

HB1532/823929/1

BY: Environment and Transportation Committee

AMENDMENTS TO HOUSE BILL 1532

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, at the top of the page, insert “EMERGENCY BILL”; in the sponsor line, strike “**and Fraser–Hidalgo**” and substitute “**, Fraser–Hidalgo, Allen, Behler, Foley, Guyton, Healey, Holmes, J. Long, Lewis, Odom, Stein, and Ziegler**”; strike line 2 in its entirety and substitute:

“Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act”;

and strike beginning with “lowering” in line 3 down through “obligations” in line 25 and substitute “moving the electric universal service program to the Office of Home Energy Programs; altering certain required procedures related to the permitting, inspection, and interconnection of certain residential solar energy systems; altering the uses of the Environmental Trust Fund; requiring the Public Service Commission, in consultation with the Maryland Energy Administration and the Power Plant Research Program, to develop certain dashboards; requiring certain public service companies to give a certain notice and certain information to customers; altering certain provisions relating to and establishing certain requirements for large load customers; altering the applicability of certain rate schedules; requiring the owners of certain transmission lines to participate as a member in a regional transmission organization; altering the application process and projects subject to certificate of public convenience and necessity requirements; repealing certain requirements for gas companies to develop and implement certain programs and services relating to energy efficiency, conservation, demand response, beneficial electrification, and greenhouse gas emissions reductions; authorizing and altering the recovery of certain costs by electric companies and gas companies; altering certain greenhouse gas emissions reduction targets for electric companies and the

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manner in which electric companies must meet certain reductions; authorizing the use of certain portable solar energy generating systems under certain circumstances; altering certain authorized rate structures for electricity supply; altering the administration of certain incentives and rebates; altering the definition of “large capacity energy resource” for provisions relating to certain solicitations; altering factors that the Commission is required to consider when approving a certain nuclear energy generation project; altering the definition of “zero–emission credit” for provisions relating to a certain escrow account; authorizing the Commission to approve an increase in the total cost of a certain nuclear energy generation project, subject to certain conditions; authorizing the Board of Public Works to waive the inclusion of certain clauses in a certain contract; altering the uses of the Maryland Strategic Energy Investment Fund; requiring the Governor to include in the annual budget bill a certain appropriation to the Maryland Strategic Energy Investment Fund to be credited to certain accounts; requiring the Administration to conduct certain alternative compliance fee auctions; altering the conditions under which the Commission may approve the use of a certain multiyear rate plan; authorizing the Commission to require a public service commission to include certain information in a certain multiyear rate plan; prohibiting certain public service companies from recovering certain costs through rates; altering the net energy metering program; requiring the Commission to establish a successor program to the net energy metering program; limiting certain alternative forms of regulating certain services of electric companies; requiring the Commission to conduct certain studies and proceedings; authorizing the Governor to transfer certain funds to the Commission to be refunded or credited to certain electric customers for a certain purpose; requiring the Commission to issue a certain request for information and request for proposals for a certain purpose; requiring the Program, in consultation with the Department of the Environment and the Administration, to conduct a certain study; altering and adding certain reporting requirements relating to public service companies, transmission congestion, and the status of the Maryland Energy Storage Program; and generally relating to energy policy in the State”.

On pages 1 and 2, strike in their entirety the lines beginning with line 26 on page 1 through line 6 on page 2, inclusive, and substitute:

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“BY renumbering

Article – Human Services

Section 5–5A–08 through 5–5A–10

to be Section 5–5A–09 through 5–5A–11, respectively

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

BY transferring

Article – Public Utilities

Section 7–512.1

Annotated Code of Maryland

(2025 Replacement Volume and 2025 Supplement)

to be

Article – Human Services

Section 5–5A–08

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Housing and Community Development

Section 2–102(a)(10)

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – Human Services

Section 5–101(a) through (c), 5–5A–02, and 5–5A–03

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

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Article – Human Services
Section 5–5A–01
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Human Services
Section 5–5A–08
Annotated Code of Maryland
(2019 Replacement Volume and 2025 Supplement)
(As enacted by Section 2 of this Act)

BY repealing and reenacting, with amendments,

Article – Local Government
Section 1–1320
Annotated Code of Maryland
(2013 Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources
Section 3–302
Annotated Code of Maryland
(2023 Replacement Volume and 2025 Supplement)

BY adding to

Article – Public Utilities
Section 2–124, 4–203.1, 7–109, 7–207.6, 7–216.1(d), 7–306.4, 7–321, and 7–322
Annotated Code of Maryland
(2025 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

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Section 4-212, 4-213, 4-504, 7-207(a), (b)(3) and (4), (c), (d), (e), (f)(1) through (3), and (h), 7-208, 7-222, 7-223, 7-225, 7-226, 7-227, 7-228, 7-306(d) and (j), 7-505(b)(2) and (c), 7-510(d)(2) and (3), 7-510.3(o), 7-1006, 7-1007, 7-1201(g), 7-1216(b), and 7-1220

Annotated Code of Maryland
(2025 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – Public Utilities
Section 7-207(g), 7-216.1(a)(1) and (5) and (c), 7-221, 7-306(a)(1), (4), and (7), 7-505(b)(1), 7-1201(a), and 7-1216(a)

Annotated Code of Maryland
(2025 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 13-217
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 13-218(a)(2)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY adding to

Article – State Finance and Procurement
Section 13-218(f)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

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BY repealing and reenacting, without amendments,

Article – State Government
Section 9–20B–01(a) and (b) and 9–20B–05(a)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government
Section 9–20B–05(f), (g), and (i)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY adding to

Article – State Government
Section 9–20B–05(n); and 9–20E–01 and 9–20E–02 to be under the new subtitle
“Subtitle 20E. Alternative Compliance Fee Auctions”
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Chapter 623 of the Acts of the General Assembly of 2025
Section 4

BY repealing and reenacting, with amendments,

Chapter 624 of the Acts of the General Assembly of 2025
Section 4”.

AMENDMENT NO. 2

On page 2, after line 6, insert:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That Section(s) 5–5A–08 through 5–5A–10 of Article – Human Services

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of the Annotated Code of Maryland be renumbered to be Section(s) 5-5A-09 through 5-5A-11, respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7-512.1 of Article – Public Utilities of the Annotated Code of Maryland be transferred to be Section(s) 5-5A-08 of Article – Human Services of the Annotated Code of Maryland.

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

Article – Housing and Community Development

2-102.

(a) The Department shall:

(10) develop and implement a weatherization program in accordance with Title 4 of this article and administer the low-income weatherization component of the electric universal service program in accordance with [§ 7-512.1 of the Public Utilities Article] § 5-5A-08 OF THE HUMAN SERVICES ARTICLE.

Article – Human Services

5-101.

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

(b) “Administration” means the Family Investment Administration.

(c) “Department” means the Department of Human Services.

5-5A-01.

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

(B) “COMMISSION” MEANS THE PUBLIC SERVICE COMMISSION.

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[(b)] (C) “Energy emergency” means a lack of fuel or the imminent discontinuation of energy services supplied by a fuel vendor or utility vendor that will endanger health, safety, or welfare.

[(c)] (D) “Fuel vendor” means a person that distributes, transports, produces, or offers for sale coal products, fuel oil, kerosene, bottled gas, propane, or wood for fuel use or consumption in the State.

[(d)] (E) “Office” means the Office of Home Energy Programs.

[(e)] (F) “Program” means the Energy Assistance Program.

[(f)] (G) “Utility vendor” means a person that distributes, transports, or produces natural gas or electricity for use or consumption in the State.

5-5A-02.

There is an Office of Home Energy Programs in the Administration.

5-5A-03.

The purpose of the Office is to carry out this subtitle.

5-5A-08.

(a) (1) (I) [The Commission shall establish] **THERE IS** an electric universal service program [to assist electric customers with annual incomes at or below 200% of the federal poverty level] **IN THE OFFICE.**

(II) **THE OFFICE SHALL IMPLEMENT AND ADMINISTER THE ELECTRIC UNIVERSAL SERVICE PROGRAM.**

(III) **THE PURPOSE OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM IS TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW 200% OF THE FEDERAL POVERTY LEVEL.**

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(2) The components of the electric universal service program shall include:

(i) bill assistance;

(ii) low-income residential weatherization; and

(iii) the retirement of arrearages for electric customers who have not received assistance in retiring arrearages under the **ELECTRIC** universal service program within the preceding 5 fiscal years.

(3) The Department of Housing and Community Development is responsible for administering the low-income residential weatherization component of the electric universal service program.

(4) [(i) The Department of Human Services, through the Office of Home Energy Programs, is responsible for administering the bill assistance and the arrearage retirement components of the electric universal service program.

[(ii) The [Department of Human Services] **OFFICE** may:

[1.] **(I)** establish minimum and maximum benefits available to an electric customer under the bill assistance and arrearage retirement components; and

[2.] **(II)** coordinate benefits under the electric universal service program with benefits under the Maryland Energy Assistance Program and other available energy assistance programs.

(5) The [Department of Human Services] **OFFICE** may, with input from a panel or roundtable of interested parties, contract to assist in administering the bill assistance and the arrearage retirement components of the electric universal service program.

(6) The Commission has oversight responsibility for the bill assistance and the arrearage retirement components of the electric universal service program and any other funds expended under this section.

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(7) In a specific case, the electric universal service program may waive the income eligibility limitation under paragraph (1) of this subsection in order to provide assistance to an electric customer who would qualify for a similar waiver under [the Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human Services Article] ANOTHER PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

(8) (i) If an applicant for bill assistance or arrearage retirement is to be denied due to deficient documentation, the [Department of Human Services] OFFICE shall:

1. promptly provide notice of the deficiency to the applicant; and

2. afford the applicant ample opportunity of not less than 3 months to cure the deficiency.

(ii) An electric company may not begin the process to terminate service to an applicant while the applicant is curing a deficiency under this paragraph.

(9) Notwithstanding paragraph (2)(iii) of this subsection, any assistance received for arrearage retirement by a customer in calendar years 2020 and 2021 may not be counted toward the limitation on the number of times the customer may receive assistance for arrearage retirement.

(b) (1) All customers shall contribute to the funding of the electric universal service program through a charge collected by each electric company.

(2) The Commission shall determine a fair and equitable allocation for collecting the charges among all customer classes pursuant to subsection (e) of this section.

(3) Except as provided in paragraph (4) of this subsection, in accordance with subsection (f)(6) of this section, any unexpended bill assistance and arrearage retirement funds returned to customers under subsection (f) of this section shall be returned to each customer class as a credit in the same proportion that the customer class contributed charges to the fund.

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(4) The Department [of Human Services] shall expend any unexpended bill assistance and arrearage funds that were collected in fiscal years 2010 through 2017, in excess of the total amount authorized under subsection (e) of this section, for one or more of the following purposes:

(i) bill assistance and the retirement of arrearages for customers who are eligible to receive assistance at the time services are provided;

(ii) targeted and enhanced low-income residential weatherization designed to remediate households that are considered ineligible to participate in other State energy efficiency programs due to significant health and safety hazards;

(iii) an arrearage management program for low-income customers in arrears, including providing credits or matching payments for customers who make timely payments on current bills; or

(iv) an arrearage prevention program for low-income customers.

(5) An electric company shall recover electric universal service program costs in accordance with § 7-512 of [this subtitle] **THE PUBLIC UTILITIES ARTICLE**.

(6) As determined by the Office [of Home Energy Programs], bill assistance payments to an electric company may be on a monthly basis for each customer.

(7) The Commission shall determine the allocation of the electric universal service charge among the generation, transmission, and distribution rate components of all classes.

(8) The Commission may not assess the electric universal service surcharge on a per kilowatt-hour basis.

(c) (1) On or before January 1 of each year, the Commission shall report, subject to § 2-1257 of the State Government Article, to the General Assembly on the electric universal service program, including:

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(i) subject to subsection (e) of this section, a recommendation on the total amount of funds for the ELECTRIC UNIVERSAL SERVICE program for the following fiscal year based on:

1. the level of participation in and the amounts expended on bill assistance and arrearage retirement during the preceding fiscal year;

2. how bill assistance and arrearage retirement payments were calculated during the preceding fiscal year;

3. the projected needs for the bill assistance and the arrearage retirement components for the next fiscal year; and

4. the amount of any bill assistance or arrearage retirement surplus carried over in the electric universal service program fund under subsection (f)(6)(i) of this section;

(ii) for bill assistance, the total amount of need, as determined by the Commission, for electric customers with annual incomes at or below 175% of the federal poverty level and the basis for this determination;

(iii) the amount of funds needed, as determined by the Commission, to retire arrearages for electric customers who have not received assistance in retiring arrearages under the electric universal service program within the preceding 7 fiscal years, and the basis for this determination;

(iv) the amount of funds needed, as determined by the Commission, for bill assistance and arrearage retirement, respectively, for customers for whom income limitations may be waived under subsection (a)(7) of this section, and the basis for each determination;

(v) the impact on customers' rates, including the allocation among customer classes, from collecting the total amount recommended by the Commission under item (i) of this paragraph; and

(vi) the impact of using other federal poverty level benchmarks on costs and the effectiveness of the electric universal service program.

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(2) (i) To assist the Commission in preparing its recommendations under paragraph (1) of this subsection, the Office [of Home Energy Programs] shall report to the Commission each year on:

1. the number of customers and the amount of distributions made to fuel customers under the Maryland Energy Assistance Program established under [Title 5, Subtitle 5A of the Human Services Article] THIS SUBTITLE, identified by funding source and fuel source;

2. the cost of outreach and education materials provided by the Office [of Home Energy Programs] for the electric universal service program; and

3. the amount of money that the Department [of Human Services] receives, and is projected to receive, for low-income energy assistance from:

A. the Maryland Strategic Energy Investment Fund under § 9-20B-05 of the State Government Article;

B. with respect to electric customers only, the Maryland Energy Assistance Program; and

C. any other federal, State, local, or private source.

(ii) The Office [of Home Energy Programs] may satisfy the reporting requirement of subparagraph (i)1 of this paragraph by providing the Commission with a copy of material that contains the required information and that the Office [of Home Energy Programs] submits to the federal government.

(iii) The Commission shall include the information provided by the Office [of Home Energy Programs] under subparagraph (i) of this paragraph in its report to the General Assembly under paragraph (1) of this subsection.

(3) Subject to subsection (d)(2) of this section, the Commission shall include the information provided by the Department of Housing and Community Development under subsection (d)(1) of this section in its report to the General Assembly under paragraph (1) of this subsection.

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(4) The electric universal service program shall be subject to audit by the Office of Legislative Audits in accordance with §§ 2-1220 through 2-1227 of the State Government Article.

(d) (1) On or before January 1 of each year, the Department of Housing and Community Development shall report, in accordance with § 2-1257 of the State Government Article, to the General Assembly on the low-income residential weatherization component of the electric universal service program, including:

(i) the amount of funds expended during the preceding fiscal year;

(ii) the level of participation during the preceding fiscal year, including the number of households served in each area of the State; and

(iii) the types of projects, including the average cost per unit, provided to households during the preceding fiscal year.

(2) The Department of Housing and Community Development may satisfy the reporting requirement under paragraph (1) of this subsection by requesting the Commission to include the information in the Commission's report required under subsection (c) of this section and providing the information to the Commission by the date specified by the Commission.

(e) The total amount of funds to be collected for the electric universal service program each year shall be \$37 million, allocated in the following manner:

(1) \$27.4 million shall be collected from the industrial and commercial classes; and

(2) \$9.6 million shall be collected from the residential class.

(f) (1) In this subsection, "fund" means the electric universal service program fund.

(2) There is an electric universal service program fund.

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(3) (i) 1. The Comptroller shall collect the revenue collected by electric companies under subsection (b) of this section and place the revenue into the fund.

2. The General Assembly may appropriate funds supplemental to the funds collected under subparagraph 1 of this subparagraph.

(ii) The fund is a continuing, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(iii) The purpose of the fund is to assist electric customers as provided in subsection (a)(1) of this section.

(4) The Department [of Human Services], with oversight by the Commission, shall disburse the bill assistance and arrearage retirement funds in accordance with the provisions of this section.

(5) The Comptroller annually shall disburse up to \$1,000,000 of low-income residential weatherization funds to the Department of Housing and Community Development, as provided in the State budget.

(6) (i) At the end of a given fiscal year, any unexpended bill assistance and arrearage retirement funds that were collected for that fiscal year shall be retained in the fund and shall be made available for disbursement through the first 6 months of the next fiscal year to customers who:

- fiscal year;
1. qualify for assistance from the fund during the given
- given fiscal year; and
2. apply for assistance from the fund before the end of the
 3. remain eligible for assistance at the time services are
- provided.

(ii) If the Commission determines that an extension is needed, the Commission may extend up to an additional 6 months the period in which

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unexpended bill assistance and arrearage retirement funds may be made available for disbursement under subparagraph (i) of this paragraph.

(iii) 1. Any bill assistance and arrearage retirement funds collected for a given fiscal year that are retained under subparagraph (i) of this paragraph and that remain unexpended at the end of the period allowed under subparagraphs (i) and (ii) of this paragraph shall be returned to each customer class in the proportion that the customer class contributed charges to the fund for the given fiscal year in the form of a credit toward the charge assessed in the following fiscal year.

2. If the Commission determines that it is impractical to establish a rate credit for the amount to be returned for a given fiscal year to customers under subparagraph 1 of this subparagraph, the Commission:

A. may defer the return for not more than 2 additional fiscal years; and

B. shall combine the returned amount for that fiscal year with amounts to be returned for the following fiscal years when calculating the rate credit for the final fiscal year of the period.

(g) (1) If a party to a merger or acquisition of an electric company or an affiliate of an electric company is required to distribute a credit to the customers in the electric company's service territory under an agreement with the Commission in connection with the merger or acquisition, the Commission shall consider the adequacy of the current funding of the electric universal service program in providing assistance to customers who qualify under this section.

(2) Any funds deposited into the electric universal service program fund as a result of an agreement with the Commission in connection with a merger or acquisition of an electric company or an affiliate of an electric company are in addition to, and may not substitute for, funds collected under subsection (e) of this section.

(h) (1) An arrearage prevention program under subsection (b)(4)(iv) of this section is intended to prevent or reduce arrearages for low-income customers who have participated in a low-income residential weatherization program.

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(2) (i) The ARREARAGE PREVENTION program is intended as a one-time grant of money to establish ongoing arrearage prevention activities in the State.

(ii) The Department [of Human Services], in consultation with the Commission, will select for the ARREARAGE PREVENTION program up to two public or private entities as program recipients to administer the program.

(iii) At least one ARREARAGE PREVENTION program recipient must primarily serve customers in a major urban area of the State.

(3) [A] AN ARREARAGE PREVENTION program recipient must demonstrate significant efforts to:

(i) secure additional private investment in rooftop solar installation, including the use of ARREARAGE PREVENTION program money for credit enhancement, direct project support, or support for program recipients and customers; and

(ii) provide employment in solar installation to unemployed and underemployed individuals, with preference for those who reside in the local jurisdiction where the installations will occur.

(4) The ARREARAGE PREVENTION program may include the installation of rooftop solar electricity generation equipment after energy efficiency measures at the residential property have been completed.

Article – Local Government

1-1320.

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

(2) “Administration” means the Maryland Energy Administration.

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(3) “Residential energy storage system” means a system, on a residential customer’s side of the meter, used to store electrical energy, or mechanical, chemical, or thermal energy that was once electrical energy, for use as electrical energy at a later date or in a process that offsets electricity use at peak times.

(4) “Residential solar energy system” means any configuration of solar energy devices that collects and distributes solar energy for the purpose of generating electricity and that has a single residential interconnection with the electrical grid.

(5) “SOLAR PERMITTING FEE” MEANS A FEE EQUAL TO THE SUM OF ALL CHARGES IMPOSED BY A COUNTY OR MUNICIPALITY, INCLUDING CHARGES IMPOSED BY A PROVIDER OF SOLAR PERMITTING SOFTWARE, IN CONNECTION WITH AN APPLICATION FOR A RESIDENTIAL SOLAR ENERGY SYSTEM.

