy portfolio standard;

14 (2) there are insufficient Tier 1 renewable sources available for the  
15 electricity supplier to comply with a [renewable] CLEAN energy portfolio standard; or

16 (3) a wholesale electricity supplier defaults or otherwise fails to deliver  
17 renewable energy credits under a supply contract approved by the Commission.

18 7-707.

19 (c) An electricity supplier that supplies electricity to residential retail electric  
20 customers may not market electricity as green power unless:

21 (1) the percentage of the electricity being offered, or the equivalent number  
22 of renewable energy credits associated with the electricity being marketed as green power,  
23 that is eligible for inclusion in meeting the [renewable] CLEAN energy portfolio standard  
24 equals or exceeds the greater of:

25 (i) 51%; or

26 (ii) 1% higher than the [renewable] CLEAN energy portfolio  
27 standard for the year the electricity is provided to the customer;

28 (d) (2) (i) Each year the Commission shall hold a proceeding to set a price  
29 per megawatt-hour for electricity marketed as green power under this section that may  
30 not be exceeded by an electricity supplier except as provided in paragraph (3) of this  
31 subsection.

32 (ii) Subject to paragraph (4) of this subsection, the price set by the  
33 Commission under subparagraph (i) of this paragraph may:

1                               1.     exceed the maximum price per megawatt-hour that is  
2 authorized under § 7-510(d)(2)(i) of this title; and

3                               2.     differ based on the amount and source of the electricity  
4 generation.

5                               (iii) During a proceeding held under subparagraph (i) of this  
6 paragraph, the Commission:

7                               1.     shall consider:

8                               A.     the price of the energy purchased, including the total cost  
9 of the renewable energy credits;

10                              B.     the amount of electricity that is eligible for inclusion in  
11 meeting the [renewable] CLEAN energy portfolio standard;

12                              C.     the state in which the electricity was generated; and

13                              D.     applicable market data; and

14                              2.     may consider whether the purchase of renewable energy  
15 credits was bundled with a power purchase agreement from the energy sources associated  
16 with the credit.

17                              (3)    (i)     On request by an electricity supplier, the Commission shall hold  
18 a proceeding to set a price per megawatt-hour for electricity marketed as green power for  
19 that electricity supplier.

20                              (ii)    Subject to paragraph (4) of this subsection, at a proceeding held  
21 under this paragraph the Commission may set a price per megawatt-hour that is higher  
22 than the price determined in the proceeding held under paragraph (2) of this subsection for  
23 an electricity supplier if:

24                              1.     the electricity supplier demonstrates to the Commission's  
25 satisfaction, based on an independent third-party audit, that the actual cost to the  
26 electricity supplier for the generation or supply of electricity exceeds that of the price  
27 determined through the proceeding held in accordance with paragraph (2) of this  
28 subsection;

29                              2.     the increased price reflects only the cost of the electricity  
30 marketed as green power and is not associated with any of the electricity supplier's other  
31 costs; and

32                              3.     the electricity supplier demonstrates to the Commission's  
33 satisfaction that the electricity supplier has a significant long-term investment in

1 renewable energy that meets the [renewable] CLEAN energy portfolio standard under §  
2 7–703 of this subtitle.

3 (iii) During a proceeding held under this paragraph, the Commission  
4 shall consider:

5 1. whether the purchase of renewable energy credits was  
6 bundled with a power purchase agreement from the energy sources associated with the  
7 credit;

8 2. the price of the energy purchased, including the total cost  
9 of the renewable energy credits or power purchase agreements;

10 3. the amount of electricity that is eligible for inclusion in  
11 meeting the [renewable] CLEAN energy portfolio standard;

12 4. the state in which the electricity was generated; and

13 5. applicable market data.

14 (g) In addition to the disclosure required under subsection (f) of this section, the  
15 Commission shall adopt regulations that require an electricity supplier, other than the  
16 Department of General Services when the Department of General Services sells energy  
17 under § 7–704.4 of this subtitle or a community choice aggregator under § 7–510.3 of this  
18 title, that offers green power for sale to residential retail customers to include in the  
19 electricity supplier’s marketing materials a disclosure, written in plain language, that  
20 explains:

21 (4) the percentage of electricity that would be provided by the electricity  
22 supplier that is eligible for inclusion in meeting the [renewable] CLEAN energy portfolio  
23 standard; and

24 7–709.

25 (a) An electricity supplier may use accumulated renewable energy credits to meet  
26 the [renewable] CLEAN energy portfolio standard, including credits created by a renewable  
27 on–site generator.

28 (c) (1) (i) If an electricity supplier purchases solar renewable energy  
29 credits directly from a renewable on–site generator with a capacity that exceeds 10  
30 kilowatts to meet the solar component of the Tier 1 [renewable] CLEAN energy portfolio  
31 standard, the duration of the contract term for the solar renewable energy credits may not  
32 be less than 15 years.

33 7–709.1.

34 (c) (1) Under the Program, a certified system shall generate certified SRECs.

1 (2) Except as provided in paragraph (3) of this subsection, the provisions of  
2 this subtitle relating to renewable energy credits shall apply to certified SRECs.

3 (3) A certified SREC shall have a compliance value of 150% for electricity  
4 suppliers to put toward meeting the [renewable] CLEAN energy portfolio standard for  
5 energy derived from solar energy under § 7-703 of this subtitle.