(6) “Solar permitting software” means[:

(i) the most recent version of a web-based platform, developed by the National Renewable Energy Laboratory, that provides a standard portal for receiving and processing residential solar energy system and residential energy storage system permit information; or

(ii) automated software that functions to support the tracking and approval of residential building permits for residential solar energy systems, residential energy storage systems, main electrical panel upgrades, and main electrical panel devices] **SOFTWARE OR A COMBINATION OF SOFTWARE THAT:**

(I) AUTOMATES PLAN REVIEW FOR RESIDENTIAL SOLAR ENERGY SYSTEMS TO THE MOST RECENT VERSION OF, AS APPLICABLE:

1. THE MARYLAND BUILDING PERFORMANCE STANDARDS;

2. THE NATIONAL ELECTRICAL CODE, INCLUDING LEGALLY ADOPTED LOCAL AMENDMENTS; AND

3. THE STATE FIRE PREVENTION CODE;

(II) PRODUCES CODE-COMPLIANT APPROVALS;

(III) ISSUES A CODE-COMPLIANT PERMIT;

(IV) ACCEPTS ONLINE PAYMENTS FOR ANY PERMITTING FEES IMPOSED; AND

(V) ISSUES PERMITS OR PERMIT REVISIONS IMMEDIATELY ON RECEIPT OF ONLINE SUBMISSION OF PERMITTING FEE PAYMENTS, IF APPLICABLE.

(b) This section applies to all counties and municipalities.

(c) (1) Subject to subsection (d) of this section and except as provided in subsection (e) of this section, on or before August 1, [2025] 2027, each county and municipality shall implement solar permitting software for features supporting the [tracking] APPLICATION SUBMISSION, TRACKING, and approval of residential building permits for:

[(1)] (I) residential solar energy systems;

[(2)] (II) residential energy storage systems;

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~~[(3)] (III) main electrical panel upgrades; and~~

~~[(4)] (IV) main electrical panel derates.~~

~~(2) (I) A COUNTY OR MUNICIPALITY SHALL:~~

~~1. COMPLETE A REMOTE OR IN-PERSON INSPECTION REQUIRED FOR A PROJECT PERMITTED BY SOLAR PERMITTING SOFTWARE WITHIN 5 BUSINESS DAYS AFTER RECEIVING A PROPERLY COMPLETED REQUEST FOR INSPECTION; AND~~

~~2. MAKE PUBLICLY AVAILABLE FOR THE MOST RECENT PREVIOUS QUARTER FOR WHICH DATA IS AVAILABLE THE AVERAGE INSPECTION TIME FOR PROJECTS PERMITTED BY SOLAR PERMITTING SOFTWARE.~~

~~(II) BEGINNING JULY 1, 2028, IF A COUNTY OR MUNICIPALITY HAS HAD AN AVERAGE IN-PERSON INSPECTION TIME THAT IS GREATER THAN 5 BUSINESS DAYS, BASED ON THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, THE COUNTY OR MUNICIPALITY SHALL MAKE AVAILABLE AN OPTION FOR REMOTE INSPECTION THAT IS CAPABLE OF PROVIDING INSPECTION WITHIN 5 BUSINESS DAYS AFTER RECEIPT OF A REQUEST FOR AN IN-PERSON INSPECTION.~~

~~(III) A COUNTY OR MUNICIPALITY USING REMOTE INSPECTION IN ACCORDANCE WITH THIS SECTION MAY REQUIRE THIRD-PARTY CERTIFICATION THAT THE PROJECT HAS BEEN INSTALLED IN ACCORDANCE WITH APPLICABLE STATE AND LOCAL CODES.~~

(3) A COUNTY OR MUNICIPALITY WITH AUTHORITY OVER PERMITTING A RESIDENTIAL SOLAR ENERGY SYSTEM MAY PERFORM, AT THE COUNTY'S OR MUNICIPALITY'S DISCRETION, AN IN-PERSON INSPECTION FOR A PERMIT APPLICATION SUBMITTED THROUGH SOLAR PERMITTING SOFTWARE:

(I) IF REMOTE INSPECTION IS UNABLE TO BE COMPLETED;

(II) ON REQUEST OR CONCERN OF AN INSPECTOR;

(III) IF SUFFICIENT DATA IS NOT AVAILABLE TO EVALUATE THE PERMIT APPLICATION; OR

(IV) IF A DOCUMENTED HEALTH OR SAFETY ISSUE EXISTS.

(4) REVIEW OF A PERMIT APPLICATION TO INSTALL A RESIDENTIAL SOLAR ENERGY GENERATING SYSTEM THAT IS SUBMITTED USING SOLAR PERMITTING SOFTWARE SHALL BE LIMITED TO A DETERMINATION WHETHER THE APPLICATION MEETS ALL HEALTH AND SAFETY REQUIREMENTS UNDER STATE AND LOCAL LAW.

(5) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COUNTY OR MUNICIPALITY USING SOLAR PERMITTING SOFTWARE MAY CONDUCT A MANUAL REVIEW OF SOFTWARE-APPROVED PERMITS TO:

1. PERFORM QUALITY-ASSURANCE AUDITS;

2. REVIEW SUBMISSIONS FLAGGED BY THE SOFTWARE;

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3. REVIEW PERMIT APPLICATIONS SUBMITTED BY A PERSON THAT HAS REPEATEDLY FAILED TO OBTAIN REQUIRED PERMITS OR REPEATEDLY FAILED TO PASS PERMIT INSPECTIONS;

4. CONSIDER PERMIT APPLICATIONS WITH NONSTANDARD STRUCTURAL CONDITIONS; OR

5. ADDRESS DOCUMENTED PUBLIC SAFETY CONCERNS.

(II) MANUAL REVIEW OF SOFTWARE-APPROVED PERMITS SHALL BE COMPLETED WITHIN 5 BUSINESS DAYS AFTER THE PERMIT IS APPROVED.

(6) (I) THIS PARAGRAPH APPLIES ONLY TO A RESIDENTIAL SOLAR ENERGY SYSTEM:

1. THAT IS OR WILL BE INSTALLED ON A RESIDENTIAL ROOFTOP; AND

2. WITH A GENERATING CAPACITY OF LESS THAN 30 KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER.

(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, BEGINNING AUGUST 1, 2027, A COUNTY OR MUNICIPALITY MAY NOT SET A PERMITTING FEE FOR PERMITS ISSUED BY SOLAR PERMITTING SOFTWARE THAT EXCEEDS \$500 FOR RESIDENTIAL SOLAR ENERGY SYSTEMS.

(III) A THIRD-PARTY PAYMENT PROCESSING CHARGE MAY BE ASSESSED FOR PERMITS ISSUED BY SOLAR PERMITTING SOFTWARE IN ADDITION TO THE MAXIMUM PERMITTING FEE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(7) AN INSPECTOR MAY REVIEW CONSTRUCTION DOCUMENTS THAT ARE PRODUCED BY THE SOLAR PERMITTING SOFTWARE.

(d) A county or municipality may not be required to comply with the requirements of subsection (c) of this section if:

(1) the county or municipality does not require a permit for:

(i) residential solar energy systems; or

(ii) residential solar energy systems paired with a residential solar energy storage system; or

(2) as determined by the Administration, the automated software is no longer updated or maintained.

(e) The Administration shall delay the initial implementation or suspend the requirements of subsection (c) of this section if there are insufficient State or federal funds available to the Administration to provide financial support to a county or municipality implementing solar permitting software as defined in subsection (a)(5)(i) of this section.

(F) AN ELECTRIC COMPANY, OTHER THAN A MUNICIPAL ELECTRIC UTILITY OR A THIRD-PARTY CONTRACTOR FOR THE ELECTRIC COMPANY, SHALL PERFORM ANY METER DISCONNECTION AND RECONNECTION NECESSARY FOR THE INTERCONNECTION OF A RESIDENTIAL SOLAR ENERGY SYSTEM,

(Over)

RESIDENTIAL ENERGY STORAGE SYSTEM, OR BOTH, WITHIN 5 BUSINESS DAYS AFTER RECEIVING A PROPERLY COMPLETED REQUEST FROM THE OWNER OR INSTALLER OF THE SYSTEM.

(G) THE ATTORNEY GENERAL MAY SEEK JUDICIAL ENFORCEMENT AGAINST A COUNTY OR MUNICIPALITY THAT FAILS TO COMPLY WITH THIS SECTION.

Article – Natural Resources

3–302.

(a) (1) There is an Environmental Trust Fund.

(2) (i) For the purpose of this subtitle, there is established as an added cost of electricity distributed to retail electric customers within the State, an environmental surcharge per kilowatt hour of electric energy distributed in the State to be paid by any electric company as defined in § 1–101 of the Public Utilities Article.

(ii) The Public Service Commission shall impose the surcharge per kilowatt hour of electric energy distributed to retail electric customers within the State and shall authorize the electric companies to add the full amount of the surcharge to retail electric customers' bills.

(iii) To the extent that the surcharge is not collected from retail electric customers, the surcharge shall be deemed a cost of distribution and shall be allowed and computed as such, together with other allowable expenses, for rate-making purposes.

(iv) Revenues from the surcharge shall be collected by the Comptroller and placed in the Fund.

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(b) (1) (i) The Secretary, in consultation with the Director of the Maryland Energy Administration, annually shall coordinate the preparation of a budget required to carry out the provisions of this subtitle.

(ii) On approval of the budget by the General Assembly, the Public Service Commission shall establish the amount of the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each subsequent fiscal year.

(2) Notwithstanding any other provisions of this subtitle, the amount of the surcharge for each account for each retail electric customer may not exceed the lesser of 0.15 mill per kilowatt hour or \$1,000 per month and the surcharge may not continue beyond fiscal year 2030.

(3) (i) The Comptroller shall maintain the method of collection of the surcharge from the companies and the collections shall accrue to the Fund.

(ii) The Department shall credit against the amount required to be paid into the Environmental Trust Fund by each electric company an amount equal to 0.75% of the total surcharge attributed to each company on the basis of the electricity distributed within Maryland.

(c) (1) (i) The Secretary shall administer the Fund.

(ii) The Fund is subject to the provisions for financial management and budgeting established by the Department of Budget and Management.

(iii) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(iv) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

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(v) Except as provided in paragraph (2) of this subsection, the money in the Fund shall be used to carry out the provisions of this subtitle as provided for in the budget.

(vi) For the purposes of this subtitle, the Secretary, in consultation with the Director of the Maryland Energy Administration, may execute appropriate contracts with any State or federal agency, research organization, industry, or academic institution to conduct the necessary research, construct or acquire, or both, real property including physical predictive models, laboratories, buildings, land, and appurtenances, or support the technological development of extraordinary systems related to power plants designed to minimize environmental impact.

(vii) The Secretary may utilize available expertise in any other State unit in the development, execution, and management of contracts and agreements on projects relating to their areas of prime responsibility.

(2) Money in the Fund may be used for administrative costs calculated in accordance with § 1-103(b)(2) of this article.

(d) [(1) The Maryland Energy Administration shall receive administrative and fiscal support from the Fund for studies relating to the conservation or production of electric energy.

(2) Fiscal support to the Maryland Energy Administration from the Fund may not exceed \$250,000 in any fiscal year.

(3) The Chesapeake Bay Trust shall receive \$375,000 from the Fund each fiscal year for the purpose of funding energy conservation projects through the Thomas V. Mike Miller, Jr., Chesapeake Conservation and Climate Corps Program, as provided under §§ 8-1913 through 8-1924 of this article.

(e) The Legislative Auditor may conduct post audits of a fiscal and compliance nature of the Fund and of the appropriations and expenditures made for the purposes of this subtitle. The cost of the fiscal portion of the post audit examinations shall be an operating cost of the Fund.

Article – Public Utilities

2-124.

(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE COMMISSION:

(1) INCORPORATE KEYWORD SEARCH FUNCTIONALITY FOR, AT A MINIMUM, MATERIALS PUBLISHED ON THE COMMISSION’S WEBSITE ON AND AFTER JULY 1, 2026, INCLUDING KEYWORD SEARCH FUNCTIONALITY WITHIN:

(I) THE CASE AND MAILLOG SEARCH;

(II) EACH CASE;

(III) EACH RULEMAKING;

(IV) EACH PUBLIC CONFERENCE TRANSCRIPT; AND

(V) TO THE EXTENT PRACTICABLE, EACH PUBLICATION; AND

(2) DEVELOP A LANDING PAGE TEMPLATE FOR MAJOR PROCEEDINGS, INCLUDING RATE CASES, THAT VISUALLY TRACKS THE MAJOR PROCEEDING THROUGH EACH STEP OF THE PROCESS.

(Over)

(B) THE COMMISSION, IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION AND THE POWER PLANT RESEARCH PROGRAM, SHALL DEVELOP DASHBOARDS TO TRACK PROGRESS TOWARD MAJOR STATE ENERGY PROGRAMS AND GOALS UNDER COMMISSION OVERSIGHT, INCLUDING:

(1) NET ENERGY METERING; AND

(2) THE STATEWIDE ENERGY STORAGE GOAL UNDER § 7-216.1 OF THIS ARTICLE.

4-203.1.

(A) (1) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY THAT IS AN INVESTOR-OWNED ELECTRIC COMPANY, A GAS COMPANY, OR A COMBINATION GAS AND ELECTRIC COMPANY.

(2) THIS SECTION DOES NOT APPLY TO A MUNICIPAL ELECTRIC UTILITY OR AN ELECTRIC COOPERATIVE.

(B) IN ADDITION TO THE REQUIREMENTS SET FORTH IN § 4-203 OF THIS SUBTITLE, A PUBLIC SERVICE COMPANY MAY NOT INITIATE A PROCEEDING THAT MAY LEAD TO A RATE CHANGE UNLESS THE PUBLIC SERVICE COMPANY:

(1) NOTIFIES CUSTOMERS, THROUGH A BILL INSERT OR SEPARATE E-MAIL AND IN A FORM AND MANNER APPROVED THE COMMISSION:

(I) THAT THE PUBLIC SERVICE COMPANY IS INITIATING A PROCEEDING THAT MAY LEAD TO A RATE CHANGE; AND

(II) THAT INFORMATION ABOUT THE PROCEEDING IS OR WILL BE AVAILABLE ON THE COMMISSION’S WEBSITE; AND

(2) INCLUDES IN THE BILL INSERT OR SEPARATE E-MAIL REQUIRED UNDER ITEM (1) OF THIS SUBSECTION THE PORTION OF THE ANNUAL RATE REPORT PUBLISHED UNDER SUBSECTION (D) OF THIS SECTION THAT PERTAINS TO THE PUBLIC SERVICE COMPANY INITIATING THE PROCEEDING.

(C) A PUBLIC SERVICE COMPANY SHALL INCLUDE IN EACH RETAIL CUSTOMER’S BILL AND AUTOMATIC PAYMENT E-MAIL THE FOLLOWING STATEMENT:

“THE MARYLAND GENERAL ASSEMBLY ESTABLISHED THE PUBLIC SERVICE COMMISSION TO REGULATE PUBLIC SERVICE COMPANIES DOING BUSINESS IN MARYLAND, TO ENSURE THEIR ACTIVITIES ARE CONSISTENT WITH THE PUBLIC INTEREST. FOR INFORMATION ON HOW TO PARTICIPATE IN OR OBSERVE A PROCEEDING BEFORE THE PUBLIC SERVICE COMMISSION, PLEASE VISIT THE PUBLIC SERVICE COMMISSION’S WEBSITE.”.

(D) (1) ON OR BEFORE JANUARY 1, 2028, AND EACH JANUARY 1 THEREAFTER, THE COMMISSION, IN CONSULTATION WITH THE OFFICE OF PEOPLE’S COUNSEL, SHALL DEVELOP AND PUBLISH ON ITS WEBSITE AN ANNUAL RATE REPORT FOR EACH PUBLIC SERVICE COMPANY OPERATING IN THE STATE.

(2) THE ANNUAL RATE REPORT SHALL EXPLAIN, IN NONTECHNICAL TERMS, THE OBSERVED RATE TRENDS FOR EACH PUBLIC SERVICE COMPANY, INCLUDING:

(I) A VISUAL GRAPHIC DEPICTING THE 10-YEAR RATE CHANGE TREND BY YEAR;

(II) IDENTIFYING COSTS ASSOCIATED WITH TRANSMISSION, DISTRIBUTION, AND STANDARD-OFFER OR COMMODITY SERVICE; AND

(III) ACCOUNTING FOR ALL CUSTOMER BILL LINE ITEMS, INCLUDING RATE RIDERS.

(3) ON OR BEFORE MARCH 1, 2028, AND EACH MARCH 1 THEREAFTER, A PUBLIC SERVICE COMPANY SHALL:

(I) POST THE ANNUAL RATE REPORT ON THE PUBLIC SERVICE COMPANY'S WEBSITE; AND

(II) PROVIDE TO EACH RETAIL CUSTOMER, THROUGH A BILL INSERT OR SEPARATE E-MAIL, A LINK TO THE ANNUAL RATE REPORT.

(4) THE OFFICE OF PEOPLE'S COUNSEL SHALL BRING A CASE TO THE COMMISSION IF THE OFFICE DETERMINES THAT AN ANNUAL RATE REPORT PUBLISHED BY THE COMMISSION INCLUDES INCORRECT OR MISLEADING INFORMATION.

4-212.

- (a) (1) In this section the following words have the meanings indicated.
- (2) "Contract capacity" means the amount of monthly peak load requirements:

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(i) that is mutually agreed to by an electric company and a large load customer for each month remaining in a contract term after the load ramp period has ended; and

(ii) for which:

1. the electric company agrees to provide all of the components of retail electric service subject to the terms and conditions in its tariffs; and

2. the large load customer agrees to purchase service at that load level for the stated term of the contract and under the same terms and conditions as those stated in the contract.

(3) “Large load customer” means a commercial or industrial customer for retail electric service that:

(i) has or is projected to have an aggregate monthly demand of at least [100] 25 megawatts; and

(ii) has or is projected to have a load factor of over [80%] 75%.

(4) “Load ramp period” means the period of time from commencement of service until a large load customer’s billing calculation is based on the full contract capacity.

(b) It is the intent of the General Assembly that residential retail electric customers in the State should not bear the financial risks associated with large load customers interconnecting to the electric system serving the State.

(c) (1) (i) On or before September 1, 2026, each investor-owned electric company and each electric cooperative shall submit to the Commission for approval a

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specific rate schedule for large load customers that accomplishes the intent of subsection (b) of this section.

(ii) Each municipal electric utility that receives an application for retail electric service from a large load customer shall submit to the Commission for approval a specific rate schedule for large load customers.

(2) (i) Service under a specific rate schedule shall be available to large load customers that will use, within the initial contract term:

1. a monthly maximum demand of more than [100] 25 megawatts at a single location; or

2. an aggregated contract capacity in the electric company's service territory of more than [100] 25 megawatts.

(ii) Except as provided in subparagraph (iii) of this paragraph, large load customers that qualify for a specific rate schedule after the effective date of that schedule:

1. shall take service under the specific rate schedule; and
2. may not be allowed to take service under any other existing schedule.

(iii) A specific rate schedule does not apply to:

1. the facility of an existing large load customer that has signed a service agreement before the effective date of the schedule if:

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[1.] A. the large load customer's existing load does not expand by more than 25 megawatts at that facility under the existing service agreement; or

[2.] B. the large load customer does not sign a new service agreement to expand the facility's load by more than 25 megawatts above the contract capacity of the existing service agreement; OR

2. ELECTRIFIED THERMAL ENERGY GENERATION ASSETS INTERCONNECTED WITH A DISTRICT ENERGY SYSTEM IF, AS DETERMINED BY THE COMMISSION, THE OPERATIONAL CHARACTERISTICS OF THE GENERATION ASSETS DO NOT POSE A MATERIAL RELIABILITY RISK.