6 (d) To be eligible for certification under the Program, a solar energy generating  
7 system shall:

8 (2) be eligible for inclusion in meeting the [renewable] CLEAN energy  
9 portfolio standard;

10 (i) (1) A certified system shall continue to be eligible to generate certified  
11 SRECs for 15 years after the date of certification by the Commission, or January 1, 2025,  
12 whichever is later, after which the system shall be eligible to generate noncertified solar  
13 renewable energy credits as long as the system meets the requirements as a Tier 1  
14 renewable source under this subtitle.

15 (2) The Commission shall:

16 (i) on or before January 1, 2025, begin determining eligibility of  
17 solar energy generating systems to be certified under the Program; and

18 (ii) on or before July 1, 2026, implement a revised system to review  
19 and ensure compliance with the [renewable] CLEAN energy portfolio standard.

20 (3) An electricity supplier may apply the certified SRECs generated in  
21 accordance with this section toward the [renewable] CLEAN energy portfolio standard  
22 starting with the 2025 compliance year.

23 (4) Notwithstanding any other law, the Commission shall allow electricity  
24 suppliers to demonstrate compliance with the [renewable] CLEAN energy portfolio  
25 standard for the 2025 compliance year by submitting information between July 1, 2026,  
26 and December 31, 2026, using the revised system developed in accordance with paragraph  
27 (2)(ii) of this subsection.

## 28 **SUBTITLE 12. NUCLEAR ENERGY PROCUREMENT.**

### 29 **7-1201.**

30 (A) **AFTER THE EFFECTIVE DATE OF COMMISSION REGULATIONS**  
31 **IMPLEMENTING THIS SUBTITLE, A PERSON MAY SUBMIT AN APPLICATION TO THE**  
32 **COMMISSION FOR APPROVAL OF A PROPOSED NUCLEAR ENERGY GENERATION**  
33 **PROJECT.**

1           **(B) (1) ON RECEIPT OF AN APPLICATION FOR APPROVAL OF A PROPOSED**  
2 **NUCLEAR ENERGY GENERATION PROJECT, THE COMMISSION SHALL:**

3                   **(I) OPEN AN APPLICATION PERIOD WHERE OTHER INTERESTED**  
4 **PERSONS MAY SUBMIT APPLICATIONS FOR APPROVAL OF A PROPOSED NUCLEAR**  
5 **ENERGY GENERATION PROJECT; AND**

6                   **(II) PROVIDE NOTICE THAT THE COMMISSION IS ACCEPTING**  
7 **APPLICATIONS FOR APPROVAL OF PROPOSED NUCLEAR ENERGY GENERATION**  
8 **PROJECTS.**

9           **(2) THE COMMISSION SHALL SET THE CLOSING DATE FOR THE**  
10 **APPLICATION PERIOD TO BE NOT SOONER THAN 90 DAYS AFTER THE NOTICE**  
11 **PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

12           **(C) THE COMMISSION SHALL PROVIDE AT LEAST TWO ADDITIONAL**  
13 **APPLICATION PERIODS BEFORE JANUARY 1, 2031.**

14           **(D) THE COMMISSION MAY PROVIDE ADDITIONAL APPLICATION PERIODS**  
15 **THAT MEET THE REQUIREMENTS OF THIS SECTION.**

16 **7-1202.**

17           **UNLESS EXTENDED BY MUTUAL CONSENT OF THE PARTIES, THE COMMISSION**  
18 **SHALL APPROVE, CONDITIONALLY APPROVE, OR DENY AN APPLICATION WITHIN 1**  
19 **YEAR AFTER THE CLOSE OF THE APPLICATION PERIOD.**

20 **7-1203.**

21           **AN APPLICATION SHALL INCLUDE:**

22                   **(1) A DETAILED DESCRIPTION AND FINANCIAL ANALYSIS OF THE**  
23 **PROPOSED NUCLEAR ENERGY GENERATION PROJECT;**

24                   **(2) THE PROPOSED METHOD OF FINANCING THE PROJECT,**  
25 **INCLUDING DOCUMENTATION DEMONSTRATING THAT THE APPLICANT HAS APPLIED**  
26 **FOR ALL CURRENT ELIGIBLE STATE AND FEDERAL GRANTS, REBATES, TAX CREDITS,**  
27 **LOAN GUARANTEES, AND OTHER PROGRAMS AVAILABLE TO OFFSET THE COST OF**  
28 **THE PROJECT OR PROVIDE TAX ADVANTAGES;**

29                   **(3) A COMMITMENT THAT THE APPLICANT WILL USE BEST EFFORTS**  
30 **TO APPLY FOR ALL ELIGIBLE STATE AND FEDERAL GRANTS, REBATES, TAX CREDITS,**

1 LOAN GUARANTEES, OR OTHER SIMILAR BENEFITS AS THOSE BENEFITS BECOME  
2 AVAILABLE;

3 (4) A COST-BENEFIT ANALYSIS THAT SHALL INCLUDE AT A MINIMUM:

4 (I) A DETAILED INPUT-OUTPUT ANALYSIS OF THE IMPACT OF  
5 THE PROJECT ON INCOME, EMPLOYMENT, WAGES, AND TAXES IN THE STATE;

6 (II) DETAILED INFORMATION CONCERNING ASSUMED  
7 EMPLOYMENT IMPACTS IN THE STATE, INCLUDING THE EXPECTED DURATION OF  
8 EMPLOYMENT OPPORTUNITIES, THE SALARY OF EACH POSITION, AND OTHER  
9 SUPPORTING EVIDENCE OF EMPLOYMENT IMPACTS;

10 (III) AN ANALYSIS OF THE ANTICIPATED ENVIRONMENTAL  
11 BENEFITS, HEALTH BENEFITS, AND ENVIRONMENTAL IMPACTS OF THE PROJECT TO  
12 THE CITIZENS OF THE STATE;

13 (IV) AN ANALYSIS OF ANY IMPACT ON RESIDENTIAL,  
14 COMMERCIAL, AND INDUSTRIAL RATEPAYERS OVER THE LIFE OF THE PROJECT;

15 (V) AN ANALYSIS OF ANY LONG-TERM EFFECT ON ENERGY AND  
16 CAPACITY MARKETS AS A RESULT OF THE PROJECT;

17 (VI) AN ANALYSIS OF ANY IMPACT ON BUSINESSES IN THE STATE;  
18 AND

19 (VII) OTHER BENEFITS RESULTING FROM THE PROJECT, SUCH AS  
20 INCREASED IN-STATE CONSTRUCTION, OPERATION AND MAINTENANCE NEEDS, AND  
21 EQUIPMENT PURCHASES;

22 (5) A PROPOSED LONG-TERM PRICING SCHEDULE FOR THE PROJECT  
23 THAT SHALL SPECIFY A PRICE FOR THE GENERATION ATTRIBUTES, INCLUDING THE  
24 ENERGY, CAPACITY, ANCILLARY SERVICES, AND ENVIRONMENTAL ATTRIBUTES;

25 (6) A DECOMMISSIONING AND WASTE STORAGE PLAN FOR THE  
26 PROJECT, INCLUDING PROVISIONS FOR DECOMMISSIONING OR WASTE STORAGE AS  
27 REQUIRED BY THE U.S. NUCLEAR REGULATORY COMMISSION;

28 (7) A COMMITMENT TO:

29 (I) ABIDE BY THE REQUIREMENTS SET FORTH IN § 7-1206 OF  
30 THIS SUBTITLE; AND

1                   **(II) DEPOSIT AT LEAST \$6,000,000 INTO THE MARYLAND CLEAN**  
2 **ENERGY BUSINESS DEVELOPMENT FUND ESTABLISHED UNDER § 9-20C-03 OF THE**  
3 **STATE GOVERNMENT ARTICLE;**

4                   **(8) A DESCRIPTION OF THE APPLICANT'S PLAN FOR ENGAGING SMALL**  
5 **BUSINESSES, AS DEFINED IN § 14-501 OF THE STATE FINANCE AND PROCUREMENT**  
6 **ARTICLE;**

7                   **(9) IF APPLICABLE, THE STATEMENT SPECIFIED IN § 7-1204(C)(2) OF**  
8 **THIS SUBTITLE; AND**

9                   **(10) ANY OTHER INFORMATION THE COMMISSION REQUIRES.**  
10 **7-1204.**

11                   **(A) THE COMMISSION SHALL USE THE FOLLOWING CRITERIA TO EVALUATE**  
12 **AND COMPARE PROPOSED NUCLEAR ENERGY GENERATION PROJECTS SUBMITTED**  
13 **DURING AN APPLICATION PERIOD:**

14                   **(1) THE LOWEST COST IMPACT ON RATEPAYERS OF THE PRICE SET**  
15 **UNDER A PROPOSED PRICING SCHEDULE;**

16                   **(2) POTENTIAL REDUCTIONS IN TRANSMISSION CONGESTION PRICES**  
17 **WITHIN THE STATE;**

18                   **(3) POTENTIAL CHANGES IN CAPACITY PRICES WITHIN THE STATE;**

19                   **(4) POTENTIAL REDUCTIONS IN LOCATIONAL MARGINAL PRICING;**

20                   **(5) POTENTIAL LONG-TERM CHANGES IN CAPACITY PRICES WITHIN**  
21 **THE STATE FROM THE PROJECT AS IT COMPARES TO CONVENTIONAL ENERGY**  
22 **SOURCES;**

23                   **(6) THE EXTENT TO WHICH THE COST-BENEFIT ANALYSIS SUBMITTED**  
24 **UNDER § 7-1203 OF THIS SUBTITLE DEMONSTRATES POSITIVE NET ECONOMIC,**  
25 **ENVIRONMENTAL, AND HEALTH BENEFITS TO THE STATE;**

26                   **(7) THE EXTENT TO WHICH AN APPLICANT'S PLAN FOR ENGAGING**  
27 **SMALL BUSINESSES MEETS THE GOALS SPECIFIED IN TITLE 14, SUBTITLE 5 OF THE**  
28 **STATE FINANCE AND PROCUREMENT ARTICLE;**

29                   **(8) THE EXTENT TO WHICH AN APPLICANT'S PLAN PROVIDES FOR THE**  
30 **USE OF SKILLED LABOR, PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND**



1 MANUFACTURING COMPONENTS OF THE PROJECT, THROUGH OUTREACH, HIRING,  
2 OR REFERRAL SYSTEMS THAT ARE AFFILIATED WITH REGISTERED APPRENTICESHIP  
3 PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT  
4 ARTICLE;

5 (9) THE EXTENT TO WHICH AN APPLICANT'S PLAN PROVIDES FOR THE  
6 USE OF AN AGREEMENT DESIGNED TO ENSURE THE USE OF SKILLED LABOR AND TO  
7 PROMOTE THE PROMPT, EFFICIENT, AND SAFE COMPLETION OF THE PROJECT,  
8 PARTICULARLY WITH REGARD TO THE CONSTRUCTION, MANUFACTURING, AND  
9 MAINTENANCE OF THE PROJECT;