(d) In making a determination on whether to approve a specific rate schedule submitted under subsection (c) of this section, the Commission shall consider whether the rate schedule:

(1) requires a large load customer to cover the just and reasonable costs associated with any electric transmission or distribution system buildout required to:

(i) interconnect the large load customer to the electric system serving the State; or

(ii) serve the large load customer;

(2) protects residential retail electric customers from the financial risks associated with large load customers through the use of:

(i) load ramp periods;

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(ii) minimum billing demand for electric distribution and transmission service that is a high percentage of a large load customer's contract capacity;

(iii) long-term contractual commitments and exit fees;

(iv) guarantee or collateral requirements; and

(v) penalties and reimbursement requirements for the large load customer if the large load customer delays or cancels a project after the electric company has begun buildout to accommodate the large load customer; and

(3) sufficiently ensures that the allocation of costs to large load customers under the schedule does not result in customers that are not large load customers unreasonably subsidizing the costs of large load customers under the schedule.

(e) Before signing a contract for service under a specific rate schedule submitted under subsection (c) of this section, a large load customer under the schedule is required to:

(1) submit a request for a load study to determine the necessary contract capacity for the large load customer and pay any applicable fees associated with the study;

(2) designate a specific site where the large load customer's project will be constructed and served by the electric company;

(3) own or have the exclusive right to use the land designated in item (2) of this subsection for the project; and

(4) meet any other requirements specified under the rate schedule.

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(f) (1) On or before June 1, 2026, the Commission shall adopt regulations to carry out this section.

(2) The regulations shall:

(i) establish minimum notice requirements and deadlines related to load study requests and contract terminations and adjustments;

(ii) if considered necessary by the Commission, specify common forms of acceptable collateral to satisfy the requirements of this section; and

(iii) establish deadlines related to completion of load studies and payment of fees.

(G) (1) THIS SUBSECTION APPLIES ONLY TO A DATA CENTER, AS DEFINED IN § 11-239 OF THE TAX – GENERAL ARTICLE, THAT IS A LARGE LOAD CUSTOMER.

(2) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A DATA CENTER THAT LOCATES IN THE STATE ON OR AFTER JULY 1, 2026:

(I) HIRE, TO THE MAXIMUM EXTENT POSSIBLE, IN-STATE WORKERS FOR CONSTRUCTION AND ONGOING OPERATIONS;

(II) PROVIDE SIGNIFICANT INTERCONNECTION CAPACITY FOR THE DATA CENTER'S LOAD THROUGH:

1. BEHIND-THE-METER ENERGY STORAGE;

2. PURCHASING CAPACITY WITH NEWLY INTERCONNECTED ENERGY STORAGE FACILITIES WITHIN THE LOAD ZONE OR LOCAL DELIVERY AREA;

(Over)

3. PURCHASING CAPACITY WITH NEW CARBON-FREE ASSETS WITHIN THE LOAD ZONE OR LOCAL DELIVERY AREA; AND

4. DEMAND RESPONSE;

(III) PROACTIVELY ENGAGE WITH LOCAL COMMUNITIES, LOCAL GOVERNMENTS, AND THE STATE DURING PLANNING, CONSTRUCTION, AND OPERATION OF THE DATA CENTER; AND

(IV) DEVELOP AND MAKE PUBLICLY AVAILABLE A WRITTEN PLAN FOR ACHIEVING ITEMS (I), (II), AND (III) OF THIS PARAGRAPH.

7-109.

(A) THIS SECTION DOES NOT APPLY TO AN ELECTRIC COOPERATIVE.

(B) A PERSON THAT OWNS OR OPERATES A TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000 VOLTS AND IS LOCATED IN THE STATE SHALL PARTICIPATE AS A MEMBER IN A REGIONAL TRANSMISSION ORGANIZATION.

7-207.

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

(2) “ADVANCED TRANSMISSION TECHNOLOGIES” MEANS:

(I) GRID-ENHANCING TECHNOLOGIES;

(II) HIGH PERFORMANCE CONDUCTORS; OR

(III) STORAGE AS A TRANSMISSION ASSET.

(3) “Brownfields site” means:

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(i) a former industrial or commercial site identified by federal or State laws or regulation as contaminated or polluted;

(ii) a closed landfill regulated by the Department of the Environment; or

(iii) mined land.

[(3)] (4) (i) “Construction” means:

1. any physical change at a site, including fabrication, erection, installation, or demolition; or

2. the entry into a binding agreement or contractual obligation to purchase equipment exclusively for use in construction in the State or to undertake a program of actual construction in the State which cannot be canceled or modified without substantial loss to the owner or operator of the proposed generating station.

(ii) “Construction” does not include a change that is needed for the temporary use of a site or route for nonutility purposes or for use in securing geological data, including any boring that is necessary to ascertain foundation conditions.

[(4)] (5) “Generating station” does not include:

(i) a generating unit or facility that:

1. is used for the production of electricity;

2. has the capacity to produce not more than 2 megawatts of alternating current; and

3. is installed with equipment that prevents the flow of electricity to the electric grid during time periods when the electric grid is out of service;

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(ii) a combination of two or more generating units or facilities that:

1. are used for the production of electricity from a solar photovoltaic system or an eligible customer-generator that is subject to the provisions of § 7-306 of this title;

2. are located on the same property or adjacent properties;

3. have the capacity to produce, when calculated cumulatively for all generating units or facilities on the property or adjacent property, more than 2 megawatts but not more than 14 megawatts of alternating current; and

4. for each individual generating unit or facility:

A. has the capacity to produce not more than 2 megawatts of alternating current;

B. is separately metered by the electric company; and

C. does not export electricity for sale on the wholesale market under an agreement with PJM Interconnection, LLC;

(iii) a generating unit or facility that:

1. is used for the production of electricity for the purpose of:

A. onsite emergency backup at a facility when service from the electric company is interrupted due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located; and

B. test and maintenance operations necessary to ensure functionality of the generating unit or facility in the event of a service interruption from the electric company due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located;

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2. is installed with equipment that prevents the flow of electricity to the electric grid;

3. is subject to a permit to construct issued by the Department of the Environment; and

4. is installed at a facility that is part of critical infrastructure if the facility complies with all applicable regulations regarding noise level and testing hours; or

(iv) a combination of two or more generating units or facilities that satisfy item (iii) of this paragraph.

[(5)] (6) (I) “GRID-ENHANCING TECHNOLOGY” MEANS HARDWARE OR SOFTWARE THAT INCREASES THE CAPACITY, EFFICIENCY, OR RELIABILITY OF EXISTING TRANSMISSION SYSTEMS.

(II) “GRID-ENHANCING TECHNOLOGY” INCLUDES:

1. A SYSTEM THAT USES REAL-TIME OR FORECASTED WEATHER AND OPERATING CONDITIONS TO DETERMINE THE TRANSFER CAPACITY OF TRANSMISSION SYSTEMS;

2. TECHNOLOGY THAT MODULATES CIRCUIT IMPEDANCE OR OTHER ELECTRICAL PROPERTIES TO REROUTE POWER FLOWS AND RELIEVE CONGESTION; AND

3. SOFTWARE THAT IDENTIFIES SWITCHING CONFIGURATIONS TO REROUTE ELECTRICITY AND ALLEVIATE TRANSMISSION CONSTRAINTS.

(7) “HIGH PERFORMANCE CONDUCTORS” MEANS CONDUCTORS, INCLUDING ADVANCED STEEL CORE CONDUCTORS, CARBON FIBER AND COMPOSITE CORE CONDUCTORS, AND SUPERCONDUCTORS, THAT, COMPARED TO TRADITIONAL ALUMINUM-CONDUCTOR STEEL-REINFORCED CONDUCTORS:

(Over)

(I) HAVE A SIMILAR DIAMETER AND WEIGHT; AND

(II) 1. HAVE A DIRECT CURRENT ELECTRICAL RESISTANCE THAT IS AT LEAST 10% LESS;

2. INCREASE THE POTENTIAL ENERGY CARRYING CAPACITY BY AT LEAST 75%; OR

3. HAVE A COEFFICIENT OF THERMAL EXPANSION THAT IS AT LEAST 30% LESS.

(8) (i) “Mined land” means the surface or subsurface of an area in which surface mining operations will be, are being, or have been conducted.

(ii) “Mined land” includes:

1. private ways and roads used for mining appurtenant to any surface mining area;

2. land excavations;

3. workings; and

4. overburden.

[(6)] (9) “Qualified generator lead line” means [an overhead] A transmission line [that is] AND ANY ASSOCIATED ADVANCED TRANSMISSION TECHNOLOGY designed to carry, OR SUPPORT THE CARRYING OF, a voltage in excess of 69,000 volts and would allow an out-of-state Tier 1 or Tier 2 renewable source to interconnect with a portion of the electric system in Maryland that is owned by an electric company.

(10) “STORAGE AS A TRANSMISSION ASSET” MEANS AN ENERGY STORAGE FACILITY THAT:

(I) IS PLANNED, OPERATED, AND RECOVERS COSTS AS A TRANSMISSION FACILITY THAT PROVIDES ONE OR MORE TRANSMISSION SERVICES, INCLUDING CONGESTION RELIEF, VOLTAGE SUPPORT, POWER-FLOW CONTROL, OR STABILITY UNDER ANY PJM TARIFFS AND APPLICABLE FERC ORDERS;

(II) EXCEPT AS AUTHORIZED FOR TRANSMISSION ASSETS, IS NOT DISPATCHED FOR WHOLESALE ENERGY STORAGE; AND

(III) IS ELIGIBLE FOR COST RECOVERY IN TRANSMISSION RATES.

(b) (3) (i) Except as provided in paragraph (4) of this subsection, unless a certificate of public convenience and necessity for the construction is first obtained from the Commission, a person may not begin construction of [an overhead] A transmission line that is designed to carry a voltage in excess of 69,000 volts or exercise a right of condemnation with the construction.

(ii) [For] SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR construction related to an existing [overhead] transmission line, the Commission may waive the requirement in subparagraph (i) of this paragraph for good cause.

(III) WHEN DETERMINING WHETHER TO WAIVE THE REQUIREMENT IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR GOOD CAUSE, THE COMMISSION SHALL CONSIDER:

1. THE COST OF THE CONSTRUCTION ON RATEPAYERS;

2. THE IMPACT OF THE CONSTRUCTION ON THE ENVIRONMENT; AND

3. ANY OTHER MATTER THE COMMISSION CONSIDERS APPROPRIATE.

(IV) AN APPLICANT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF A TRANSMISSION LINE SHALL INCLUDE IN ITS APPLICATION:

1. EVIDENCE THAT THE APPLICANT CONSIDERED, AS PART OF THE APPLICANT'S INTERNAL PLANNING PROCESS, ANY LOCAL, STATE, OR FEDERAL GOVERNMENT TRANSMISSION PLANNING PROCESSES AND ANY TRANSMISSION PLANNING PROCESSES REQUIRED BY PJM, INCLUDING:

A. ALTERNATIVES TO THE PROPOSED TRANSMISSION LINE;

B. AN ANALYSIS OF ADVANCED TRANSMISSION TECHNOLOGIES AND WHETHER THE USE OF THE TECHNOLOGIES WILL ADDRESS THE SAME NEED, IN WHOLE OR IN PART, MORE EFFICIENTLY OR COST-EFFECTIVELY THAN THE PROPOSED TRANSMISSION LINE;

C. ALTERNATIVE ROUTINGS;

D. TECHNOLOGIES OR MODIFICATIONS TO ONE OR MORE ELECTRIC DISTRIBUTION SYSTEMS IN THE STATE THAT ARE OWNED BY THE APPLICANT OR ITS AFFILIATES AND THAT COULD AVOID THE NEED FOR THE TRANSMISSION LINE;

E. THE COST TO RATEPAYERS;

F. RESOURCE ADEQUACY;

G. ENERGY EFFICIENCY AND DEMAND RESPONSE;

H. THE IMPACT OF THE PROJECT ON THE ENVIRONMENT;

I. A REVIEW OF ANY RELEVANT DISTRIBUTION SYSTEM INFORMATION MADE AVAILABLE TO THE APPLICANT THAT WOULD

DEMONSTRATE THAT THE TRANSMISSION LINE WOULD COST-EFFECTIVELY SERVE THE INTEGRATED ELECTRIC TRANSMISSION-DISTRIBUTION SYSTEM; AND

J. ANY OTHER INFORMATION THE COMMISSION CONSIDERS APPROPRIATE; AND

2. AN ANALYSIS OF THE TRANSMISSION LINE ROUTE SELECTION, INCLUDING:

A. RISKS ASSOCIATED WITH THE COSTS ESTIMATES;

B. COST CONTAINMENT EFFORTS;

C. CONSTRUCTION SCHEDULE;

D. ACQUISITION OF LAND AND RIGHTS-OF-WAY;

E. OUTAGE COORDINATION; AND

F. THE APPLICANT'S EXPERIENCE WORKING WITH COMMUNITIES AND STAKEHOLDERS ON ROUTE CONSIDERATION.

[(iii)] (V) Notwithstanding subparagraph (i) of this paragraph and subject to subparagraph [(iv)] (VI) of this paragraph, the Commission may issue a certificate of public convenience and necessity for the construction of [an overhead] A transmission line only if the applicant for the certificate of public convenience and necessity:

1. is an electric company; or

2. is or, on the start of commercial operation of the [overhead] transmission line, will be subject to regulation as a public utility by an officer or an agency of the United States.

[(iv)] (VI) The Commission may not issue a certificate of public convenience and necessity for the construction of [an overhead] A transmission line in

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the electric distribution service territory of an electric company to an applicant other than an electric company if:

1. the [overhead] transmission line is to be located solely within the electric distribution service territory of that electric company; and

2. the cost of the [overhead] transmission line is to be paid solely by that electric company and its ratepayers.

[(v)] (VII) 1. This subparagraph applies to the construction of [an overhead] A transmission line for which a certificate of public convenience and necessity is required under this section.

2. On issuance of a certificate of public convenience and necessity for the construction of [an overhead] A transmission line, a person may acquire by condemnation, in accordance with Title 12 of the Real Property Article, any property or right necessary for the construction or maintenance of the transmission line.

(4) (i) [Except as provided in subparagraph (ii) of this paragraph, for construction related to an existing overhead transmission line designed to carry a voltage in excess of 69,000 volts, the Commission shall waive the requirement to obtain a certificate of public convenience and necessity if the Commission finds that the construction does not:

1. require the person to obtain new real property or additional rights-of-way through eminent domain; or

2. require larger or higher structures to accommodate:

A. increased voltage; or

B. larger conductors.

(ii) 1. For construction related to an existing overhead transmission line, including repairs, that is necessary to avoid an imminent safety hazard or reliability risk, a person may undertake the necessary construction] **A PERSON MAY COMPLETE CONSTRUCTION RELATED TO AN EXISTING**

TRANSMISSION LINE, INCLUDING REPAIRS, IF THE CONSTRUCTION IS NECESSARY TO AVOID AN IMMINENT SAFETY HAZARD OR RELIABILITY RISK.

[2.] (II) Within 30 days after construction is completed under [subsubparagraph 1 of this subparagraph] SUBPARAGRAPH (I) OF THIS PARAGRAPH, a person shall file a report with the Commission describing the work that was completed.

(c) (1) On receipt of an application for a certificate of public convenience and necessity under this section, the Commission shall provide notice immediately or require the applicant to provide notice immediately of the application to:

(i) the Department of Planning;

(ii) the governing body, and if applicable the executive, of each county or municipal corporation in which any portion of the generating station, [overhead] transmission line, or qualified generator lead line is proposed to be constructed;

(iii) the governing body, and if applicable the executive, of each county or municipal corporation within 1 mile of the proposed location of the generating station, [overhead] transmission line, or qualified generator lead line;

(iv) each member of the General Assembly representing any part of a county in which any portion of the generating station, [overhead] transmission line, or qualified generator lead line is proposed to be constructed;

(v) each member of the General Assembly representing any part of each county within 1 mile of the proposed location of the generating station, [overhead] transmission line, or qualified generator lead line;

(vi) for a proposed [overhead] transmission line, each owner of land and each owner of adjacent land; and

(vii) all other interested persons.

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(2) The Commission, when sending the notice required under paragraph (1) of this subsection, shall forward a copy of the application to:

(i) each appropriate State unit and unit of local government for review, evaluation, and comment regarding the significance of the proposal to State, area-wide, and local plans or programs; and

(ii) each member of the General Assembly included under paragraph (1)(iv) and (v) of this subsection who requests a copy of the application.

(3) On receipt of an application for a certificate of public convenience and necessity under this section, the Commission shall provide notice of the application on the Commission's social media platforms and website.

(d) (1) (i) The Commission shall provide an opportunity for public comment and hold a public hearing on the application for a certificate of public convenience and necessity in each county and municipal corporation in which any portion of the construction of a generating station, [an overhead] A transmission line designed to carry a voltage in excess of 69,000 volts, or a qualified generator lead line is proposed to be located.

(ii) The Commission may hold the public hearing virtually rather than in person if the Commission provides a comparable opportunity for public comment and participation in the hearing.

(2) The Commission shall hold the public hearing jointly with the governing body of the county or municipal corporation in which any portion of the construction of the generating station, [overhead] transmission line, or qualified generator lead line is proposed to be located, unless the governing body declines to participate in the hearing.

(3) (i) Once in each of the 4 successive weeks immediately before the hearing date, the Commission shall provide weekly notice of the public hearing and an opportunity for public comment:

1. by advertisement in a newspaper of general circulation in the county or municipal corporation affected by the application;

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2. on two types of social media; and
3. on the Commission's website.

(ii) Before a public hearing, the Commission shall coordinate with the governing body of the county or municipal corporation in which any portion of the construction of the generating station, [overhead] transmission line, or qualified generator lead line is proposed to be located to identify additional options for providing, in an efficient and cost-effective manner, notice of the public hearing through other types of media that are familiar to the residents of the county or municipal corporation.

(4) (i) On the day of a public hearing, an informational sign shall be posted prominently at or near each public entrance of the building in which the public hearing will be held.

(ii) The informational sign required under subparagraph (i) of this paragraph shall:

1. state the time, room number, and subject of the public hearing; and

2. be at least 17 by 22 inches in size.

(iii) If the public hearing is conducted virtually rather than in person, the Commission shall provide information on the hearing prominently on the Commission's website.

(5) (i) The Commission shall ensure presentation and recommendations from each interested State unit, and shall allow representatives of each State unit to sit during hearing of all parties.

(ii) The Commission shall allow each State unit 15 days after the conclusion of the hearing to modify the State unit's initial recommendations.

(e) The Commission shall take final action on an application for a certificate of public convenience and necessity only after due consideration of:

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(1) the recommendation of the governing body of each county or municipal corporation in which any portion of the construction of the generating station, [overhead] transmission line, or qualified generator lead line is proposed to be located;

(2) the effect of the generating station, [overhead] transmission line, or qualified generator lead line on:

(i) the stability and reliability of the electric system;

(ii) economics;

(iii) esthetics;

(iv) historic sites;

(v) WHEN APPLICABLE, aviation safety as determined by the Maryland Aviation Administration and the administrator of the Federal Aviation Administration;

(vi) when applicable, air quality and water pollution; and

(vii) the availability of means for the required timely disposal of wastes produced by any generating station;

(3) the effect of climate change on the generating station, [overhead] transmission line, or qualified generator lead line based on the best available scientific information recognized by the Intergovernmental Panel on Climate Change;

(4) for a generating station:

(i) the consistency of the application with the comprehensive plan and zoning of each county or municipal corporation where any portion of the generating station is proposed to be located;

(ii) the efforts to resolve any issues presented by a county or municipal corporation where any portion of the generating station is proposed to be located;

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(iii) the impact of the generating station on the quantity of annual and long-term statewide greenhouse gas emissions, measured in the manner specified in § 2-1202 of the Environment Article and based on the best available scientific information recognized by the Intergovernmental Panel on Climate Change; and

(iv) the consistency of the application with the State's climate commitments for reducing statewide greenhouse gas emissions, including those specified in Title 2, Subtitle 12 of the Environment Article; and

(5) for a solar energy generating station specified under § 7-218 of this subtitle, whether the owner of a proposed solar energy generating station complies with the site requirements under § 7-218(f) of this subtitle.

(f) For the construction of [an overhead] A transmission line, in addition to the considerations listed in subsection (e) of this section, the Commission shall:

(1) take final action on an application for a certificate of public convenience and necessity only after due consideration of:

(i) the need to meet existing and future demand for electric service; [and]

(ii) EVIDENCE THAT ALTERNATIVES HAVE BEEN CONSIDERED BY THE APPLICANT IN ACCORDANCE WITH SUBSECTION (B)(3)(IV) OF THIS SECTION; AND

(III) for construction related to a new [overhead] transmission line, the alternative routes that the applicant considered, including the estimated capital and operating costs of each alternative route and a statement of the reason why the alternative route was rejected;

(2) require as an ongoing condition of the certificate of public convenience and necessity that an applicant comply with:

(i) all relevant agreements with PJM Interconnection, L.L.C., or its successors, related to the ongoing operation and maintenance of the [overhead] transmission line; and

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(ii) all obligations imposed by the North America Electric Reliability Council and the Federal Energy Regulatory Commission related to the ongoing operation and maintenance of the [overhead] transmission line; and

(3) require the applicant to identify whether the [overhead] transmission line is proposed to be constructed on:

(i) an existing brownfields site;

(ii) property that is subject to an existing easement; or

(iii) a site where a tower structure or components of a tower structure used to support an overhead transmission line exist.

(g) (1) The Commission may not authorize, and a person may not undertake, the construction of an overhead transmission line that is aligned with and within 1 mile of either end of a public airport runway, unless:

(i) the Federal Aviation Administration determines that the construction of an overhead transmission line will not constitute a hazard to air navigation; and

(ii) the Maryland Aviation Administration concurs in that determination.

(2) A privately owned airport runway shall qualify as a public airport runway under this subsection only if the runway has been on file with the Federal Aviation Administration for at least 2 years as being open to the public without restriction.

(h) (1) A county or municipal corporation has the authority to approve or deny any local permit required under a certificate of public convenience and necessity issued under this section or a distributed generation certificate of public convenience and necessity issued under § 7-207.4 of this subtitle.

(2) A county or municipal corporation shall approve or deny any local permits required under a certificate of public convenience and necessity issued under

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this section or a distributed generation certificate of public convenience and necessity issued under § 7-207.4 of this subtitle:

(i) within a reasonable time; and

(ii) to the extent local laws are not preempted by State law, in accordance with local laws.

(3) A county or municipal corporation may not condition the approval of a local permit required under a certificate of public convenience and necessity issued under this section or a distributed generation certificate of public convenience and necessity issued under § 7-207.4 of this subtitle on receipt of any of the following approvals for any aspect of a generating station, [an overhead] A transmission line, or a qualified lead line proposed to be constructed under the certificate:

(i) a conditional use approval;

(ii) a special exception approval; or

(iii) a floating zone approval.

7-207.6.

(A) IN THIS SECTION, “ADVANCED TRANSMISSION TECHNOLOGIES” HAS THE MEANING STATED IN § 7-207 OF THIS SUBTITLE.

(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE DECEMBER 1, 2026, AND EVERY 4 YEARS THEREAFTER, EACH OWNER OR OPERATOR OF A TRANSMISSION LINE SHALL SUBMIT TO THE COMMISSION A REPORT THAT:

(I) IDENTIFIES AREAS OF SIGNIFICANT TRANSMISSION CONGESTION COSTS FOR THE IMMEDIATELY PRECEDING 3 YEARS AND ANY REASONABLY FORESEEABLE TRANSMISSION CONSTRAINTS FOR THE 5 YEARS IMMEDIATELY FOLLOWING THE DATE OF THE REPORT;

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(II) IDENTIFIES THE PROJECTED OR ACTUAL COST TO RATEPAYERS AS A RESULT OF PAST AND PROJECTED FUTURE TRANSMISSION CONGESTION;

(III) IDENTIFIES THE FEASIBILITY AND COST OF USING ALTERNATIVE MEANS OF ADDRESSING TRANSMISSION CONGESTION, INCLUDING THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES;

(IV) IDENTIFIES THE ECONOMIC, ENVIRONMENTAL, AND SOCIAL ISSUES POSED BY THE USE OF EACH ALTERNATIVE MEANS IDENTIFIED UNDER ITEM (III) OF THIS PARAGRAPH;

(V) DESCRIBES THE TRANSMISSION LINE RATING METHODOLOGY USED, INCLUDING ANY RELIANCE ON STATIC RATINGS OR SEASONAL ASSUMPTIONS;

(VI) DISTINGUISHES BETWEEN REGIONAL AND LOCAL TRANSMISSION CONSTRAINTS;

(VII) IF FEASIBLE, PROPOSES AN ADVANCED TRANSMISSION TECHNOLOGY IMPLEMENTATION PLAN TO ADDRESS AREAS OF TRANSMISSION CONGESTION IDENTIFIED UNDER ITEM (I) OF THIS PARAGRAPH; AND

(VIII) REFERENCES THE PJM PLANNING INPUTS, OR ANY OTHER PLANNING INPUTS, USED TO SUPPORT THE CONGESTION FORECASTS AND, IF APPLICABLE, PROPOSED ADVANCED TRANSMISSION TECHNOLOGY IMPLEMENTATION PLAN INCLUDED IN THE REPORT.

(2) THE COMMISSION MAY MODIFY THE REPORTING SCHEDULE SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION.

(C) AN OWNER OR OPERATOR OF A TRANSMISSION LINE MAY USE ANY AVAILABLE DATA FROM PJM OR OTHER SOURCES IN COMPLETING THE REPORT REQUIRED UNDER THIS SECTION.

(D) THE COMMISSION SHALL PUBLISH ON ITS WEBSITE EACH REPORT SUBMITTED UNDER THIS SECTION WITHIN 45 DAYS AFTER RECEIPT OF THE REPORT.

7-208.

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

(2) “Construction” has the meaning stated in § 7-207 of this subtitle.

(3) “Generating station” does not include:

(i) a generating unit or facility that:

1. is used for the production of electricity for the purpose of:

A. onsite emergency backup at a facility when service from the electric company is interrupted due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located; and

B. test and maintenance operations necessary to ensure functionality of the generating unit or facility in the event of an interruption of service from the electric company due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located;

2. is installed with equipment that prevents the flow of electricity to the electric grid;

3. is subject to a permit to construct issued by the Department of the Environment; and

4. is installed at a facility that is part of critical infrastructure if the facility complies with all applicable regulations regarding noise level and testing hours; or

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(ii) a combination of two or more generating units or facilities that satisfy item (i) of this paragraph.

(4) “Qualified offshore wind project” has the meaning stated in § 7–701 of this title.

(5) “Qualified submerged renewable energy line” means:

(i) a line carrying electricity supply and connecting a qualified offshore wind project to the transmission system; and

(ii) a line in which the portions of the line crossing any submerged lands or any part of a beach erosion control district are buried or submerged.

(b) This section applies to any person:

(1) constructing a generating station and its associated [overhead] transmission lines designed to carry a voltage in excess of 69,000 volts;

(2) exercising the right of condemnation in connection with the construction; or

(3) constructing a qualified submerged renewable energy line.

(c) (1) To obtain the certificate of public convenience and necessity required under § 7–207 of this subtitle for construction under this section, a person shall file an application with the Commission at least 2 years before construction of the facility will commence.

(2) The Commission may waive the 2–year requirement on a showing of good cause.

(d) The applicant shall:

(1) include in an application under this section the information that the Commission requests initially; and

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(2) furnish any additional information that the Commission requests subsequently.

(e) (1) On the receipt of an application under this section, together with any additional information requested under subsection (d)(2) of this section, the Commission shall provide notice to:

(i) for a proposed [overhead] transmission line, each owner of land and each owner of adjacent land;

(ii) all interested persons;

(iii) the Department of Agriculture;

(iv) the Department of Commerce;

(v) the Department of the Environment;

(vi) the Department of Natural Resources;

(vii) the Department of Transportation;

(viii) the Department of Planning; and

(ix) the Maryland Energy Administration.

(2) On receipt of an application under this section, and whenever additional information is received under subsection (d)(2) of this section, the Commission shall provide notice immediately or require the applicant to provide notice immediately to:

(i) the governing body of each county or municipal corporation in which any portion of the generating station or the associated [overhead] transmission lines is proposed to be constructed;

(ii) the governing body of each county or municipal corporation within 1 mile of the proposed location of the generating station or the associated [overhead] transmission lines;

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(iii) each member of the General Assembly representing any part of a county in which any portion of the generating station or the associated [overhead] transmission lines is proposed to be constructed; and

(iv) each member of the General Assembly representing any part of each county within 1 mile of the proposed location of the generating station or the associated [overhead] transmission lines.

(3) The Commission shall hold a public hearing on the application as required by § 7-207 of this subtitle after:

(i) the receipt of any additional information requested under subsection (d)(2) of this section that the Commission considers necessary; and

(ii) any publication of notice the Commission considers to be proper.

(4) (i) At the public hearing, the Commission shall ensure presentation of the information and recommendations of the State units specified in paragraph (1) of this subsection and shall allow the official representative of each unit to sit during hearing of all parties.

(ii) Based on the evidence relating to the unit's areas of concern, the Commission shall allow each unit 15 days after the conclusion of the hearing to modify or affirm the unit's initial recommendations.

(f) Within 90 days after the conclusion of the hearing on an application under this section, the Commission shall:

(1) (i) grant a certificate of public convenience and necessity unconditionally;

(ii) grant the certificate, subject to conditions the Commission determines to be appropriate; or

(iii) deny the certificate; and

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(2) notify all interested parties of its decision.

(g) (1) The Commission shall include in each certificate it issues under subsection (f) of this section:

(i) the requirements of the federal and State environmental laws and standards that are identified by the Department of the Environment; and

(ii) the methods and conditions that the Commission determines are appropriate to comply with those environmental laws and standards.

(2) The Commission may not adopt any method or condition under paragraph (1)(ii) of this subsection that the Department of the Environment determines is inconsistent with federal and State environmental laws and standards.

(h) (1) A decision of the Commission regarding the issuance of a certificate requires the vote of a majority of the members of the Commission.

(2) If a majority of the members of the Commission fails to reach agreement on the conditions to be attached to a conditional certificate, the certificate shall be denied.

(i) The grant of a certificate by the Commission to any person under subsection (f) of this section constitutes:

(1) authority for the person to dredge and construct bulkheads in the waters or private wetlands of the State and to appropriate or use the waters; and

(2) registration and a permit to construct, as required under Title 2, Subtitle 4 of the Environment Article.

(j) (1) A county or municipal corporation has the authority to approve or deny any local permit required under a certificate of public convenience and necessity issued under this section.

(2) A county or municipal corporation shall approve or deny any local permits required under a certificate of public convenience and necessity issued under this section:

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(i) within a reasonable time; and

(ii) to the extent local laws are not preempted by State law, in accordance with local laws.

(3) A county or municipal corporation may not condition the approval of a local permit required under a certificate of public convenience and necessity issued under this section on receipt of any of the following approvals for any aspect of a generating station, an [overhead] transmission line, or a qualified lead line proposed to be constructed under the certificate:

(i) a conditional use approval;

(ii) a special exception approval; or

(iii) a floating zone approval.

7-216.1.

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

(5) “Program” means the Maryland Energy Storage Program.

(c) (1) The Commission shall establish the Maryland Energy Storage Program.

(2) The Program shall be implemented no later than July 1, 2025.

(3) The Program shall include competitive procurement mechanisms to reach a minimum of 3,000 megawatts of energy storage, or the maximum cost-effective amount of energy storage that can be deployed, by the end of delivery year 2033.

(4) The Program may include:

(i) a system of energy storage credits and market-based incentives designed to:

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and
manner;

1. develop a robust energy storage market in the State;
2. deploy energy storage devices in a cost-effective

- (ii) a requirement that investor-owned electric companies:
 1. install or contract for energy storage devices; or
 2. contract for credits from an energy storage project
under § 7-216 of this subtitle;

- (iii) a requirement that Program participants make reasonable efforts to apply for all applicable State and federal grants, rebates, tax credits, loan guarantees, and other similar benefits as the benefits become available; or

- (iv) any other mechanism or policy that the Commission determines is appropriate to achieve the goal of a robust, cost-effective energy storage system in the State.

(D) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE PROGRAM, INCLUDING:

(1) THE CAPACITY OF OPERATIONAL ENERGY STORAGE DEVICES IN THE STATE THAT IS BEING COUNTED TOWARD THE CAPACITY GOAL ESTABLISHED UNDER SUBSECTION (C)(3) OF THIS SECTION, DISAGGREGATED BY:

- (I) ELECTRIC COMPANY SERVICE TERRITORY;**
- (II) ENERGY STORAGE DEVICE CAPACITY;**
- (III) FRONT-OF-METER TRANSMISSION-LEVEL STORAGE;**
- (IV) FRONT-OF-METER DISTRIBUTION-LEVEL STORAGE;**

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(V) BEHIND-THE-METER STORAGE; AND

(VI) ANY OTHER RELEVANT CATEGORY, AS DETERMINED BY THE COMMISSION;

(2) WHETHER THE CAPACITY GOAL ESTABLISHED UNDER SUBSECTION (C)(3) OF THIS SECTION SHOULD BE ALTERED BASED ON CURRENT TECHNOLOGY COSTS, ENERGY STORAGE DEPLOYMENT TRENDS, ELECTRIC SYSTEM RELIABILITY, AND RATEPAYER IMPACTS;

(3) BARRIERS TO ACHIEVING THE GOALS IDENTIFIED UNDER THIS SECTION; AND

(4) ANY OTHER INFORMATION THE COMMISSION CONSIDERS PERTINENT.

7-221.

The General Assembly finds and declares that energy efficiency is:

(1) among the least expensive ways to meet the energy demands of the State;

(2) a means of affordable, reliable, and clean energy for consumers of Maryland; and

(3) one method to achieve Maryland's climate commitments for reducing statewide greenhouse gas emissions, including those required under Title 2, Subtitle 12 of the Environment Article.

7-222.

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(a) Subject to review and approval by the Commission, each electric company, [each gas company other than a gas company subject to § 4–207(a) of this article,] the Department, and, if required in accordance with subsection (c) of this section, each midsize electric cooperative shall develop and implement programs and services in accordance with §§ 7–223, 7–224, and 7–225 of this subtitle to encourage and promote the efficient use and conservation of energy, demand response, and beneficial electrification by consumers, electric companies, [gas companies,] and the Department in support of the greenhouse gas emissions reduction goals and targets required under Title 2, Subtitle 12 of the Environment Article.

(b) As directed by the Commission, [each gas company subject to § 4–207(a) of this article,] each municipal electric [or gas] utility, each small rural electric cooperative, and, if required in accordance with subsection (c) of this section, each midsize electric cooperative shall include energy efficiency and conservation, demand response, and beneficial electrification programs or services as part of their service to their customers.

(c) (1) In accordance with this subsection, each midsize electric cooperative shall be subject to either subsection (a) or subsection (b) of this section.

(2) Each midsize electric cooperative shall offer programs and services to customers in accordance with:

(i) subsection (b) of this section through December 31, 2026; and

(ii) on or after January 1, 2027, and as the Commission directs, either subsection (a) or subsection (b) of this section.

(3) Not later than October 1, 2025, the Commission shall determine if it is in the public interest for a midsize electric cooperative to offer programs and services to customers in accordance with subsection (a) or subsection (b) of this section starting January 1, 2027, and for all subsequent years.

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(4) Each midsize electric cooperative shall provide the following information to the Commission to assist in making a determination under paragraph (3) of this subsection:

(i) anticipated costs and bill impacts;

(ii) a description of the anticipated program offerings;

(iii) the anticipated cost-effectiveness of the residential, commercial, and industrial sector subportfolios based on the cost-effectiveness tests in § 7-225(d)(3)(i) of this subtitle;

(iv) the anticipated electricity savings and greenhouse gas emissions reductions; and

(v) any other information the Commission requires.

(5) The information provided to the Commission under paragraph (4) of this subsection shall be based on a plan to offer programs and services to customers that complies with the requirements of an electric company subject to subsection (a) of this section for the 3-year program cycle starting January 1, 2027.

(6) When making a public interest determination under paragraph (3) of this subsection the Commission, at a minimum, shall consider the requirements under § 7-225(d)(3) of this subtitle that are considered when approving a plan of an electric company that is subject to subsection (a) of this section.

(7) Starting October 1, 2025, if the Commission determines that it is in the public interest for a midsize electric cooperative to be subject to subsection (a) of this section, the midsize electric cooperative shall comply with all requirements of an electric

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company subject to subsection (a) of this section for program cycles starting on and after January 1, 2027.

(8) On or before March 1 each year, starting in 2026, each midsize electric cooperative directed by the Commission to include programs or services under subsection (b) of this section shall submit to the Commission a report quantifying the gains in energy efficiency and reductions in greenhouse gas emissions achieved during the previous year.

(d) The Commission shall encourage and promote the efficient use and conservation of energy in support of the greenhouse gas emissions reduction goals and targets required under Title 2, Subtitle 12 of the Environment Article, established by the Commission under § 7-223(b) of this subtitle, and specified in § 7-224(a)(2) of this subtitle by:

(1) requiring each electric company [and gas company] to establish any program or service that the Commission determines to be appropriate and cost-effective;

(2) adopting rate-making policies that provide, through a surcharge line item on customer bills:

(i) full cost recovery of reasonably incurred costs for programs and services established under item (1) of this subsection, including full recovery on a current basis on or before January 1, 2028;

(ii) on or before December 31, 2032, the elimination of any unpaid costs and unamortized costs that:

1. A. existed on December 31, 2024; or

B. were incurred before January 1, 2028; and

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2. were accrued for the purpose of achieving statutory targets for annual incremental gross energy savings;

(iii) compensation for any unpaid costs and unamortized costs under item (ii) of this item at not more than each electric company's and each gas company's average cost of outstanding debt; and

(iv) reasonable financial performance incentives and penalties for investor-owned electric companies [and gas companies.] as appropriate; and

(3) ensuring that adoption of electric customer choice under Subtitle 5 of this title [and gas customer choice under Subtitle 6 of this title] does not adversely impact these goals and targets.

(e) The Commission shall, by regulation or order, require each electric company [and each gas company subject to subsection (a) of this section] that has submitted to the Commission, on or before July 1, 2024, a plan for achieving electricity [or gas] savings and demand reduction targets to disclose the following information in a form and format readily understandable to the average customer:

(1) that the surcharge imposed in accordance with subsection (d) of this section includes the cost of paying down the unpaid costs and unamortized costs that were accrued over time by programs and services required by the Commission dating back to 2008; and

(2) the period of time that the surcharge will include excess charges to pay down the unpaid costs and unamortized costs.

(F) A GAS COMPANY THAT RECOVERED COSTS UNDER SUBSECTION (D)(2) OF THIS SECTION ON OR BEFORE JANUARY 1, 2026, SHALL CONTINUE TO

RECOVER ANY PROGRAM AND SERVICE COSTS REASONABLY INCURRED THROUGH DECEMBER 31, 2026, INCLUDING UNPAID AND UNAMORTIZED COSTS UNDER SUBSECTION (D)(2)(I) OF THIS SECTION, THROUGH THE RATE-MAKING POLICIES UNDER SUBSECTION (D)(2) OF THIS SECTION UNTIL ALL REASONABLY INCURRED PROGRAM AND SERVICE COSTS HAVE BEEN RECOVERED.

7-223.

(a) On or before January 1, 2025, and on or before January 1 every 3 years, starting in 2027, the Commission shall, by regulation or order, require each electric company [and each gas company] subject to § 7-222(a) of this subtitle to develop and implement a plan that:

(1) covers appropriate ratepayer classes;

(2) starting in 2027, covers a 3-year program cycle; and

(3) achieves the greenhouse gas emissions reduction target established for the electric company [or gas company] under subsection (b) of this section through cost-effective energy efficiency and conservation programs and services, demand response programs and services, and beneficial electrification programs and services.

(b) (1) For 2025 and 2026, and for each 3-year program cycle starting in 2027, the Commission shall establish a greenhouse gas emissions reduction target for each electric company [and each gas company] subject to § 7-222(a) of this subtitle as provided in this subsection.