10 (10) THE EXTENT TO WHICH AN APPLICANT'S PLAN PROVIDES FOR  
11 COMPENSATION TO ITS EMPLOYEES AND SUBCONTRACTORS CONSISTENT WITH  
12 WAGES OUTLINED UNDER §§ 17-201 THROUGH 17-227 OF THE STATE FINANCE AND  
13 PROCUREMENT ARTICLE;

14 (11) SITING AND PROJECT FEASIBILITY;

15 (12) THE EXTENT TO WHICH THE PROJECT WOULD REQUIRE  
16 TRANSMISSION OR DISTRIBUTION INFRASTRUCTURE IMPROVEMENTS IN THE  
17 STATE;

18 (13) THE ESTIMATED ABILITY OF THE PROJECT TO ASSIST IN MEETING  
19 THE CLEAN ELECTRICITY GOAL UNDER § 7-702 OF THIS TITLE; AND

20 (14) ANY OTHER CRITERIA THAT THE COMMISSION DETERMINES ARE  
21 APPROPRIATE.

22 (B) IN EVALUATING AND COMPARING AN APPLICANT'S PROPOSED NUCLEAR  
23 ENERGY GENERATION PROJECT UNDER SUBSECTION (A) OF THIS SECTION, THE  
24 COMMISSION MAY CONTRACT FOR THE SERVICES OF INDEPENDENT CONSULTANTS  
25 AND EXPERTS.

26 (C) (1) IN THIS PARAGRAPH, "MINORITY" MEANS AN INDIVIDUAL WHO IS  
27 A MEMBER OF ANY OF THE GROUPS LISTED IN § 14-301(K)(1)(I) OF THE STATE  
28 FINANCE AND PROCUREMENT ARTICLE.

29 (2) IF AN APPLICANT IS SEEKING INVESTORS IN A PROPOSED  
30 NUCLEAR ENERGY GENERATION PROJECT, THE APPLICANT SHALL TAKE THE  
31 FOLLOWING STEPS BEFORE THE COMMISSION MAY APPROVE THE PROPOSED  
32 PROJECT TO:

1           **(I) MAKE SERIOUS, GOOD-FAITH EFFORTS TO SOLICIT AND**  
2 **INTERVIEW A REASONABLE NUMBER OF MINORITY INVESTORS;**

3           **(II) AS PART OF THE APPLICATION, SUBMIT A STATEMENT TO**  
4 **THE COMMISSION THAT LISTS THE NAMES AND ADDRESSES OF ALL MINORITY**  
5 **INVESTORS INTERVIEWED AND WHETHER OR NOT ANY OF THOSE INVESTORS HAVE**  
6 **PURCHASED AN EQUITY SHARE IN THE ENTITY SUBMITTING THE APPLICATION;**

7           **(III) SIGN A MEMORANDUM OF UNDERSTANDING WITH THE**  
8 **COMMISSION THAT REQUIRES THE APPLICANT TO AGAIN MAKE SERIOUS,**  
9 **GOOD-FAITH EFFORTS TO SOLICIT AND INTERVIEW A REASONABLE NUMBER OF**  
10 **MINORITY INVESTORS IN ANY FUTURE ATTEMPTS TO RAISE VENTURE CAPITAL OR**  
11 **ATTRACT NEW INVESTORS TO THE PROJECT;**

12           **(IV) SIGN A MEMORANDUM OF UNDERSTANDING WITH THE**  
13 **COMMISSION THAT REQUIRES THE APPLICANT TO USE BEST EFFORTS AND**  
14 **EFFECTIVE OUTREACH TO OBTAIN, AS A GOAL, CONTRACTORS AND**  
15 **SUBCONTRACTORS FOR THE PROJECT THAT ARE MINORITY BUSINESS**  
16 **ENTERPRISES, TO THE EXTENT PRACTICABLE, AS SUPPORTED BY A DISPARITY**  
17 **STUDY; AND**

18           **(V) SIGN A MEMORANDUM OF UNDERSTANDING WITH THE**  
19 **COMMISSION AND SKILLED LABOR ORGANIZATIONS THAT REQUIRES THE**  
20 **APPLICANT TO FOLLOW THE PORTIONS OF THE APPLICANT'S PLAN THAT RELATE TO**  
21 **THE CRITERIA SET FORTH IN SUBSECTION (A)(8) AND (9) OF THIS SECTION.**

22           **(3) THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN**  
23 **BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY**  
24 **GENERAL, SHALL PROVIDE ASSISTANCE TO ALL POTENTIAL APPLICANTS AND**  
25 **POTENTIAL MINORITY INVESTORS TO SATISFY THE REQUIREMENTS UNDER**  
26 **PARAGRAPH (2)(I) AND (III) OF THIS SUBSECTION.**

27 **7-1205.**

28           **(A) THE COMMISSION MAY NOT APPROVE AN APPLICANT'S PROPOSED**  
29 **NUCLEAR ENERGY GENERATION PROJECT UNLESS:**

30           **(1) THE PROJECT IS CONNECTED TO THE ELECTRIC DISTRIBUTION**  
31 **SYSTEM SERVING THE STATE;**

32           **(2) OVER THE DURATION OF THE PROPOSED LONG-TERM PRICING**  
33 **SCHEDULE, THE PROJECTED NET RATE IMPACT FOR AN AVERAGE RESIDENTIAL**  
34 **CUSTOMER, BASED ON ANNUAL CONSUMPTION OF 12,000 KILOWATT-HOURS AND**

1 COMBINED WITH THE PROJECTED NET RATE IMPACT OF OTHER NUCLEAR ENERGY  
2 GENERATION PROJECTS, DOES NOT EXCEED AN AMOUNT DETERMINED BY THE  
3 COMMISSION;

4 (3) OVER THE DURATION OF THE PROPOSED LONG-TERM PRICING  
5 SCHEDULE, THE PROJECTED NET RATE IMPACT FOR ALL NONRESIDENTIAL  
6 CUSTOMERS, CONSIDERED AS A BLENDED AVERAGE AND COMBINED WITH THE  
7 PROJECTED NET RATE IMPACT OF OTHER NUCLEAR ENERGY GENERATION  
8 PROJECTS, DOES NOT EXCEED A PERCENTAGE DETERMINED BY THE COMMISSION  
9 OF NONRESIDENTIAL CUSTOMERS' TOTAL ANNUAL ELECTRIC BILLS; AND

10 (4) THE PRICE SPECIFIED IN THE PROPOSED LONG-TERM PRICING  
11 SCHEDULE DOES NOT EXCEED AN AMOUNT DETERMINED BY THE COMMISSION.

12 (B) WHEN CALCULATING THE PROJECTED NET AVERAGE RATE IMPACTS  
13 FOR NUCLEAR ENERGY GENERATION PROJECTS UNDER THIS SECTION, THE  
14 COMMISSION SHALL APPLY THE SAME NET LONG-TERM COST PER  
15 MEGAWATT-HOUR TO RESIDENTIAL AND NONRESIDENTIAL CUSTOMERS.

16 (C) THE COMMISSION SHALL KEEP CONFIDENTIAL ANY AMOUNTS  
17 DETERMINED UNDER SUBSECTION (A) OF THIS SECTION.

18 7-1206.

19 (A) AN APPLICATION FOR A PROPOSED NUCLEAR ENERGY GENERATION  
20 PROJECT IS SUBJECT TO A COMMUNITY BENEFIT AGREEMENT.

21 (B) A COMMUNITY BENEFIT AGREEMENT SHALL:

22 (1) BE APPLICABLE TO THE DEVELOPMENT OF A NUCLEAR ENERGY  
23 GENERATION PROJECT;

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

27 (3) ENSURE THE TIMELY, SAFE, AND EFFICIENT COMPLETION OF THE  
28 PROJECT BY:

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

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

4                   1.     IS WITH ONE OR MORE LABOR ORGANIZATIONS; AND

5                   2.     ESTABLISHES, IN ACCORDANCE WITH THIS SECTION,  
6 THE TERMS AND CONDITIONS OF EMPLOYMENT AT THE CONSTRUCTION SITE OF THE  
7 PROJECT OR A PORTION OF THE PROJECT;

8                   (4)    PROMOTE SAFE COMPLETION OF THE PROJECT BY ENSURING  
9 THAT AT LEAST 80% OF THE CRAFT WORKERS ON THE PROJECT HAVE COMPLETED  
10 AN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION 10-HOUR OR 30-HOUR  
11 COURSE;

12                  (5)    PROMOTE CAREER TRAINING OPPORTUNITIES IN THE  
13 MANUFACTURING, MAINTENANCE, AND CONSTRUCTION INDUSTRIES FOR LOCAL  
14 RESIDENTS, VETERANS, WOMEN, AND MINORITIES;

15                  (6)    PROVIDE FOR BEST EFFORTS AND EFFECTIVE OUTREACH TO  
16 OBTAIN, AS A GOAL, THE USE OF A WORKFORCE INCLUDING MINORITIES, TO THE  
17 EXTENT PRACTICABLE;

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

22                  (8)    PROVIDE PLANS TO USE DOMESTIC IRON, STEEL, AND  
23 MANUFACTURED GOODS TO THE GREATEST EXTENT PRACTICABLE BY DISCLOSING  
24 CONTRACTED SUPPLIERS;

25                  (9)    USE    LOCALLY    AND    DOMESTICALLY    MANUFACTURED  
26 CONSTRUCTION MATERIALS AND COMPONENTS;

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

1           **(11) GUARANTEE AGAINST STRIKES, LOCKOUTS, AND SIMILAR**  
2 **DISRUPTIONS;**

3           **(12) ENSURE THAT ALL WORK ON THE PROJECT FULLY CONFORMS TO**  
4 **ALL RELEVANT STATE AND FEDERAL LAWS, RULES, AND REGULATIONS;**

5           **(13) CREATE MUTUALLY BINDING PROCEDURES FOR RESOLVING**  
6 **LABOR DISPUTES ARISING DURING THE TERM OF THE PROJECT;**

7           **(14) SET FORTH OTHER MECHANISMS FOR LABOR-MANAGEMENT**  
8 **COOPERATION ON MATTERS OF MUTUAL INTEREST AND CONCERN, INCLUDING**  
9 **PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH; AND**

10           **(15) BIND ALL CONTRACTORS AND SUBCONTRACTORS TO THE TERMS**  
11 **OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE PROVISIONS IN**  
12 **ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS.**

13 **7-1207.**

14           **(A) AN ORDER THE COMMISSION ISSUES APPROVING A PROPOSED**  
15 **NUCLEAR ENERGY GENERATION PROJECT SHALL:**

16           **(1) SPECIFY THE LONG-TERM PRICING SCHEDULE;**

17           **(2) SPECIFY THE DURATION OF THE LONG-TERM PRICING SCHEDULE,**  
18 **NOT TO EXCEED 30 YEARS;**

19           **(3) PROVIDE THAT:**

20           **(I) A PAYMENT MAY NOT BE MADE UNDER A LONG-TERM**  
21 **PRICING SCHEDULE UNTIL ELECTRICITY SUPPLY IS GENERATED BY THE PROJECT;**  
22 **AND**