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

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(3) The greenhouse gas emissions reduction targets established under this subsection shall be measured:

(i) in metric tons; and

(ii) relative to the greenhouse gas emissions associated with the electric company's [or gas company's] weather-normalized gross retail sales and losses in a baseline year, as determined by the Commission.

(4) By the dates specified in § 7-225(a) of this subtitle, the Commission shall establish greenhouse gas emissions reduction targets for each electric company plan that will achieve at least the greenhouse gas emissions reduction equivalent, measured on a lifecycle basis using the emission intensities under paragraph (2) of this subsection, of the following annual electricity savings percentages, calculated as a percentage of the electric company's 2016 weather-normalized gross retail sales and electricity losses:

(i) 2.0% in 2024;

(ii) 2.25% each year in 2025 and 2026; [and]

(iii) [2.5% each year in 2027 and after] **1.75% EACH YEAR IN 2027 THROUGH 2029;**

(iv) **2.0% EACH YEAR IN 2030 THROUGH 2032;**

(v) **2.25% EACH YEAR IN 2033 THROUGH 2035; AND**

(vi) **2.5% EACH YEAR IN 2036 AND AFTER.**

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(5) [On or before January 1, 2025, and on or before January 1 every 3 years, starting in 2027, the Commission shall establish greenhouse gas emissions reduction targets for each gas company plan that will achieve at least the greenhouse gas emissions reduction equivalent, measured on a lifecycle basis using the emission intensities under paragraph (2) of this subsection, of the gas savings achieved by the gas company for the 2021–2023 program cycle.

(6) The Commission shall take into consideration the most recent final plan adopted under § 2–1205 of the Environment Article when establishing the greenhouse gas emissions reduction targets under this subsection.

~~(7)~~ (6) For 2025 and 2026:

(i) the Commission shall, after making appropriate findings, determine whether existing electric company [and gas company] plans must be modified to comply with § 7–225(d) of this subtitle; and

(ii) electric companies [and gas companies]:

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

2. are only required to file new plans in accordance with this section if directed by the Commission.

(c) The Commission may give priority to long–lived greenhouse gas emissions reduction measures in the plans by establishing a minimum weighted average measure life for the plan of each electric company [and gas company].

(d) Contributions to greenhouse gas emissions reduction goals and targets in a plan of an electric company [or a gas company]:

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(1) may, notwithstanding § 7-222(d)(2) of this subtitle, include recovery of the reasonable and prudent costs from programs that are not behind-the-meter programs in a base rate proceeding, subject to Commission approval; and

(2) may not include the increased adoption of electric vehicles.

(e) (1) [Beginning] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, BEGINNING January 1, 2025, at least 80% of the greenhouse gas emissions reductions counted toward each electric company's [and each gas company's] greenhouse gas emissions reduction targets established under this section shall [come from] INCLUDE:

(I) behind-the-meter programs, which may include deployment of energy storage facilities; AND

(II) FOR 2027 THROUGH 2029:

1. COMMUNITY SOLAR ENERGY GENERATION; AND

2. SOLAR ENERGY GENERATION FACILITIES THAT ARE INTERCONNECTED TO THE ELECTRIC COMPANY'S DISTRIBUTION SYSTEM.

(2) PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE CONSTRUED TO AUTHORIZE AN ELECTRIC COMPANY TO BUILD, OWN, OR OPERATE ELECTRIC GENERATING FACILITIES OR ENERGY STORAGE FACILITIES TO MEET THE REQUIREMENTS OF THIS SECTION.

7-225.

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(a) As soon as possible in 2024, and at least 8 months before the filing deadline for plans after 2024, the Commission shall issue an order that determines the greenhouse gas emissions reduction targets required under § 7-223(b) of this subtitle and the greenhouse gas emissions reductions required under § 7-224(a)(2) of this subtitle.

(b) (1) (i) If directed by the Commission in 2024, and on or before July 1 every 3 years, starting in 2026, each electric company [and each gas company] subject to § 7-222(a) of this subtitle that submitted a plan for achieving electricity savings and demand reduction targets to the Commission before July 1, 2024, and the Department, shall consult with the technical staff of the Commission, the Office of People's Counsel, the Maryland Energy Administration, and the Department of the Environment regarding the design and adequacy of its plans for achieving the greenhouse gas emissions reduction targets established by the Commission under § 7-223(b) of this subtitle and specified in § 7-224(a)(2) of this subtitle.

(ii) On or before October 1, 2024, and on or before July 1 every 3 years, starting in 2026, each electric company [and each gas company] subject to § 7-222(a) of this subtitle that did not submit a plan for achieving electricity savings and demand reduction targets to the Commission before July 1, 2024, shall comply with the consulting requirements under subparagraph (i) of this paragraph.

(2) Each electric company [and each gas company] subject to § 7-222(a) of this subtitle shall provide the technical staff of the Commission, the Office of People's Counsel, the Maryland Energy Administration, and the Department of the Environment with any additional information regarding its plan, as requested.

(c) (1) (i) If directed by the Commission in 2024, and on or before September 1 every 3 years, starting in 2026, each electric company [and each gas company] subject to § 7-222(a) of this subtitle that submitted a plan for achieving electricity savings and demand reduction targets to the Commission before July 1, 2024, and the Department, shall submit its plan to the Commission.

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(ii) On or before December 1, 2024, and on or before September 1 every 3 years, starting in 2026, each electric company [and each gas company] that did not submit a plan for achieving electricity savings and demand reduction targets to the Commission before July 1, 2024, shall submit its plan to the Commission.

(2) Each plan shall detail a proposal for achieving greenhouse gas emissions reduction targets for 3 subsequent calendar years.

(3) (i) Each plan shall:

1. include:

A. a description of the proposed programs and services;

B. anticipated costs;

C. projected benefits, including greenhouse gas emissions reductions[,] AND electricity savings[, and gas savings]; and

D. any other information requested by the Commission;
and

2. address residential, commercial, and industrial sectors as appropriate, including low-income communities.

(ii) A plan of the Department shall include:

1. a definition of “low-income individual” to be used in the procurement or provision of energy efficiency, conservation, and greenhouse gas emissions reduction programs and services;

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2. a description of the steps proposed to ensure insulation materials meet the requirements under § 7-224 of this subtitle; and

3. a proposed average lifetime measure threshold that:

A. encourages the delivery of insulation and weatherization measures; and

B. is developed through a stakeholder engagement process.

(iii) A plan of an electric company shall include the provision or procurement of programs and services for residential beneficial electrification.

(d) (1) The Commission shall review the plan of each electric company[, each gas company,] and the Department to determine whether the plan is adequate and cost-effective in achieving the greenhouse gas emissions reduction targets established by the Commission under §§ 7-223(b) and 7-224(a)(2) of this subtitle.

(2) The Commission shall consider any written findings provided by the Maryland Energy Administration, the Department of the Environment, and the Office of People's Counsel regarding the design and adequacy of the plan.

(3) Subject to paragraph (4) of this subsection, in approving, modifying, or denying the plan of an electric company [or a gas company], the Commission shall consider:

(i) the cost-effectiveness of the residential, commercial, and industrial sector subportfolios by using:

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1. the primary State jurisdiction-specific test, as developed, updated, or approved by the Commission, to determine the cost-effectiveness of a program or service prospectively, including consideration of:

- A. participant nonenergy benefits;
- B. utility nonenergy benefits; and
- C. societal nonenergy benefits; and

2. a total resource cost test to compare the electricity savings and demand reduction targets of the program or service with the results of similar programs or services implemented in other jurisdictions, including:

- A. participant nonenergy benefits; and
- B. utility nonenergy benefits;

(ii) the impact on rates of each ratepayer class;

(iii) the impact on jobs;

(iv) the impact on the environment; and

(v) the impact on the greenhouse gas emissions reduction targets specified in Title 2, Subtitle 12 of the Environment Article, established by the Commission under §§ 7-223(b) and 7-224(a)(2) of this subtitle.

(4) Nonenergy benefits considered under paragraph (3) of this subsection shall be quantifiable and directly related to a program or service.

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(5) (i) In approving, modifying, or denying the plan of the Department, the Commission shall consider:

1. subject to subparagraph (ii) of this paragraph, the cost-effectiveness of the plan by using the primary State jurisdiction-specific test, as developed, updated, or approved by the Commission;

2. the impact on rates of each ratepayer class;

3. the impact on jobs;

4. the impact on the environment; and

5. the impact on the greenhouse gas emissions targets specified in Title 2, Subtitle 12 of the Environment Article, established by the Commission under § 7-223(b) of this subtitle, and specified in § 7-224(a)(2) of this subtitle.

(ii) The programs and services offered by the Department are not required to be cost-effective.

(e) The Department of the Environment shall prepare and submit to the Commission an analysis regarding the adequacy of the plan in supporting the State's greenhouse gas emissions reduction goals specified in Title 2, Subtitle 12 of the Environment Article, established by the Commission under § 7-223(b) of this subtitle, and required under § 7-224(a)(2) of this subtitle.

7-226.

(a) (1) Each electric company[, each gas company,] and the Department shall provide to the Commission every 6 months an update on plan implementation and progress made toward achieving the greenhouse gas emissions reduction targets

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established by the Commission under § 7–223(b) of this subtitle and required under § 7–224(a)(2) of this subtitle.

(2) The Commission shall monitor and analyze the impact of each program and service to ensure that the outcome of each program and service provides the best possible results.

(3) In monitoring and analyzing the impact of a program or service under paragraph (2) of this subsection, if the Commission finds that the outcome of the program or service may not be providing the best possible results, the Commission shall direct the electric company[, the gas company,] or the Department to include in its next update under paragraph (1) of this subsection specific measures to address the findings.

(b) (1) At least once each year, each electric company [and each gas company] shall notify affected customers of the energy efficiency and conservation and greenhouse gas reduction charges imposed and benefits conferred.

(2) The notice shall be provided by publication on the company’s website and inclusion with billing information such as a bill insert or bill message.

(c) On or before May 1 each year, the Commission shall report, in accordance with § 2–1257 of the State Government Article, to the General Assembly on:

(1) the status of programs and services approved under this subtitle, including an evaluation of the impact of the programs and services that are directed to low-income communities and other particular classes of ratepayers;

(2) a recommendation for the appropriate funding level to adequately fund these programs and services;

(3) the per capita electricity consumption and the winter and summer peak demand for the previous calendar year; and

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(4) beginning in 2026, progress made toward reducing greenhouse gas emissions in accordance with §§ 7-223 and 7-224 of this subtitle.

7-227.

(a) Notwithstanding any other law, the Commission may not require or allow an electric company [or a gas company] to require a customer to authorize the electric company [or gas company] to control the amount of the customer's electricity usage [or gas usage].

(b) A customer may provide consent to participate in a program of an electric company [or a gas company] that provides direct load control or other utility manipulation of a customer's electricity [or gas] usage.

7-228.

(a) Each electric company [and each gas company] shall promote the availability of federal and State rebates, tax credits, and incentives that can be used to support energy efficiency investments, energy efficient and non-fossil-fuel-powered appliances and cooking equipment, breaker box upgrades, and portable heating and cooling equipment.

(b) The Commission shall adopt regulations to carry out this section.

7-321.

(A) IN THIS SECTION, "PORTABLE SOLAR ENERGY GENERATING SYSTEM" MEANS A MOVABLE PHOTOVOLTAIC SOLAR ENERGY GENERATION DEVICE THAT IS:

(Over)

(1) DESIGNED TO BE CONNECTED TO A BUILDING'S ELECTRICAL SYSTEM THROUGH A STANDARD ELECTRICAL OUTLET;

(2) PRIMARILY INTENDED TO OFFSET PART OF THE BUILDING'S ELECTRICITY CONSUMPTION;

(3) LIMITED TO SUPPLYING A MAXIMUM POWER OUTPUT OF NOT MORE THAN 391 WATTS BACK TO THE ELECTRIC SYSTEM OF THE BUILDING; AND

(4) CERTIFIED BY UNDERWRITERS LABORATORY OR AN EQUIVALENT NATIONALLY RECOGNIZED TESTING LABORATORY.

(B) A PERSON MAY PURCHASE AND INSTALL NOT MORE THAN ONE PORTABLE SOLAR ENERGY GENERATING SYSTEM PER ELECTRIC METER FOR RESIDENTIAL USE ONLY.

(C) A PORTABLE SOLAR ENERGY GENERATING SYSTEM:

(1) IS NOT SUBJECT TO THE REQUIREMENTS OF §§ 7-306 AND 7-306.1 OF THIS SUBTITLE;

(2) IS NOT ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD; AND

(3) MAY NOT GENERATE RENEWABLE ENERGY CREDITS OF ANY TYPE.

(D) AN ELECTRIC COMPANY:

(1) MAY NOT REQUIRE A CUSTOMER USING A PORTABLE SOLAR ENERGY GENERATING SYSTEM TO:

(I) OBTAIN THE ELECTRIC COMPANY'S APPROVAL BEFORE INSTALLING OR USING THE PORTABLE SOLAR ENERGY GENERATING SYSTEM;

(II) PAY ANY FEE OR CHARGE RELATED TO THE PORTABLE SOLAR ENERGY GENERATING SYSTEM'S ABILITY TO FEED ELECTRICITY BACK INTO THE ELECTRIC SYSTEM; OR

(III) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, INSTALL ANY ADDITIONAL CONTROLS OR EQUIPMENT BEYOND WHAT IS INTEGRATED INTO THE PORTABLE SOLAR ENERGY GENERATING SYSTEM; AND

(2) IS NOT LIABLE FOR ANY DAMAGE CAUSED BY A PORTABLE SOLAR ENERGY GENERATING SYSTEM.

(E) A CUSTOMER USING A PORTABLE SOLAR ENERGY GENERATING SYSTEM SHALL:

(1) NOTIFY THE ELECTRIC COMPANY PROVIDING SERVICE IN THE SERVICE TERRITORY IN WHICH THE GENERATING SYSTEM WILL BE INSTALLED ONCE THE GENERATING SYSTEM IS INSTALLED;

(2) PROVIDE TO THE ELECTRIC COMPANY PROVIDING SERVICE IN THE SERVICE TERRITORY IN WHICH THE GENERATING SYSTEM WILL BE OR IS INSTALLED A CERTIFICATION OF THE SAFETY FEATURES AND MAXIMUM GENERATING CAPACITY OF THE GENERATING SYSTEM; AND

(3) IF THE GENERATING SYSTEM REQUIRES AN AUTOMATIC LOCKING DISCONNECT SWITCH TO BE INSTALLED, PAY FOR THE SWITCH INSTALLATION.

7-322.

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

(2) "DATA CENTER" HAS THE MEANING STATED IN § 11-239 OF THE TAX - GENERAL ARTICLE.

(3) "LARGE LOAD CUSTOMER" HAS THE MEANING STATED IN § 4-212 OF THIS ARTICLE.

(4) "ON-SITE BACKUP GENERATING FACILITY" MEANS A GENERATING FACILITY THAT IS:

(I) NOT CONNECTED TO THE ELECTRIC SYSTEM; AND

(II) CAPABLE OF SERVING AT LEAST 50% OF THE LOAD REQUIRED BY A LARGE LOAD CUSTOMER.

(B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AND IN ADDITION TO THE REQUIREMENTS UNDER § 4-212 OF THIS ARTICLE, A LARGE LOAD CUSTOMER SHALL REGISTER WITH THE COMMISSION IN ACCORDANCE WITH THIS SECTION AFTER AN INTERCONNECTION AGREEMENT IS SIGNED AND BEFORE THE LARGE LOAD CUSTOMER INTERCONNECTS WITH THE ELECTRIC SYSTEM.

(2) THE COMMISSION MAY CHARGE A REASONABLE FEE FOR THE REGISTRATION UNDER THIS SECTION.

(C) (1) ON OR BEFORE JANUARY 1, 2027, THE COMMISSION, BY ORDER OR REGULATION, SHALL ESTABLISH A PROCESS TO REGISTER LARGE LOAD CUSTOMERS.

(2) THE REGISTRATION PROCESS ESTABLISHED BY THE COMMISSION SHALL:

(I) APPLY TO NEW OR EXPANDED INTERCONNECTION OF LARGE LOAD CUSTOMERS;

(II) REQUIRE A LARGE LOAD CUSTOMER TO DISCLOSE TO THE COMMISSION:

1. WHETHER THE CUSTOMER IS PURSUING A SUBSTANTIALLY SIMILAR INTERCONNECTION REQUEST WITH THE SAME ELECTRIC COMPANY, ANOTHER ELECTRIC COMPANY IN THE STATE, OR AN ELECTRIC COMPANY IN ANOTHER STATE IN THE PJM REGION, AND WHETHER THE APPROVAL OF THE SIMILAR INTERCONNECTION REQUEST WOULD CAUSE THE CUSTOMER TO MATERIALLY CHANGE, DELAY, OR WITHDRAW THE INTERCONNECTION REQUEST;

2. WHETHER THE CUSTOMER INTENDS TO:

A. ACQUIRE OR BUILD ENERGY GENERATION SOLELY FOR THE CUSTOMER;

B. USE ENERGY SOLELY FROM THE ELECTRIC DISTRIBUTION SYSTEM; OR

C. BOTH;

3. INFORMATION ABOUT THE TYPE OF ON-SITE BACKUP GENERATING FACILITY THAT WOULD BE USED IN THE EVENT OF A SYSTEM OUTAGE; AND

4. INFORMATION ABOUT:

A. THE AMOUNT OF WATER THAT WOULD BE USED EACH MONTH;

B. THE SOURCE OF THE WATER THAT WOULD BE USED; AND

C. THE STATUS OF APPLICATIONS FOR WATER APPROPRIATION OR USE PERMITS SUBMITTED TO THE DEPARTMENT OF THE ENVIRONMENT OR A WATER UTILITY OWNED BY THE STATE OR A LOCAL GOVERNMENT;

(III) ESTABLISH A PROCEDURE TO ALLOW THE COMMISSION TO ACCESS, WHILE MAINTAINING CONFIDENTIALITY, ANY INFORMATION COLLECTED BY THE INTERCONNECTING ELECTRIC COMPANY FOR TRANSMISSION PLANNING ANALYSES; AND

(IV) ESTABLISH ANY OTHER STANDARDS THAT THE COMMISSION CONSIDERS NECESSARY.

(D) (1) THE COMMISSION SHALL CERTIFY WHETHER A REGISTRATION UNDER THIS SECTION IS COMPLETE WITHIN 30 DAYS AFTER RECEIVING THE INFORMATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

(2) IF THE COMMISSION DETERMINES THE REGISTRATION INFORMATION IS INCOMPLETE, THE COMMISSION MAY EXTEND ANY TIME FRAME PROVIDED IN AN ORDER OR REGULATION ESTABLISHING THE REGISTRATION PROCESS UNDER THIS SECTION.

(E) THE COMMISSION SHALL POST AND REGULARLY UPDATE ON ITS WEBSITE:

(1) A MAP DISPLAYING THE APPROXIMATE PROPOSED LOCATION OF LARGE LOAD CUSTOMERS REGISTERED UNDER THIS SECTION; AND

(2) OTHER PERTINENT INFORMATION THAT THE COMMISSION DETERMINES IS IN THE PUBLIC INTEREST.

(F) ON OR BEFORE JANUARY 1, 2028, AND EACH JANUARY 1 THEREAFTER, THE COMMISSION SHALL REPORT TO THE SENATE COMMITTEE ON EDUCATION, ENERGY AND THE ENVIRONMENT AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE REGISTRATION PROGRAM UNDER THIS SECTION.

7-505.

(b) (1) The Commission shall issue the orders or adopt the regulations required under this subsection before the implementation of customer choice.

(2) The Commission shall order a universal service program, to be made available on a statewide basis, to benefit low-income customers, in accordance with [§ 7-512.1 of this subtitle] § 5-5A-08 OF THE HUMAN SERVICES ARTICLE.

7-510.