23           **(II) RATEPAYERS AND THE STATE SHALL BE HELD HARMLESS**  
24 **FOR ANY COST OVERRUNS ASSOCIATED WITH THE PROJECT; AND**

25           **(4) REQUIRE THAT ANY DEBT INSTRUMENT ISSUED IN CONNECTION**  
26 **WITH THE PROJECT INCLUDE LANGUAGE SPECIFYING THAT THE DEBT INSTRUMENT**  
27 **DOES NOT ESTABLISH A DEBT, OBLIGATION, OR LIABILITY OF THE STATE.**

28           **(B) AN ORDER APPROVING A PROPOSED NUCLEAR ENERGY GENERATION**  
29 **PROJECT VESTS THE OWNER OF THE PROJECT WITH THE RIGHT TO RECEIVE**  
30 **PAYMENTS ACCORDING TO THE TERMS IN THE ORDER.**

1           **(C) ON OR BEFORE MARCH 1 EACH YEAR, THE COMMISSION SHALL REPORT**  
2 **TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE**  
3 **GOVERNMENT ARTICLE, TO THE SENATE COMMITTEE ON EDUCATION, ENERGY,**  
4 **AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON:**

5           **(1) APPLICANT COMPLIANCE WITH THE MINORITY BUSINESS**  
6 **ENTERPRISE PARTICIPATION GOALS UNDER § 7-1204(C) OF THIS SUBTITLE; AND**

7           **(2) WITH RESPECT TO THE COMMUNITY BENEFIT AGREEMENT UNDER**  
8 **§ 7-1206 OF THIS SUBTITLE:**

9           **(I) THE AVAILABILITY AND USE OF OPPORTUNITIES FOR LOCAL**  
10 **BUSINESSES AND SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED**  
11 **BUSINESSES;**

12           **(II) THE SUCCESS OF EFFORTS TO PROMOTE CAREER TRAINING**  
13 **OPPORTUNITIES IN THE MANUFACTURING, MAINTENANCE, AND CONSTRUCTION**  
14 **INDUSTRIES FOR LOCAL RESIDENTS, VETERANS, WOMEN, AND MINORITIES; AND**

15           **(III) COMPLIANCE WITH THE MINORITY WORKFORCE GOAL**  
16 **UNDER § 7-1206(B) OF THIS SUBTITLE.**

17 **7-1208.**

18           **(A) (1) IF THE COMMISSION APPROVES PROPOSALS THAT**  
19 **DEMONSTRATE, BASED ON THE CRITERIA SPECIFIED IN § 7-1203 OF THIS SUBTITLE,**  
20 **POSITIVE NET ECONOMIC, ENVIRONMENTAL, AND HEALTH BENEFITS TO THE STATE,**  
21 **THE COMMISSION SHALL APPROVE ORDERS TO FACILITATE THE FINANCING OF**  
22 **NUCLEAR ENERGY GENERATION PROJECTS.**

23           **(2) WHEN CALCULATING THE NET BENEFITS TO THE STATE UNDER**  
24 **PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY CONTRACT FOR THE**  
25 **SERVICES OF INDEPENDENT CONSULTANTS AND EXPERTS.**

26           **(B) THE COMMISSION MAY NOT APPROVE AN ORDER TO FACILITATE THE**  
27 **FINANCING OF A NUCLEAR ENERGY GENERATION PROJECT UNLESS THE PROJECT IS**  
28 **SUBJECT TO A COMMUNITY BENEFIT AGREEMENT UNDER § 7-1206 OF THIS**  
29 **SUBTITLE.**

30 **7-1209.**

1           **(A) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL ASSEMBLY**  
2 **FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE PROGRAM**  
3 **UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT**  
4 **ARTICLE ARE INCORPORATED IN THIS SECTION.**

5           **(B) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE UNITED**  
6 **STATES CONSTITUTION, APPROVED APPLICANTS FOR A PROPOSED NUCLEAR**  
7 **ENERGY GENERATION PROJECT SHALL COMPLY WITH THE STATE'S MINORITY**  
8 **BUSINESS ENTERPRISE PROGRAM.**

9           **(C) (1) WITHIN 6 MONTHS AFTER THE ISSUANCE OF AN ORDER THAT**  
10 **APPROVES A NUCLEAR ENERGY GENERATION PROJECT AND INCLUDES A**  
11 **LONG-TERM PRICING COMPONENT, THE GOVERNOR'S OFFICE OF SMALL,**  
12 **MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE**  
13 **OF THE ATTORNEY GENERAL AND THE APPROVED APPLICANT, SHALL ESTABLISH A**  
14 **CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS**  
15 **ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR EACH PHASE OF THE**  
16 **NUCLEAR ENERGY GENERATION PROJECT.**

17           **(2) TO THE EXTENT PRACTICABLE, THE GOALS AND PROCEDURES SET**  
18 **IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION SHALL BE BASED ON**  
19 **THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND**  
20 **PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT SUBTITLE.**

21           **(3) EVERY 6 MONTHS FOLLOWING THE ISSUANCE OF AN ORDER THAT**  
22 **APPROVES A NUCLEAR ENERGY GENERATION PROJECT AND INCLUDES A**  
23 **LONG-TERM PRICING COMPONENT, AN APPROVED APPLICANT SHALL SUBMIT A**  
24 **REPORT ON ITS PROGRESS ESTABLISHING AND IMPLEMENTING MINORITY BUSINESS**  
25 **ENTERPRISE GOALS AND PROCEDURES TO THE COMMISSION.**

26 **7-1210.**

27           **(A) THE COMMISSION SHALL ADOPT REGULATIONS THAT:**

28           **(1) ESTABLISH THE NUCLEAR ENERGY LONG-TERM PRICING**  
29 **PURCHASE OBLIGATION SUFFICIENTLY IN ADVANCE TO ALLOW AN ELECTRIC**  
30 **COMPANY TO REFLECT NUCLEAR ENERGY LONG-TERM PRICING COSTS AS A**  
31 **NONBYPASSABLE SURCHARGE PAID BY ALL DISTRIBUTION CUSTOMERS OF THE**  
32 **ELECTRIC COMPANY;**

33           **(2) ESTABLISH A NONBYPASSABLE SURCHARGE THAT ALLOWS AN**  
34 **ELECTRIC COMPANY TO RECOVER ALL COSTS ASSOCIATED WITH THE PURCHASE OF**

1 NUCLEAR ENERGY FROM ALL DISTRIBUTION CUSTOMERS OF THE ELECTRIC  
2 COMPANY;

3 (3) ESTABLISH AN ESCROW ACCOUNT THAT IS UNDER COMMISSION  
4 SUPERVISION; AND

5 (4) DEFINE RULES THAT FACILITATE AND ENSURE THE SECURE AND  
6 TRANSPARENT TRANSFER OF REVENUES AND LONG-TERM PRICING PAYMENTS  
7 AMONG PARTIES.

8 (B) (1) EACH ELECTRIC COMPANY SHALL PROCURE FROM THE ESCROW  
9 ACCOUNT ESTABLISHED BY REGULATION UNDER THIS SECTION A VOLUME OF  
10 NUCLEAR ENERGY EQUAL TO THE ELECTRIC COMPANY'S RESPECTIVE PERCENTAGE  
11 OF RETAIL ELECTRIC SALES EACH YEAR.

12 (2) (I) SUBJECT TO ANY ESCROW ACCOUNT RESERVE  
13 REQUIREMENT THE COMMISSION ESTABLISHES, IF THERE IS INSUFFICIENT  
14 NUCLEAR ENERGY AVAILABLE TO SATISFY THE ELECTRIC COMPANIES' NUCLEAR  
15 ENERGY OBLIGATION, THE OVERPAYMENT SHALL BE DISTRIBUTED TO ELECTRIC  
16 COMPANIES TO BE REFUNDED OR CREDITED TO EACH DISTRIBUTION CUSTOMER  
17 BASED ON THE CUSTOMER'S CONSUMPTION OF ELECTRICITY SUPPLY THAT IS  
18 SUBJECT TO THE CLEAN ENERGY PORTFOLIO STANDARD.

19 (II) SUBJECT TO ANY ESCROW ACCOUNT RESERVE  
20 REQUIREMENT THE COMMISSION ESTABLISHES, THE CALCULATION OF AN  
21 ELECTRIC COMPANY'S NUCLEAR ENERGY PURCHASE OBLIGATION SHALL BE BASED  
22 ON FINAL ELECTRICITY SALES DATA AS REPORTED BY PJM INTERCONNECTION AND  
23 MEASURED AT THE CUSTOMER METER.

24 (3) FOR EACH LONG-TERM PRICING SCHEDULE FOR WHICH A  
25 NUCLEAR ENERGY GENERATION PROJECT RECEIVES PAYMENT, THE PROJECT  
26 SHALL:

27 (I) SELL ALL ENERGY, CAPACITY, AND ANCILLARY SERVICES  
28 ASSOCIATED WITH THE CREATION OF THE LONG-TERM PRICING INTO THE MARKETS  
29 OPERATED BY PJM INTERCONNECTION; AND

30 (II) DISTRIBUTE THE PROCEEDS RECEIVED FROM THE SALES  
31 UNDER ITEM (I) OF THIS PARAGRAPH TO ELECTRIC COMPANIES TO BE REFUNDED  
32 OR CREDITED TO EACH DISTRIBUTION CUSTOMER BASED ON THE CUSTOMER'S  
33 CONSUMPTION OF ELECTRICITY SUPPLY THAT IS SUBJECT TO THE CLEAN ENERGY  
34 PORTFOLIO STANDARD.



1 (C) A DEBT, OBLIGATION, OR LIABILITY OF A NUCLEAR ENERGY  
2 GENERATION PROJECT OR OF AN OWNER OR OPERATOR OF A NUCLEAR ENERGY  
3 GENERATION PROJECT MAY NOT BE CONSIDERED A DEBT, OBLIGATION, OR  
4 LIABILITY OF THE STATE.

5 7-1211.

6 ON OR BEFORE JULY 1, 2027, THE COMMISSION SHALL ADOPT REGULATIONS  
7 TO CARRY OUT THIS SUBTITLE.

8 **Article – State Government**

9 9-20C-01.

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

11 (b) “Administration” means the Maryland Energy Administration.

12 (c) “Advisory Committee” means the Maryland [Offshore Wind] CLEAN  
13 ENERGY Business Development Advisory Committee established under § 9-20C-02 of this  
14 subtitle.

15 (d) “Director” means the Director of the Maryland Energy Administration.

16 (e) “Emerging business” means a business that is at least 51% owned and  
17 controlled by an individual or individuals who are certified to have a personal net worth,  
18 as defined in § 14-301 of the State Finance and Procurement Article, that does not exceed  
19 \$6,500,000 as adjusted each year for inflation according to the Consumer Price Index.