(d) (2) A residential electricity supplier:

(i) may offer electricity, other than green power, only at a price that does not exceed [the trailing 12-month average] 110% of the electric company's standard offer service rate in the electric company's service territory as of the date of agreement with the customer;

(ii) may offer residential electricity supply only for a term not to exceed [12] 36 months at a time;

(iii) may, for electricity supply other than green power, automatically renew the term only if the electricity supplier provides notice to the customer 90 days before and 30 days before renewal;

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(iv) may offer green power that meets the requirements of § 7–707 of this title, but may not automatically renew the term with the customer;

(v) [subject to] EXCEPT AS PROVIDED IN paragraph (3) of this subsection, may not offer a variable rate [other than a rate that adjusts for seasonal variation not more than twice in a single year]; and

(vi) may not pay a commission or other incentive-based compensation to an energy salesperson for enrolling customers.

(3) [Paragraph (2)(v) of this subsection does not prohibit the offer and use of] A RESIDENTIAL ELECTRICITY SUPPLIER MAY OFFER A VARIABLE RATE THAT:

(I) USES time-of-use rates that establish different rates for periods within a single day;

(II) ADJUSTS FOR SEASONAL VARIATION NOT MORE THAN TWICE IN A SINGLE YEAR; OR

(III) DOES NOT EXCEED THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE RATE IN THE ELECTRIC COMPANY'S SERVICE TERRITORY AT ANY TIME DURING THE AGREEMENT WITH THE CUSTOMER.

7–510.3.

(o) The Commission shall establish procedures for an electric customer that is receiving electricity supply through a community choice aggregator to receive any bill assistance credit or arrearage assistance to which the customer may be entitled under [§ 7–512.1 of this subtitle] § 5–5A–08 OF THE HUMAN SERVICES ARTICLE or any other federal or State bill and arrearage assistance administered by the Office of Home Energy Programs.

7–1006.

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(a) (1) [The Commission may approve or require an investor-owned electric company to] **SUBJECT TO AVAILABLE FUNDING, THE MARYLAND ENERGY ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, MAY** offer upfront incentives or rebates to customers to acquire and install renewable on-site generating systems if the customer:

(i) enrolls in a pilot program or temporary tariff established under § 7-1005 of this subtitle; and

(ii) allows the system to be used for electric distribution system support services for a period of not less than 5 years.

(2) [The Commission may:

(i) authorize or require an investor-owned electric company to provide an additional incentive or rebate for low- or moderate-income customers who apply for an incentive or rebate under this section; and

(ii) require an investor-owned electric company to] **THE MARYLAND ENERGY ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, MAY** prioritize the offer of incentives or rebates under this section to low- or moderate-income customers.

(b) [In determining whether to require an investor-owned electric company to offer an incentive or rebate under this section, the Commission shall consider:

(1) the benefit of reducing the operation of peak generating facilities in overburdened and underserved communities;

(2) the benefit of resiliency and service outage avoidance for customers with on-site generating systems; and

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(3) the potential for investor-owned electric companies to reduce expenses relating to electric distribution system infrastructure by leveraging customers' on-site generating systems.

(c) The Commission shall consider establishing a limit on the amount of incentives or rebates issued in a manner that achieves deployment goals while mitigating potential customer impacts.

(d) The Commission shall consult with the] THE Maryland Energy Administration, when approving [or requiring] an incentive or rebate under this section, [to] SHALL ensure that the incentive or rebate is designed to supplement, to the greatest extent possible, other available State and federal incentives for customer adoption of renewable on-site generating systems.

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) 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.

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(c) 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 resources under this subtitle.

7-1201.

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

(g) “Large capacity energy resource” means a generating station or energy storage device that[:

(1) on or before January 1, 2025:

(i) has applied to PJM for interconnection approval; or

(ii) has been approved by PJM for interconnection; and

(2) has a capacity rating equal to or greater than 20 megawatts after accounting for the effective load carrying capability.

7-1216.

(a) The Commission may not approve an application for a nuclear energy generation project submitted under § 7-1212 of this subtitle unless:

(1) the project is connected to the electric system serving the State;

(2) over the duration of the proposed long-term pricing schedule, the projected net rate impact for an average residential customer, based on annual consumption of 12,000 kilowatt-hours and combined with the projected net rate impact of other nuclear energy generation projects, does not exceed an amount determined by the Commission;

(3) over the duration of the proposed long-term pricing schedule, the projected net rate impact for all nonresidential customers, considered as a blended average and combined with the projected net rate impact of other nuclear energy generation projects, does not exceed a percentage determined by the Commission of

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nonresidential customers' total annual electric bills; and

(4) the price specified in the proposed long-term pricing schedule does not exceed an amount determined by the Commission.

(b) When calculating the projected net average rate impacts for nuclear energy generation projects under this section, the Commission shall [apply the same] **CONSIDER THE** net long-term cost per megawatt-hour **APPLIED** to residential and nonresidential customers.

7-1220.

(a) In this section, "zero-emission credit" means [the difference between the price that a nuclear energy generating station with a long-term pricing schedule approved in an order issued under § 7-1217 of this subtitle may receive on the wholesale market and the cost of constructing the nuclear energy generating station] **A CREDIT EQUAL TO THE ENVIRONMENTAL ATTRIBUTES OF 1 MEGAWATT-HOUR OF ELECTRICITY THAT IS DERIVED FROM A NUCLEAR ENERGY GENERATING STATION APPROVED BY THE COMMISSION UNDER § 7-1217 OF THIS SUBTITLE.**

(b) The Commission shall adopt regulations that:

(1) establish the nuclear energy long-term pricing purchase obligation sufficiently in advance to allow an electric company to reflect nuclear energy long-term pricing costs as a nonbypassable surcharge that is added to the electric company's base distribution rate on customer bills;

(2) define rules that facilitate and ensure the secure and transparent transfer of revenues and long-term pricing payments among parties;

(3) define the terms and procedures of the nuclear energy long-term pricing schedule obligations, including:

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(i) establishing a formula and process to adjust the value of the long-term pricing schedule every 2 years based on projected wholesale market prices adjusted by the locational value and earning potential in the PJM region of the nuclear energy generating station; and

(ii) establishing a per megawatt hour cap on any long-term pricing schedule specified in an order issued under § 7-1217 of this subtitle;

(4) require the Commission to establish an escrow account; and

(5) to meet the total statewide long-term pricing purchase obligation for all applications approved in an order issued under § 7-1217 of this subtitle, require the Commission to annually establish each electric company's zero-emission credit purchase obligation based on the most recent final electricity sales data as reported by PJM Interconnection and measured at the customer's meter in proportion to the electric company's share of statewide load.

(c) (1) Each electric company shall procure from the escrow account established by regulation under this section a quantity of zero-emission credits equal to the electric company's respective percentage of retail electric sales each year.

(2) Subject to any escrow account reserve requirement the Commission establishes, if there are insufficient zero-emission credits available to satisfy the electric companies' zero-emission credit purchase obligations, the overpayment shall be distributed to electric companies to be refunded or credited to each distribution customer based on the customer's consumption of electricity supply that is subject to the renewable energy portfolio standard.

(d) A debt, an obligation, or a liability of a nuclear energy generation project or of an owner or operator of a nuclear energy generation project may not be considered a debt, an obligation, or a liability of the State.

(Over)

(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AND BEFORE THE NUCLEAR ENERGY GENERATION PROJECT BEGINS COMMERCIAL OPERATION, THE COMMISSION MAY APPROVE AN INCREASE OF THE TOTAL COST OF A NUCLEAR ENERGY GENERATION PROJECT UNDER A LONG-TERM PRICING PURCHASE OBLIGATION.

(2) THE TOTAL COST OF A NUCLEAR ENERGY GENERATION PROJECT UNDER A LONG-TERM PRICING PURCHASE OBLIGATION MAY NOT BE INCREASED BY MORE THAN 15% OF THE ORIGINAL TOTAL PROJECT COST.

Article – State Finance and Procurement

13-217.

(a) In this section, “multi-year contract” means a procurement contract that requires appropriations for more than 1 fiscal year.

(b) (1) A unit may enter into a multi-year contract subject to:

(i) standards established by the Board; and

(ii) regulations adopted by the primary procurement unit that is responsible for the type of procurement involved.

(2) A multi-year contract shall be subject to review and approval by that primary procurement unit.

(c) A multi-year contract may not be approved unless each unit reviewing the multi-year contract determines that:

(1) the estimated requirements of the State:

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(i) cover the period of the multi-year contract;

(ii) are reasonably firm; and

(iii) are continuing; and

(2) the multi-year contract will serve the best interests of the State by encouraging effective competition or otherwise promoting economy in State procurement.

(d) (1) If money sufficient for the continued performance of a multi-year contract is not appropriated for any fiscal year, the multi-year contract terminates automatically on the earlier of:

(i) the last day of the fiscal year for which money last was appropriated; or

(ii) the date provided in the termination clause of the procurement contract.

(2) If the multi-year contract is terminated under this subsection, the unit shall reimburse the contractor for the reasonable value of any nonrecurring costs that were:

(i) incurred as a result of the multi-year contract; but

(ii) not amortized in the price of the supplies or services delivered under the multi-year contract.

(3) The cost of termination under this subsection may be paid from any appropriation available for that purpose.

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(e) Except as provided in subsection (f) of this section, each multi-year contract, including a lease of real property, shall include an automatic termination clause that:

(1) is not inconsistent with the requirements of subsection (d) of this section; and

(2) discharges both parties to the multi-year contract from future performance of that contract, but not from their existing obligations.

(f) (1) On the recommendation of the Secretary of General Services, **FOR A MULTI-YEAR CONTRACT TO PROCURE ENERGY GENERATED FROM A TIER 1 RENEWABLE SOURCE OR A TIER 2 RENEWABLE SOURCE, AS DEFINED IN § 7-701 OF THE PUBLIC UTILITIES ARTICLE**, the Board may waive the requirement to include:

(I) an automatic termination clause under subsection (e) of this section [for a multi-year contract to procure energy generated from a Tier 1 renewable source or a Tier 2 renewable source, as defined in § 7-701 of the Public Utilities Article];
OR

(II) **A TERMINATION FOR CONVENIENCE CLAUSE REQUIRED UNDER § 13-218(A)(2) OF THIS SUBTITLE.**

(2) In determining whether [or not] to grant a waiver under paragraph (1) of this subsection, the Board shall consider the effect of imposing **THE FOLLOWING CLAUSE REQUIREMENTS ON THE ABILITY OF THE ENERGY SUPPLIER TO OBTAIN FINANCING FOR THE RENEWABLE ENERGY GENERATION PROJECT THAT PRODUCES THE ENERGY THAT THE STATE IS CONTRACTING TO PROCURE:**

(I) the termination clause requirement under subsection (e) of this section [on the ability of the energy supplier to obtain financing for the renewable energy generation project that produces the energy that the State is contracting to procure]; AND

(II) THE TERMINATION FOR CONVENIENCE CLAUSE REQUIREMENT UNDER § 13-218(A)(2) OF THIS SUBTITLE.

13-218.

(a) Each procurement contract shall include clauses covering:

(2) termination wholly or partly by the State for its convenience if the head of the primary procurement unit determines that termination is appropriate;

(F) IN ACCORDANCE WITH § 3-217(F) OF THIS SUBTITLE, THE BOARD MAY WAIVE THE INCLUSION OF A TERMINATION FOR CONVENIENCE CLAUSE REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION.

Article – State Government

9-20B-01.

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

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

9-20B-05.

(a) There is a Maryland Strategic Energy Investment Fund.

(f) The Administration shall use the Fund:

(1) to invest in the promotion, development, and implementation of:

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(i) cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(ii) renewable and clean energy resources;

(iii) climate change programs directly related to reducing or mitigating the effects of climate change; and

(iv) demand response programs that are designed to promote changes in electric usage by customers in response to:

1. changes in the price of electricity over time; or

2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(3) to provide supplemental funds for low-income energy assistance through [the Electric Universal Service Program established under § 7-512.1 of the Public Utilities Article and other] electric AND FUEL assistance programs in the Department of Human Services;

(4) to provide rate relief by offsetting electricity rates of:

(I) residential customers, including an offset of surcharges imposed on ratepayers under Title 7, Subtitle 2, Part II of the Public Utilities Article; AND

(II) RESIDENTS OF APARTMENT HOUSES, AS DEFINED IN § 7-303 OF THE PUBLIC UTILITIES ARTICLE, FOR WHICH ELECTRICITY SERVICE IS PROVIDED THROUGH:

1. SUBMETERING AUTHORIZED UNDER § 7-303 OF THE PUBLIC UTILITIES ARTICLE; OR

2. AN ENERGY ALLOCATION SYSTEM AS DEFINED IN § 7-304 OF THE PUBLIC UTILITIES ARTICLE;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle;

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;

(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title;

(8) to provide grants to encourage combined heat and power projects at industrial facilities;

(9) to provide at least \$1,200,000 in each fiscal year for fiscal year 2025 through fiscal year 2028 to the Climate Technology Founder's Fund established under § 10-858 of the Economic Development Article;

(10) subject to subsection (f-2) of this section, to provide at least \$2,100,000 in funding each fiscal year to the Maryland Energy Innovation Fund established under § 10-835 of the Economic Development Article;

(11) to provide at least \$500,000 each year to the Resiliency Hub Grant Program Fund under § 9-2011 of this title;

(12) to provide grants through the Customer-Sited Solar Program under § 9-2016 of this title;

(13) notwithstanding subsection (g) of this section, to pay costs associated with the Air and Radiation Administration within the Department of the Environment; [and]

(14) TO AWARD BIDS FOR RENEWABLE ENERGY GENERATION PROJECTS UNDER § 9-20E-02 OF THIS TITLE; AND

(15) to pay the expenses of the Program.

(g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article shall be allocated as follows:

(1) at least 50% shall be credited to an energy assistance account to be used for [the Electric Universal Service Program and other] electricity AND FUEL assistance programs in the Department of Human Services;

(2) at least 20% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for:

(i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and

(ii) the moderate-income residential sector;

(3) (I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM, at least 20% shall be credited to a renewable and clean energy programs account for:

[(i)] 1. renewable and clean energy programs and initiatives;

[(ii)] 2. energy-related public education and outreach; and

[(iii)] 3. climate change and resiliency programs;

(II) BEGINNING IN FISCAL YEAR 2028, AT LEAST 20% SHALL BE CREDITED TO A RENEWABLE AND CLEAN ENERGY PROGRAMS ACCOUNT AND ALLOCATED AS FOLLOWS:

1. AT LEAST 45% FOR BUILDING CLEAN ENERGY AND EFFICIENCY PROGRAMS, INCLUDING LOW-INCOME HOUSEHOLD ENERGY EFFICIENCY AND SCHOOL ELECTRIFICATION;

2. 30% FOR TRANSPORTATION-RELATED EMISSIONS REDUCTION PROGRAMS, INCLUDING ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND ELECTRIC SCHOOL BUS DEPLOYMENT;

3. 15% FOR ELECTRIC SYSTEM RESILIENCY PROGRAMS, INCLUDING MICROGRID INSTALLATION AND RESILIENCY HUBS;

4. 5% FOR GRANTS OR REBATES TO INCENTIVIZE CUSTOMERS TO INSTALL RENEWABLE ON-SITE GENERATING SYSTEMS UNDER § 7-1006 OF THE PUBLIC UTILITIES ARTICLE; AND

5. IF THE AMOUNT OF THE ENVIRONMENTAL SURCHARGE IMPOSED ON EACH RETAIL ELECTRIC CUSTOMER UNDER § 3-302 OF THE NATURAL RESOURCES ARTICLE IS LESS THAN 0.15 MILL PER KILOWATT HOUR OR \$1,000 PER MONTH, 5% TO THE POWER PLANT RESEARCH PROGRAM WITHIN THE DEPARTMENT OF NATURAL RESOURCES; and

(4) up to 10%, but not more than \$7,500,000, shall be credited to an administrative expense account for costs related to the administration of the Fund, including the review of electric company plans for achieving electricity savings and demand reductions that the electric companies are required under law to submit to the Administration.

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(i) (1) Except as provided in paragraphs (2), (3), [and] (4), AND (5) of this subsection, compliance fees paid under § 7–705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State that are owned by or directly benefit:

(i) low– to moderate–income communities located in a census tract with an average median income at or below 80% of the average median income for the State; or

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

(2) Compliance fees paid under § 7–705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit:

(i) low– to moderate–income communities located in a census tract with an average median income at or below 80% of the average median income for the State;

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

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

(3) For fiscal year 2026 only, up to \$100,000,000 of compliance fees paid under §§ 7–705(b) and 7–705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used for solar development on State government property and local government clean energy projects.

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(4) (i) Subject to subparagraphs (ii), (iii), and (iv) of this paragraph, compliance fees paid under § 7–705 of the Public Utilities Article may be used to provide grants to electric companies to be refunded or credited to each residential distribution customer based on the customer’s consumption of electricity supply that is subject to the renewable energy portfolio standard.

(ii) The refunding or crediting of amounts to residential distribution customers shall be identified on the customer’s bill as a line item identified as a “legislative energy relief refund”.

(iii) An electric company awarded a grant under this paragraph:

1. may not retain any of the grant funds to cover overhead expenses; and
2. shall provide all of the grant funds to residential distribution customers.

(iv) The process under subparagraphs (i) and (ii) of this paragraph related to the refunding or crediting of amounts to residential distribution customers shall be directed and overseen by the Commission.

(5) FOR FISCAL YEARS 2027 AND 2028, \$100,000,000 OF COMPLIANCE FEES PAID UNDER § 7–705 OF THE PUBLIC UTILITIES ARTICLE AND DEPOSITED INTO THE FUND EACH FISCAL YEAR MAY BE USED TO AWARD BIDS FOR RENEWABLE ENERGY GENERATION PROJECTS UNDER § 9–20E–02 OF THIS TITLE, INCLUDING ANY ASSOCIATED ADMINISTRATIVE EXPENSES.

(N) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND THAT IS EQUAL TO THE AMOUNT BY WHICH THE UNENCUMBERED

(Over)

AND UNAPPROPRIATED BALANCE OF THE FUND THAT IS ATTRIBUTABLE TO THE SALE OF ALLOWANCES UNDER § 2-1002(G) OF THE ENVIRONMENT ARTICLE EXCEEDS THE FOLLOWING AMOUNTS ON JUNE 30 OF THE IMMEDIATELY PRECEDING FISCAL YEAR:

(1) FOR PROCEEDS CREDITED TO AN ENERGY ASSISTANCE ACCOUNT UNDER SUBSECTION (G)(1) OF THIS SECTION, \$50,000,000;

(2) FOR PROCEEDS CREDITED TO A LOW AND MODERATE INCOME EFFICIENCY AND CONSERVATION PROGRAMS ACCOUNT AND TO A GENERAL EFFICIENCY AND CONSERVATION PROGRAMS ACCOUNT UNDER SUBSECTION (G)(2) OF THIS SECTION, \$5,000,000 COMBINED BETWEEN THE TWO ACCOUNTS;

(3) FOR PROCEEDS CREDITED TO A RENEWABLE AND CLEAN ENERGY PROGRAMS ACCOUNT UNDER SUBSECTION (G)(3)(II) OF THIS SECTION, \$5,000,000; AND

(4) FOR PROCEEDS CREDITED TO AN ADMINISTRATIVE EXPENSE ACCOUNT UNDER SUBSECTION (G)(4) OF THIS SECTION, \$3,000,000.

SUBTITLE 20E. ALTERNATIVE COMPLIANCE FEE AUCTIONS.

9-20E-01.

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

(B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY ADMINISTRATION.

(C) “ALTERNATIVE COMPLIANCE FEE” MEANS A FEE PAID IN ACCORDANCE WITH § 7-705 OF THE PUBLIC UTILITIES ARTICLE TO THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THIS TITLE.

(D) “AUCTION” MEANS AN ALTERNATIVE COMPLIANCE FEE AUCTION.

(E) “CAPACITY TARGET” MEANS A CALCULATION OF THE AMOUNT OF RENEWABLE ENERGY GENERATION NEEDED IN A GIVEN YEAR TO SATISFY THE RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703 OF THE PUBLIC UTILITIES ARTICLE FOR A SPECIFIC YEAR, MINUS THE AMOUNT ALREADY PROCURED FROM OTHER SOURCES.

(F) “COMMISSION” MEANS THE PUBLIC SERVICE COMMISSION.

(G) “RENEWABLE ENERGY” MEANS ENERGY GENERATED FROM:

(1) ONSHORE WIND ENERGY GENERATING SYSTEMS; OR

(2) UTILITY-SCALE SOLAR ENERGY GENERATING SYSTEMS, WHICH MAY INCLUDE CO-LOCATED BATTERY STORAGE, THAT DO NOT PARTICIPATE IN NET ENERGY METERING UNDER § 7-306, § 7-306.2, § 7-306.3, OR § 7-306.4 OF THE PUBLIC UTILITIES ARTICLE.

9-20E-02.

(A) (1) FOR 2027 AND 2028, THE ADMINISTRATION SHALL CONDUCT, IN CONSULTATION WITH THE COMMISSION, AN ANNUAL, COMPETITIVE, LOW-BID

(Over)

ALTERNATIVE COMPLIANCE FEE AUCTION TO AWARD CONTRACTS TO ELIGIBLE BIDDERS TO FUND PROJECTS FOR THE DEVELOPMENT OF RENEWABLE ENERGY GENERATION IN THE STATE USING REVENUE FROM ALTERNATIVE COMPLIANCE FEES.

(2) (I) THE ADMINISTRATION AND THE COMMISSION SHALL SET THE CAPACITY TARGET FOR THE AMOUNT OF RENEWABLE ENERGY GENERATION REQUIRED FOR 2027 AND 2028.

(II) IN DETERMINING THE CAPACITY TARGET FOR EACH AUCTION, THE ADMINISTRATION AND THE COMMISSION SHALL USE A TRANSPARENT METHODOLOGY, INCLUDING:

1. RENEWABLE ENERGY CREDIT SHORTFALLS FROM THE PRIOR YEAR;

2. ANTICIPATED GROWTH IN RENEWABLE ENERGY OVER TIME;

3. AVAILABLE ALTERNATIVE COMPLIANCE FEE REVENUE;

4. MODELED EXPECTED ENERGY CLEARING PRICES;
AND

5. TRENDS IN IN-STATE RENEWABLE ENERGY GENERATION.

(3) THE ADMINISTRATION AND THE COMMISSION MAY SET:

(I) A MINIMUM LEVEL OF MEGAWATTS REQUIRED FROM EACH TYPE OF RENEWABLE ENERGY SOURCE IN THE AUCTION; OR

(II) SPECIFIC PROCUREMENT THRESHOLDS FOR ALL TYPES OF RENEWABLE ENERGY SOURCES COLLECTIVELY.

(B) (1) THE ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, SHALL DEVELOP AND CONDUCT THE AUCTIONS IN A MANNER THAT IS COST-EFFECTIVE AND MAINTAINS AND PROMOTES THE DEVELOPMENT OF RENEWABLE ENERGY IN THE STATE.

(2) THE COMPETITIVE AUCTION PROCESS MAY REQUIRE THE ADMINISTRATION TO SOLICIT A SERIES OF BIDS FROM RENEWABLE ENERGY PROJECT DEVELOPERS FOR THE DEVELOPMENT OF RENEWABLE ENERGY GENERATION PROJECTS THAT ARE NEEDED TO MEET ELECTRICITY DEMAND IN A COST-EFFECTIVE MANNER.

(C) (1) TO BE ELIGIBLE TO SUBMIT A BID UNDER THIS SECTION, A PERSON MUST:

(I) BE A RENEWABLE ENERGY GENERATION PROJECT DEVELOPER; AND

(II) MEET THE MINIMUM CREDIT AND OTHER ELIGIBILITY REQUIREMENTS SET UNDER PARAGRAPH (2) OF THIS SUBSECTION.

(2) THE ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, SHALL SET ELIGIBILITY REQUIREMENTS FOR BIDDERS, INCLUDING REQUIRING EACH BIDDER TO:

(I) PROVIDE PROOF OF FINANCIAL INTEGRITY;

(II) POST A BOND OR OTHER SIMILAR INSTRUMENT;

(III) AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES; AND

(IV) COMPLY WITH ANY OTHER REQUIREMENTS THE ADMINISTRATION DETERMINES ARE IN THE PUBLIC INTEREST.

(D) (1) ELIGIBLE BIDDERS SHALL SUBMIT COMPETITIVE BIDS BY SPECIFYING:

(I) THE ACTUAL AMOUNT OF MEGAWATTS TO BE GENERATED BY THE RENEWABLE ENERGY GENERATION PROJECT; AND

(II) A PRICE PER MEGAWATT THAT WOULD BE REQUIRED FROM THE AUCTION.

(2) THE ADMINISTRATION SHALL RANK BIDS FROM LOWEST TO HIGHEST COST PER MEGAWATT AND AWARD FUNDS DERIVED FROM ALTERNATIVE COMPLIANCE FEES TO THE LOWEST BID OR BIDS.

(3) THE ADMINISTRATION SHALL AWARD BIDS UNTIL THE CAPACITY TARGET SET UNDER SUBSECTION (A)(2) OF THIS SECTION IS REACHED.

(4) THE BIDDER WHO SUBMITS THE LOWEST RESPONSIVE BID FOR DEVELOPING A RENEWABLE ENERGY GENERATION PROJECT SHALL BE AWARDED THE AMOUNT OF FUNDS TO BUILD THE RENEWABLE ENERGY GENERATION PROJECT.

(5) THE ADMINISTRATION MAY REFUSE TO ACCEPT SOME OR ALL OF THE BIDS MADE IN A COMPETITIVE AUCTION IN ACCORDANCE WITH STANDARDS ADOPTED BY THE ADMINISTRATION.

(6) (I) IF THE CAPACITY TARGET CAN BE MET AT A COST BELOW THE ALLOCATED FUNDING, THE ADMINISTRATION MAY:

1. CARRY FORWARD ANY FUNDING TO THE NEXT AUCTION, IF APPLICABLE; OR

2. APPLY THE FUNDS FOR ANY ADDITIONAL MEGAWATTS OF RENEWABLE ENERGY GENERATION THAT HAVE BEEN OFFERED UNDER THE AUCTION.

(II) ANY AMOUNT OF ALLOCATED FUNDING THAT IS NOT CARRIED FORWARD OR APPLIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL ACCRUE IN THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND AND MAY BE ALLOCATED FOR ANY PURPOSE FOR WHICH ALTERNATIVE COMPLIANCE FEE REVENUE IS AUTHORIZED TO BE USED.

(E) (1) THE ADMINISTRATION SHALL SET DELIVERY DEADLINES FOR EACH RENEWABLE ENERGY GENERATION PROJECT THAT IS AWARDED FUNDING FROM AN AUCTION.

(2) THE DEADLINES SET IN PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE MILESTONES THAT REQUIRE THE DEVELOPER TO MEET CERTAIN DELIVERY GOALS DURING THE DEVELOPMENT OF A RENEWABLE ENERGY GENERATION PROJECT.

(3) THE ADMINISTRATION MAY GRANT EXTENSIONS FOR DELIVERY GOALS THAT ARE DELAYED DUE TO INTERCONNECTION OR PERMITTING CHALLENGES OR DELAYS IF THE DEVELOPER PROVIDES DOCUMENTATION OF THE CHALLENGE OR DELAY.

(4) THE ADMINISTRATION SHALL ESTABLISH A METHOD OF COLLECTION AGAINST ANY DEVELOPER AWARDED A CONTRACT UNDER THIS SECTION TO RECAPTURE ANY FUNDS RECEIVED AS A RESULT OF:

(I) MISAPPROPRIATION, OVERPAYMENT, OR FRAUD; OR

(II) FAILURE TO MEET MILESTONES OR DELIVERY DATES.

(F) WITHIN 90 DAYS AFTER ALL CONTRACTS FOR RENEWABLE ENERGY GENERATION PROJECTS ARE EXECUTED, THE ADMINISTRATION SHALL PUBLICLY DISCLOSE THE NAMES OF EACH SUCCESSFUL BIDDER AND THE MEGAWATTS TO BE DELIVERED BY THE DEVELOPMENT OF THE RENEWABLE ENERGY GENERATION PROJECT.

(G) ON OR BEFORE JULY 1, 2027, AND JULY 1, 2028, THE ADMINISTRATION AND THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, ON THE ADMINISTRATION OF THE IMMEDIATELY PRECEDING AUCTION, INCLUDING:

(1) THE AMOUNT OF MEGAWATTS PROCURED THROUGH THE AUCTION;

(2) THE COST PER MEGAWATT OF RENEWABLE ENERGY ALLOCATED IN THE AUCTION;

(3) THE NUMBER OF RENEWABLE ENERGY CREDITS CREATED AS A RESULT OF THE AUCTION; AND

(4) ANY OTHER INFORMATION THE ADMINISTRATION AND THE COMMISSION CONSIDER RELEVANT.

(H) THE ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

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

Article – Public Utilities

4–213.

(a) This section applies only to a public service company that is an electric company, a gas company, or a combination gas and electric company.

(b) Unless otherwise authorized by law, the Commission may approve the use of a multiyear rate plan for distribution base rates only if the plan:

(1) demonstrates the customer benefits of the investment; and

(2) does not allow for:

(I) the public service company to file for reconciliation of cost or revenue variances of the approved revenue component used by the Commission to

(Over)

establish just and reasonable rates IF THE RECONCILIATION WOULD RESULT IN ADDITIONAL CHARGES TO CUSTOMERS; OR

(II) THE USE OF COST-SHARING MECHANISMS THAT WOULD RESULT IN ADDITIONAL CHARGES TO CUSTOMERS ABOVE THE APPROVED REVENUE COMPONENT USED BY THE COMMISSION TO ESTABLISH JUST AND REASONABLE RATES.

(c) A public service company that files or has filed an application for a multiyear rate plan may not subsequently file for reconciliation of cost or revenue variances [of] THAT WOULD RESULT IN ADDITIONAL CHARGES TO CUSTOMERS DUE TO THE PUBLIC SERVICE COMPANY SPENDING MORE THAN the approved revenue component used by the Commission to establish the multiyear rates unless the filing for reconciliation was made on or before January 1, 2025.

(D) THE COMMISSION MAY REQUIRE A PUBLIC SERVICE COMPANY TO INCLUDE A RECONCILIATION PROCEDURE IN ITS MULTIYEAR RATE PLAN TO REFUND CUSTOMERS THE DIFFERENCE BETWEEN:

(1) THE PUBLIC SERVICE COMPANY'S FORECAST REVENUE REQUIREMENT; AND

(2) THE PUBLIC SERVICE COMPANY'S ACTUAL REVENUE REQUIREMENT DURING THE TERM OF THE MULTIYEAR RATE PLAN.

4-504.

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

(2) (I) "BONUS" MEANS A FORM OF DIRECT OR INDIRECT PAYMENT, CONSIDERATION, OR COMPENSATION THAT IS PAID OR CONVEYED TO AN EMPLOYEE OF A PUBLIC SERVICE COMPANY IN ADDITION TO THE EMPLOYEE'S BASE PAY.

(II) "BONUS" INCLUDES:

1. COMPENSATION THAT THE PUBLIC SERVICE COMPANY DOES NOT FORMALLY LABEL AS A BONUS PAYMENT;

2. ANY FORM OF INCENTIVE COMPENSATION THE FACT AND AMOUNT OF WHICH IS UNDER THE DISCRETION OF THE PUBLIC SERVICE COMPANY UNTIL A TIME CLOSE TO THE END OF THE PERIOD FOR WHICH THE INCENTIVE PAYMENT IS PAID; AND

3. PAYMENTS GIVEN IN ADDITION TO BASE PAY THAT ARE CONTINGENT ON THE OCCURRENCE OF ONE OR MORE EVENTS OR CONDITIONS.

(3) (I) "COMPENSATION" MEANS A FORM OF PAYMENT OR CONSIDERATION CONVEYED TO OR FOR THE BENEFIT OF AN EMPLOYEE OF A PUBLIC SERVICE COMPANY, THE PARENT COMPANY OF A PUBLIC SERVICE COMPANY, OR ANY OTHER AFFILIATE OF A PUBLIC SERVICE COMPANY IN CONNECTION WITH THE EMPLOYEE'S WORK FOR A PUBLIC SERVICE COMPANY.

(II) "COMPENSATION" INCLUDES:

1. DIRECT AND INDIRECT METHODS OF CONFERRING BENEFITS;

2. CASH AND NONCASH BENEFITS;

3. SALARY, BONUSES, PERIOD PAYMENTS, AND SEVERANCE PAY; AND

4. THE VALUE OF A PERQUISITE, COMPENSATORY OR PAID LEAVE, OR OTHER BENEFIT NOT EXCLUDED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH.

(III) “COMPENSATION” DOES NOT INCLUDE ANY EXPENDITURE OF A PUBLIC SERVICE COMPANY FOR HEALTH, MEDICAL, DENTAL, VISION, OR LIFE INSURANCE OR DISABILITY PAY.

(4) “SUPERVISOR” MEANS AN EMPLOYEE OF A PUBLIC SERVICE COMPANY, THE PARENT COMPANY OF A PUBLIC SERVICE COMPANY, OR ANY OTHER AFFILIATE OF A PUBLIC SERVICE COMPANY WHO:

(I) USING THE EMPLOYEE’S INDEPENDENT JUDGMENT:

1. IS AUTHORIZED BY THE EMPLOYEE’S EMPLOYER TO HIRE, TRANSFER, SUSPEND, LAY OFF, RECALL, PROMOTE, DISCHARGE, ASSIGN, REWARD, OR DISCIPLINE OTHER EMPLOYEES;

2. IS RESPONSIBLE FOR DIRECTING THE WORK PERFORMANCE OF OTHER EMPLOYEES; AND

3. IS RESPONSIBLE FOR RESPONDING TO EMPLOYEE COMPLAINTS; OR

(II) IS EMPLOYED IN A BONA FIDE EXECUTIVE CAPACITY UNDER THE FEDERAL FAIR LABOR STANDARDS ACT.

(B) This section applies only to a public service company that is an investor-owned electric company, gas company, or combination gas and electric company.

[(b)] (C) A public service company may not recover through rates any costs associated with:

(1) membership, dues, sponsorships, or contributions to an industry trade association, group, or related entity exempt from taxation under § 501(c)(6) of the Internal Revenue Code; [or]

(2) the acquisition, use, or allocation of costs associated with a private plane that is owned or leased by the public service company or its holding company; OR

(3) COMPENSATION FOR A SUPERVISOR THAT EXCEEDS 110% OF THE MAXIMUM ANNUAL SALARY PAYABLE TO THE CHAIR OF THE COMMISSION FOR THE SAME CALENDAR YEAR.

(D) (1) THE BOARD OF DIRECTORS OF EACH PUBLIC SERVICE COMPANY SHALL ADOPT A COMPANY-WIDE POLICY PLACING REASONABLE COST LIMITATIONS, IN ACCORDANCE WITH GUIDANCE PUBLISHED BY THE COMMISSION UNDER PARAGRAPH (2) OF THIS SUBSECTION, ON EXPENDITURES THAT THE PUBLIC SERVICE COMPANY INTENDS TO RECOVER THROUGH RATES FOR:

(I) ENTERTAINMENT AND EVENTS;

(II) OFFICE AND FACILITY RENOVATIONS;

(III) TRANSPORTATION SERVICES, INCLUDING AVIATION;

(IV) STAFF DEVELOPMENT ACTIVITIES OR EVENTS;

(V) PERFORMANCE INCENTIVES; AND

(VI) OTHER ACTIVITIES OUTSIDE THE SCOPE OF THE NORMAL COURSE OF BUSINESS OPERATIONS.

(2) THE COMMISSION SHALL PUBLISH GUIDANCE DEFINING "REASONABLE COST LIMITATIONS" FOR EXPENDITURES UNDER THIS SUBSECTION.

(3) EACH PUBLIC SERVICE COMPANY SHALL SEND A COPY OF THE POLICY ADOPTED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE COMMISSION:

(I) AS SOON AS PRACTICABLE; AND

(II) EACH TIME THE POLICY IS UPDATED, BUT NOT LESS THAN EVERY 5 YEARS.

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7-306.

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

(4) “Eligible customer-generator” means a customer that owns and operates, leases and operates, or contracts with a third party that owns and operates a biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit hydro electric generating facility that:

(i) is located on the customer’s premises or contiguous property;

(ii) is interconnected and operated in parallel with an electric company’s transmission and distribution facilities; and

(iii) is intended primarily to offset all or part of the customer’s own electricity requirements.

(7) “Net energy metering” means measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer-generator and fed back to the electric grid over the eligible customer-generator’s billing period.

(d) (1) The Commission shall require electric utilities to develop a standard contract or tariff for net energy metering and make it available to eligible customer-generators on a first-come, first-served basis until **THE EARLIER OF:**

(I) **THE DATE ON WHICH** the rated generating capacity owned and operated by eligible customer-generators in the State reaches 3,000 megawatts; **OR**

(II) **JULY 1, 2027.**

(2) **NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION AND EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, IF THE 3,000 MEGAWATT LIMIT IN PARAGRAPH (1)(I) OF THIS SUBSECTION HAS NOT BEEN MET, A COMMUNITY SOLAR ENERGY GENERATING SYSTEM UNDER § 7-306.2 OF THIS**

SUBTITLE THAT IS PLACED IN SERVICE AFTER JULY 1, 2027, SHALL BE ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION IF:

(I) THE SYSTEM:

1. ON OR BEFORE JANUARY 1, 2027, RECEIVED A QUEUE POSITION UNDER § 7-306.2 OF THIS SUBTITLE AND PAID ALL INTERCONNECTION FEES; AND

2. EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, IS PLACED IN SERVICE ON OR BEFORE JULY 1, 2029; AND

(II) THE ELECTRIC COMPANY IN WHOSE SERVICE TERRITORY THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS LOCATED HAS NOT MET THE NET ENERGY METERING CAPACITY LIMIT UNDER PARAGRAPH (3) OF THIS SUBSECTION.

(3) THE NET ENERGY METERING CAPACITY LIMIT FOR THE CONSTRUCTION OF COMMUNITY SOLAR PROJECTS UNDER A NET ENERGY METERING CONTRACT OR TARIFF UNDER THIS SECTION IN AN ELECTRIC COMPANY'S SERVICE TERRITORY SHALL BE THE PERCENTAGE OF THE 3,000 MEGAWATT LIMIT PROVIDED IN PARAGRAPH (1)(I) OF THIS SUBSECTION THAT IS EQUAL TO THE PERCENTAGE OF TOTAL RETAIL ELECTRICITY SALES IN THE STATE THAT ARE MADE IN THE ELECTRIC COMPANY'S SERVICE TERRITORY DURING 2026.

(4) IF THE COMMISSION DOES NOT IMPLEMENT A SUCCESSOR PROGRAM UNDER § 7-306.4 OF THIS SUBTITLE BY JULY 1, 2027, A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT HAS NOT BEEN PLACED IN SERVICE BY JULY 1, 2027, BUT MEETS THE REQUIREMENTS OF PARAGRAPH (2)(I)1 AND (II) OF THIS SUBSECTION SHALL BE ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION IF IT IS PLACED IN SERVICE ON OR BEFORE 2 YEARS AFTER THE DATE THAT THE SUCCESSOR PROGRAM IS IMPLEMENTED.