20 (f) “Fund” means the Maryland [Offshore Wind] CLEAN ENERGY Business  
21 Development Fund established under § 9-20C-03 of this subtitle.

22 (g) “Minority” means an individual who is a member of any of the groups listed in  
23 § 14-301(k)(1)(i) of the State Finance and Procurement Article.

24 9-20C-02.

25 (a) There is a Maryland [Offshore Wind] CLEAN ENERGY Business  
26 Development Advisory Committee.

27 (b) The Advisory Committee shall make recommendations to the Administration  
28 on the most effective manner to use money in the Fund consistent with the purposes of the  
29 Fund.

30 (c) The Advisory Committee consists of the following members:

1           (1) two members of the Senate of Maryland, one from each of the principal  
2 political parties, appointed by the President of the Senate;

3           (2) two members of the House of Delegates, one from each of the principal  
4 political parties, appointed by the Speaker of the House;

5           (3) the Director or the Director's designee;

6           (4) the Secretary of Commerce, or the Secretary's designee;

7           (5) the Special Secretary of the Governor's Office of Small, Minority, and  
8 Women Business Affairs, or the Special Secretary's designee; and

9           (6) the following [12] members, appointed by the Governor:

10           (i) [1] ONE representative of a public institution of higher education  
11 in the State;

12           (ii) [1] ONE representative of a historically black or African  
13 American university in the State;

14           (iii) [1] ONE representative of the State's community colleges;

15           (iv) [1] ONE representative of the Maryland Independent Colleges  
16 and Universities Association;

17           (v) [1] ONE representative of the Maryland Small Business  
18 Development Center Network;

19           (vi) [1] ONE representative of the Maryland Business Coalition for  
20 Offshore Wind;

21           (vii) [1] ONE representative of a business incubator in the State with  
22 experience in providing services to minority business enterprises as defined in § 14–301 of  
23 the State Finance and Procurement Article, or to emerging businesses, including emerging  
24 businesses owned by minorities;

25           (viii) [1] ONE individual with experience in providing business  
26 financing to minority business enterprises as defined in § 14–301 of the State Finance and  
27 Procurement Article, or to emerging businesses, including emerging businesses owned by  
28 minorities;

29           (ix) [1] ONE representative of an offshore wind developer;

30           (x) [1] ONE representative of an original equipment manufacturer;

- 1 (xi) [1] ONE individual who is a minority business advocate; [and]  
2 (XII) TWO REPRESENTATIVES OF THE NUCLEAR ENERGY  
3 INDUSTRY;  
4 (XIII) TWO REPRESENTATIVES OF THE SOLAR ENERGY INDUSTRY;  
5 (XIV) ONE REPRESENTATIVE OF THE ENERGY STORAGE  
6 INDUSTRY; AND  
7 [(xii)] (XV) [1] ONE individual with experience in [offshore wind]  
8 supply chain issues.

- 9 (d) The Governor shall appoint the chair of the Advisory Committee.  
10 (e) The Administration shall provide staff for the Advisory Committee.  
11 (f) A member of the Advisory Committee:  
12 (1) may not receive compensation as a member of the Advisory Committee;  
13 but  
14 (2) is entitled to reimbursement for expenses under the Standard State  
15 Travel Regulations, as provided in the State budget.

16 (g) (1) On or before December 31, [2013] **2026**, the Advisory Committee shall  
17 provide written recommendations to the Administration regarding the most effective use  
18 of money in the Fund in order to maximize opportunities for emerging businesses in the  
19 State, including minority-owned emerging businesses, to participate in [the offshore wind  
20 industry] **CLEAN ENERGY INDUSTRIES**.

21 (2) In making a recommendation under paragraph (1) of this subsection,  
22 the Advisory Committee shall consider opportunities to maximize leveraging opportunities,  
23 mentoring and protege models, innovation clusters, existing incubator and business  
24 development programs, and the appropriate role of partnerships with the State's  
25 universities and community colleges.

26 [(3) On or before December 31, 2014, the Advisory Committee shall provide  
27 updated recommendations to the Administration.]

28 (h) On completion and submission of the written recommendations required  
29 under subsection (g) of this section, the Advisory Committee shall terminate its operation  
30 and cease to meet.

1 (a) There is a Maryland [Offshore Wind] **CLEAN ENERGY** Business  
2 Development Fund in the Administration.

3 SECTION 4. AND BE IT FURTHER ENACTED, That the publisher of the  
4 Annotated Code of Maryland, in consultation with and subject to the approval of the  
5 Department of Legislative Services, shall correct, with no further action required by the  
6 General Assembly, cross-references and terminology rendered incorrect by this Act. The  
7 publisher shall adequately describe any correction that is made in an editor's note following  
8 the section affected.

9 SECTION 5. AND BE IT FURTHER ENACTED, That a presently existing obligation  
10 or contract right may not be impaired in any way by this Act.

11 SECTION 6. AND BE IT FURTHER ENACTED, That for fiscal year 2026, funds  
12 from the Dedicated Purpose Account may be transferred by budget amendment, in  
13 accordance with § 7–310 of the State Finance and Procurement Article, to implement the  
14 requirements of §§ 7–1201, 7–1204, and 7–1211 of the Public Utilities Article, as enacted  
15 by Section 1 of this Act.

16 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
17 apply retroactively and shall be applied to and interpreted to affect all clean energy  
18 portfolio standard compliance years that begin on or after January 1, 2025.

19 SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
20 1, 2025.