(5) (I) AN ELIGIBLE CUSTOMER-GENERATOR THAT, ON JULY 1, 2027, IS UNDER A NET ENERGY METERING CONTRACT OR TARIFF UNDER THIS SECTION OR A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT MEETS THE REQUIREMENTS OF SUBPARAGRAPH (II) OF THIS SUBSECTION SHALL REMAIN ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION FOR A LENGTH OF TIME DETERMINED BY THE COMMISSION THROUGH REGULATIONS ADOPTED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(II) THE COMMISSION, AFTER HOLDING A STAKEHOLDER PROCEEDING, SHALL ADOPT REGULATIONS REGARDING THE TERMS UNDER WHICH AN ELIGIBLE CUSTOMER-GENERATOR OR COMMUNITY SOLAR ENERGY GENERATING SYSTEM UNDER A NET METERING CONTRACT OR TARIFF UNDER THIS SECTION MAY REMAIN ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION, INCLUDING:

1. THE LENGTH OF TIME AFTER THE SUCCESSOR PROGRAM UNDER § 7-306.4 OF THIS SUBTITLE IS IMPLEMENTED THAT AN EXISTING ELIGIBLE CUSTOMER-GENERATOR MAY REMAIN ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION;

2. CONDITIONS UNDER WHICH A NET ENERGY METERED SYSTEM MAY BE CONSIDERED INELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION; AND

3. REQUIREMENTS FOR DECOMMISSIONING SYSTEMS THAT ARE NET ENERGY METERED UNDER THIS SECTION.

(j) On or before November 1 of each year, the Commission shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on the status of the net ENERGY metering program under this section AND § 7-306.4 OF THIS SUBTITLE, including:

(1) the amount of capacity of electric generating facilities owned and operated by eligible customer-generators in the State by type of energy resource;

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(2) based on the need to encourage a diversification of the State's energy resource mix to ensure reliability, whether the rated generating capacity limit in subsection (d) of this section should be altered; [and]

(3) THE STATUS OF THE IMPLEMENTATION AND EFFICACY OF THE SUCCESSOR PROGRAM DEVELOPED AND IMPLEMENTED UNDER § 7-306.4 OF THIS SUBTITLE; AND

(4) other pertinent information.

7-306.4.

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

(2) "ELIGIBLE CUSTOMER-GENERATOR" HAS THE MEANING STATED IN § 7-306 OF THIS SUBTITLE.

(3) "NET ENERGY METERING" HAS THE MEANING STATED IN § 7-306 OF THIS SUBTITLE.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO TRANSITION TO A NET ENERGY METERING PROGRAM THAT:

(1) INCREASES BENEFITS TO RATEPAYERS BY LOWERING ELECTRIC SYSTEM COSTS THROUGH THE USE OF FLEXIBLE CUSTOMER-SITED RENEWABLE ENERGY RESOURCES;

(2) PROVIDES FAIR COMPENSATION TO ELIGIBLE CUSTOMER-GENERATORS;

(Over)

(3) IS DESIGNED TO MAKE PROGRESS TOWARD MEETING THE STATE'S DEMAND-SIDE, ENERGY STORAGE, AND CLEAN ENERGY GOALS; AND

(4) PROVIDES INCENTIVES FOR THE DEVELOPMENT OF DISTRIBUTED GENERATION THAT ARE LESS THAN THE INCENTIVES PROVIDED BY THE NET ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE.

(C) THE COMMISSION, BY ORDER OR REGULATION, SHALL DEVELOP AND IMPLEMENT, AS A SUCCESSOR PROGRAM TO THE NET ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE, A NET ENERGY METERING PROGRAM TO BEGIN JULY 1, 2027, THAT:

(1) PROVIDES INCENTIVES FOR THE DEVELOPMENT OF DISTRIBUTED GENERATION TO ELIGIBLE CUSTOMER-GENERATORS UNDER §§ 7-306 AND 7-306.3 OF THIS SUBTITLE AND COMMUNITY SOLAR ENERGY GENERATING SYSTEMS UNDER § 7-306.2 OF THIS SUBTITLE;

(2) MINIMIZES RATEPAYER COSTS IN THE SHORT TERM AND IN THE LONG TERM; AND

(3) BALANCES, ON A STATEWIDE BASIS AND ACROSS TECHNOLOGIES AND INDUSTRY SECTORS PARTICIPATING IN NET ENERGY METERING:

(I) 1. FAIR COMPENSATION FOR ENERGY EXPORTS; AND
2. THE BENEFITS OF AN ELIGIBLE CUSTOMER-GENERATOR'S OR FACILITY'S REDUCED LOAD ON THE ELECTRIC TRANSMISSION AND DISTRIBUTION SYSTEM; AGAINST

(II) 1. THE NEEDS OF THE TRANSMISSION AND DISTRIBUTION SYSTEM;

2. RATEPAYER COSTS AND BENEFITS; AND

3. POTENTIAL IMPACTS ON CUSTOMERS, INCLUDING LOW- AND MODERATE-INCOME CUSTOMERS, WHO DO NOT PARTICIPATE IN THE NET ENERGY METERING PROGRAM RESULTING FROM ELIGIBLE CUSTOMER-GENERATORS' REDUCED CONTRIBUTIONS TO THE DISTRIBUTION SYSTEM.

(D) ON OR BEFORE JANUARY 1, 2027, THE COMMISSION SHALL PROVIDE NOTICE TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE DEVELOPMENT OF THE PROGRAM REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

(E) THE COMMISSION SHALL PRIORITIZE THE REVIEW AND APPROVAL OF APPLICATIONS FROM A PROSPECTIVE ELIGIBLE CUSTOMER-GENERATOR FOR PARTICIPATION IN THE PROGRAM IMPLEMENTED UNDER SUBSECTION (C) OF THIS SECTION IF, AT THE TIME THE PROGRAM WAS IMPLEMENTED, THE PROSPECTIVE ELIGIBLE CUSTOMER-GENERATOR WAS IN THE QUEUE FOR THE NET ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE.

(F) THE PROGRAM IMPLEMENTED BY THE COMMISSION UNDER SUBSECTION (C) OF THIS SECTION SHALL BE AVAILABLE UNTIL THE COMBINED TOTAL RATED GENERATING CAPACITY OWNED AND OPERATED UNDER THE NET ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE AND THE NET ENERGY METERING PROGRAM IMPLEMENTED UNDER THIS SECTION REACHES 6,000 MEGAWATTS.

7-505.

(c) (1) Notwithstanding any other provision of law, including subsection (d) of this section, and subject to § 4-213 of this article, the Commission may regulate the regulated services of an electric company through alternative forms of regulation.

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

(i) protects consumers;

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(ii) ensures the quality, availability, and reliability of regulated electric services; and

(iii) is in the interest of the public, including shareholders of the electric company.

(3) Alternative forms of regulation may include:

(i) price regulation, including price freezes or caps;

(ii) revenue regulation;

(iii) ranges of authorized return;

(iv) rate of return;

(v) categories of services; or

(vi) price-indexing.

(4) ALTERNATIVE FORMS OF REGULATION MAY NOT INCLUDE A RATE MECHANISM THAT IS BASED ON A FORECAST TEST YEAR IN A BASE RATE PROCEEDING.

Chapter 623 of the Acts of 2025

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The Public Service Commission shall conduct a study on the feasibility of and technical barriers to establishing:

(1) within the Commission a community solar automatic enrollment program for local jurisdictions; AND

(2) IN CONSULTATION WITH THE DEPARTMENT OF HUMAN SERVICES, AN AUTOMATIC COMMUNITY SOLAR ENROLLMENT PROCESS TO

PROVIDE BILL CREDITS FOR LOW- TO MODERATE-INCOME SUBSCRIBERS THROUGH THE OFFICE OF HOME ENERGY PROGRAMS IN THE DEPARTMENT.

(b) In conducting the study under subsection (a) of this [section,] SECTION:

(1) FOR AN AUTOMATIC ENROLLMENT PROGRAM UNDER SUBSECTION (A)(1) OF THIS SECTION, the PUBLIC SERVICE Commission shall consider:

[(1)] (I) how low- to moderate-income subscribers would be subscribed under the program;

[(2)] (II) whether subscribers automatically enrolled in the program should receive a bill credit;

[(3)] (III) how to ensure that local jurisdictions comply with all parameters of the program; and

[(4)] (IV) any necessary notification requirements and consumer protections that the program should have; AND

(2) FOR THE AUTOMATIC ENROLLMENT PROCESS UNDER SUBSECTION (A)(2) OF THIS SECTION, THE PUBLIC SERVICE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF HUMAN SERVICES, SHALL CONSIDER:

(I) ELIGIBILITY CRITERIA FOR LOW- TO MODERATE-INCOME SUBSCRIBERS;

(II) OPT-OUT PROCEDURES FOR SUBSCRIBERS;

(III) THE AMOUNT OF BILL SAVINGS FOR LOW- TO MODERATE-INCOME SUBSCRIBERS;

(IV) THE ROLE OF ANY OTHER STATE OR LOCAL AGENCY IN THE AUTOMATIC ENROLLMENT PROCESS;

(Over)

(V) THE AMOUNT OF ENERGY GENERATED BY A COMMUNITY SOLAR PROJECT THAT SHOULD BE DEDICATED TO LOW- TO MODERATE-INCOME SUBSCRIBERS; AND

(VI) THE IMPACT TO RATEPAYERS THAT DO NOT PARTICIPATE IN THE AUTOMATIC ENROLLMENT PROCESS.

(c) On or before [July 1, 2026.] DECEMBER 1, 2026, the Public Service Commission shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly on the results of the study.

Chapter 624 of the Acts of 2025

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The Public Service Commission shall conduct a study on the feasibility of and technical barriers to establishing:

(1) within the Commission a community solar automatic enrollment program for local jurisdictions; AND

(2) IN CONSULTATION WITH THE DEPARTMENT OF HUMAN SERVICES, AN AUTOMATIC COMMUNITY SOLAR ENROLLMENT PROCESS TO PROVIDE BILL CREDITS FOR LOW- TO MODERATE-INCOME SUBSCRIBERS THROUGH THE OFFICE OF HOME ENERGY PROGRAMS IN THE DEPARTMENT.

(b) In conducting the study under subsection (a) of this [section,] SECTION:

(1) FOR AN AUTOMATIC ENROLLMENT PROGRAM UNDER SUBSECTION (A)(1) OF THIS SECTION, the PUBLIC SERVICE Commission shall consider:

[(1)] (I) how [low-to-moderate income] LOW- TO MODERATE-INCOME subscribers would be subscribed under the program;

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[(2)] (II) whether subscribers automatically enrolled in the program should receive a bill credit;

[(3)] (III) how to ensure that local jurisdictions comply with all parameters of the program; and

[(4)] (IV) any necessary notification requirements and consumer protections that the program should have; AND

(2) FOR THE AUTOMATIC ENROLLMENT PROCESS UNDER SUBSECTION (A)(2) OF THIS SECTION, THE PUBLIC SERVICE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF HUMAN SERVICES, SHALL CONSIDER:

(I) ELIGIBILITY CRITERIA FOR LOW- TO MODERATE-INCOME SUBSCRIBERS;

(II) OPT-OUT PROCEDURES FOR SUBSCRIBERS;

(III) THE AMOUNT OF BILL SAVINGS FOR LOW- TO MODERATE-INCOME SUBSCRIBERS;

(IV) THE ROLE OF ANY OTHER STATE OR LOCAL AGENCY IN THE AUTOMATIC ENROLLMENT PROCESS;

(V) THE AMOUNT OF ENERGY GENERATED BY A COMMUNITY SOLAR PROJECT THAT SHOULD BE DEDICATED TO LOW- TO MODERATE-INCOME SUBSCRIBERS; AND

(VI) THE IMPACT TO RATEPAYERS THAT DO NOT PARTICIPATE IN THE AUTOMATIC ENROLLMENT PROCESS.

(c) On or before [July 1, 2026.] **DECEMBER 1, 2026**, the Public Service Commission shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly on the results of the study.

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SECTION 5. AND BE IT FURTHER ENACTED, That the requirements established under § 7–207(b)(3)(iv), as enacted under Section 3 of this Act, apply to an application for a certificate of public convenience and necessity submitted on or after July 1, 2026, and may not be construed to apply to a certificate of public convenience and necessity submitted before July 1, 2026.

SECTION 6. AND BE IT FURTHER ENACTED, That:

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

(2) “Eligible customer–generator” has the meaning stated in § 7–306 of the Public Utilities Article.

(3) “Net energy metering” has the meaning stated in § 7–306 of the Public Utilities Article.

(b) (1) The Public Service Commission shall conduct a proceeding exploring the development and implementation of a successor program to the net energy metering program under § 7–306 of the Public Utilities Article.

(2) In conducting the proceeding, the Public Service Commission shall accept input from:

(i) utility companies;

(ii) owners and developers of net metered projects, including projects that are:

1. residential behind–the–meter;

2. commercial behind–the–meter; and

3. front–of–the–meter;

(iii) renewable energy industry experts, including representatives from the solar energy industry;

(iv) consumer advocates; and

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(v) other stakeholders.

(c) On or before December 15, 2026, the Public Service Commission shall submit a report on the proceeding held under subsection (b) of this section to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

(d) The report shall include:

(1) recommendations for a successor program to the net energy metering program under § 7–306 of the Public Utilities Article that:

(i) incentivizes the development of distributed generation;

(ii) minimizes ratepayer costs in the short term and in the long term; and

(iii) balances, on a statewide basis and across technologies and industry sectors participating in net energy metering:

1. fair compensation for energy exports;

2. the benefits of an eligible customer-generator's or facility's reduced load on the electric grid against:

A. the needs of the grid;

B. ratepayer costs and benefits; and

C. implications of the reduced load on energy equity, including any disparities in the amount paid for grid maintenance by eligible customer-generator and distributed generation owners in comparison to other retail customers;

(2) recommendations for any legislative changes necessary to implement the successor program; and

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(3) the terms under which existing eligible customer-generators, including community solar projects and subscribers under § 7-306.2 of the Public Utilities Article and aggregated net energy metered projects and customers under § 7-306.3 of the Public Utilities Article may remain eligible for net energy metering under § 7-306 of the Public Utilities Article, including:

(i) the length of time after the successor program is implemented that an existing eligible customer-generator may remain eligible for net energy metering under § 7-306 of the Public Utilities Article; and

(ii) conditions under which a net energy metered system may be considered ineligible for net energy metering under § 7-306 of the Public Utilities Article; and

(iii) requirements for decommissioning systems that are net energy metered under § 7-306 of the Public Utilities Article; and

(4) any administrative concerns with transitioning to the successor program on July 1, 2027, and whether those concerns may cause a delay in implementation.

SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) It is the intent of the General Assembly that the Public Service Commission, in consultation with electric companies, work to resolve any administrative and technical issues in order to provide rate relief to all residential electric customers, including residents of apartments, condominiums, and other multi-occupancy residences, in accordance with this section.

(b) (1) Notwithstanding any other provision of law, from the alternative compliance fees paid into the Maryland Strategic Energy Investment Fund in accordance with § 7-705 of the Public Utilities Article, \$100,000,000 shall be used to provide grant awards to electric companies to be refunded or credited to residential electric customers to offset any surcharges imposed as a result of the operating costs of

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the programs and services under Title 7, Subtitle 2, Part II of the Public Utilities Article in calendar year 2027 in accordance with subsection (c) of this section.

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

(c) Subject to subsection (d) of this section, the funds described in subsection (b)(1) of this section shall be distributed:

(1) in accordance with § 9–20B–05(f)(4) of the State Government Article, as enacted by Section 4 of this Act; and

(2) in equal monthly amounts during the calendar year 2027.

(d) (1) To the greatest extent practicable the Public Service Commission, in consultation with each electric company that collects a surcharge under § 7–222(d) of the Public Utilities Article, shall determine:

(i) the commercial customers of each electric company that use a master meter to allocate costs of retail electric service to the residents of apartments, condominiums, and other multi–occupancy residences; and

(ii) the estimated energy use by the commercial customers identified under item (i) of this paragraph.

(2) If the Public Service Commission is able to determine, with a reasonable degree of certainty, the commercial customer information specified in paragraph (1) of this subsection, the Commission may require that a pro rata share of the funds described in subsection (b)(1) of this section be provided as grants to electric companies to be refunded or credited to commercial customers that use a master meter

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to allocate costs of retail electric service to residents of apartment houses, condominiums, or other multi-occupancy residences.

(3) A commercial customer that receives funding under this subsection:

(i) shall refund or credit each residential dwelling unit with its pro rata share of the funding provided under paragraph (2) of this subsection;

(ii) may not provide a refund or credit to any person known to be using electric service for a commercial purpose;

(iii) may retain up to 3% of the credited amount for administrative expenses; and

(iv) if the commercial customer received the funding in error, shall refund the funding to the electric company for redistribution.

(4) The Public Service Commission and each electric company shall be held harmless for any failure by a commercial customer that receives funding under this subsection to use the funding as required under paragraph (3) of this subsection.

(5) If the Public Service Commission is unable to determine, with a reasonable degree of certainty, the commercial customer information specified in paragraph (1) of this subsection or determines that providing funding to commercial customers in accordance with paragraph (2) of this subsection is not in the public interest, the Commission, on or before December 1, 2026:

(i) may direct electric companies to refund or credit only those residential customers taking service under a residential tariff; and

(ii) shall, in accordance with § 2-1257 of the State Government Article, report to the General Assembly, the Senate Committee on Education, Energy,

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and the Environment, and the House Environment and Transportation Committee on the reasoning for the Commission's decision to direct electric companies to refund or credit residential customers in accordance with item (i) of this paragraph.

SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) (1) The Public Service Commission shall issue a request for information on the use of a third-party, single-implementer program for the administration of the programs and services under Title 7, Subtitle 2, Part II of the Public Utilities Article.

(2) The request for information shall seek:

(i) determinations of what effect the use of a single, third-party administrator would have on costs;

(ii) identification of technical and logistical barriers to transitioning to a single, third-party administrator; and

(iii) an analysis of the advantages and disadvantages of a private, third-party administrator as opposed to a State administrator.

(3) The Public Service Commission may conduct research and produce a report independent of, and in order to supplement any information received through, the request for information under this subsection.

(4) The Public Service Commission shall require that responses to the request for information be received not later than July 1, 2027.

(b) (1) As soon as practicable after receiving the information requested in subsection (a) of this section, the Public Service Commission shall issue a request for proposals for a third-party administrator for the programs and services under Title 7, Subtitle 2, Part II of the Public Utilities Article.

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(2) The request for proposals shall specify that responses to the request should minimize short-term and long-term costs for utility ratepayers.

(c) (1) Except as provided in paragraph (2) of this subsection, on or before June 1, 2028, the Public Service Commission shall select, through the request for proposals process initiated under subsection (b) of this section, a third-party administrator for the administration of the programs and services under Title 7, Subtitle 2, Part II of the Public Utilities Article beginning with the 3-year program cycle starting in 2030.

(2) (i) The Public Service Commission may decline to select a third-party administrator if the Public Service Commission determines that the use of a third-party administrator would not be cost-effective.

(ii) The Public Service Commission shall notify the General Assembly of a decision to decline to select a third-party administrator within 5 days after making the decision.

SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) The Power Plant Research Program, in consultation with the Department of the Environment and the Maryland Energy Administration, shall conduct a study to identify ways to streamline the permitting process for energy development in the State.

(b) In conducting the study under subsection (a) of this section, the Power Plant Research Program shall:

(1) identify up to 50 priority energy sites suitable for new or expanded generating stations or energy storage devices, including:

(i) brownfields;

(ii) industrial sites surrounded by areas with low-population density; and

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(iii) sites with old or decommissioned generating units that may be repowered or repurposed, with special consideration given to sites with surplus interconnection capacity;

(2) identify current bottlenecks and barriers in the State that extend State and local permitting timelines; and

(3) develop recommendations on what a State-level zoning or permitting structure should look like in order to promote fast-tracked development at the priority energy sites identified in item (1) of this subsection.

(c) On or before December 31, 2026, the Program shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly on the results of the study.

SECTION 10. AND BE IT FURTHER ENACTED, That all employees who are transferred to the Department of Human Services as a result of this Act shall be transferred without diminution of their rights, benefits, employment, or retirement status.

SECTION 11. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act. The publisher shall adequately describe any correction that is made in an editor's note following the section affected."

On pages 2 through 12, strike in their entirety the lines beginning with line 7 on page 2 through line 18 on page 12, inclusive, and substitute:

"SECTION 12. AND BE IT FURTHER ENACTED, That Sections 1, 2, 3, 5, 10, and 11 of this Act shall take effect July 1, 2026.

SECTION 13. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected

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to each of the two Houses of the General Assembly, and, except as provided in Section 12 of this Act, shall take effect from the date it is enacted.”.