

# HOUSE BILL 345

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By: **Delegates Charkoudian, Taveras, Acevero, Allen, Amprey, Behler, Boafó, Ebersole, Embry, Foley, Guyton, Ivey, A. Johnson, Kaufman, J. Long, Martinez, McCaskill, Rogers, Ruth, Stewart, Turner, and Vogel**

Introduced and read first time: January 19, 2026

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Solar Energy Generating Systems and Solar Renewable**  
3 **Energy Credits**  
4 **(Affordable Solar Act)**

5 FOR the purpose of authorizing the purchase, installation, and use of a certain portable  
6 solar energy generating system for certain purposes; altering the renewable energy  
7 portfolio standard to include energy derived from certain solar energy generating  
8 systems; authorizing an electric cooperative and a municipal electric utility to meet  
9 their renewable energy portfolio standard for solar energy in a certain manner;  
10 requiring that certain alternative compliance fees be paid into a certain escrow  
11 account rather than into the Maryland Strategic Energy Investment Fund; requiring  
12 the Public Service Commission to require electric companies to procure a certain  
13 number of SRECs and SREC-IIIs; requiring the Commission to issue solicitations for  
14 the construction of distributed solar energy generating systems and utility-scale  
15 solar energy generating systems; providing for the terms and conditions of  
16 solicitations and procurement of certain solar energy generating systems;  
17 establishing an escrow account for certain alternative compliance payments;  
18 requiring certain public service companies to file gross receipt tax information;  
19 requiring a portion of the franchise tax revenue from certain customers to be placed  
20 in a certain escrow account; and generally relating to solar energy generating  
21 systems and solar renewable energy credits.

22 BY adding to

23 Article – Public Utilities

24 Section 7-321, 7-701(l-1), (l-2), (p-2), and (p-3), and 7-709.2; and 7-1232 through  
25 7-1235 to be under the new part “Part V. Solar Energy”

26 Annotated Code of Maryland

27 (2025 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,  
2 Article – Public Utilities  
3 Section 7-701(a) and 7-705(a)  
4 Annotated Code of Maryland  
5 (2025 Replacement Volume and 2025 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article – Public Utilities  
8 Section 7-703(a), (b)(23) through (25), and (e) and 7-705(b) and (b-1)  
9 Annotated Code of Maryland  
10 (2025 Replacement Volume and 2025 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 8-404 and 8-408  
14 Annotated Code of Maryland  
15 (2022 Replacement Volume and 2025 Supplement)

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

18 **Article – Public Utilities**

19 **7-321.**

20 **(A) IN THIS SECTION, “PORTABLE SOLAR ENERGY GENERATING SYSTEM”**  
21 **MEANS A MOVABLE PHOTOVOLTAIC SOLAR ENERGY GENERATION DEVICE THAT IS:**

22 **(1) DESIGNED TO BE CONNECTED TO A BUILDING’S ELECTRICAL**  
23 **SYSTEM THROUGH A STANDARD ELECTRICAL OUTLET;**

24 **(2) PRIMARILY INTENDED TO OFFSET PART OF THE BUILDING’S**  
25 **ELECTRICITY CONSUMPTION;**

26 **(3) LIMITED TO SUPPLYING A MAXIMUM POWER OUTPUT OF NOT**  
27 **MORE THAN 1,200 WATTS BACK TO THE ELECTRIC SYSTEM; AND**

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

30 **(B) A PERSON MAY PURCHASE AND INSTALL A PORTABLE SOLAR ENERGY**  
31 **GENERATING SYSTEM FOR RESIDENTIAL USE ONLY.**

32 **(C) A PORTABLE SOLAR ENERGY GENERATING SYSTEM:**

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

6 (D) AN ELECTRIC COMPANY:

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

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

14 (III) INSTALL ANY ADDITIONAL CONTROLS OR EQUIPMENT  
15 BEYOND WHAT IS INTEGRATED INTO THE PORTABLE SOLAR ENERGY GENERATING  
16 SYSTEM; AND

19 7-701.

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

21 (L-1) "QUALIFYING DISTRIBUTED SOLAR ENERGY GENERATING SYSTEM"  
22 MEANS A SOLAR PHOTOVOLTAIC SYSTEM THAT:

23 (1) HAS A GENERATING CAPACITY OF 5 MEGAWATTS OR LESS, AS  
24 MEASURED BY THE ALTERNATING CURRENT RATING OF THE SYSTEM'S INVERTER;  
25 AND

26 (2) IS CERTIFIED TO GENERATE SREC-II CREDITS.

27 (L-2) "QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING SYSTEM"  
28 MEANS A SOLAR PHOTOVOLTAIC SYSTEM THAT:

29 (1) HAS A GENERATING CAPACITY THAT IS GREATER THAN 5

1 MEGAWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE  
2 SYSTEM'S INVERTER; AND

3 (2) IS CERTIFIED TO GENERATE SREC-II CREDITS.

4 (P-2) "SOLAR RENEWABLE ENERGY CREDIT" OR "SREC" MEANS A  
5 RENEWABLE ENERGY CREDIT THAT IS DERIVED FROM A SOLAR ENERGY TIER 1  
6 RENEWABLE SOURCE THAT:

7 (1) IS CONNECTED TO THE DISTRIBUTION SYSTEM IN THE STATE; AND

8 (2) IS NOT CERTIFIED TO RECEIVE SREC-II CREDITS.

9 (P-3) "SOLAR RENEWABLE ENERGY CREDIT II" OR "SREC-II" MEANS A  
10 SOLAR RENEWABLE ENERGY CREDIT EQUAL TO THE GENERATION ATTRIBUTES OF 1  
11 MEGAWATT-HOUR OF ELECTRICITY CONNECTED TO THE ELECTRIC TRANSMISSION  
12 OR DISTRIBUTION SYSTEM SERVING THE STATE AND DERIVED FROM:

13 (1) A QUALIFYING DISTRIBUTED SOLAR ENERGY GENERATING  
14 SYSTEM; OR

15 (2) A QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING  
16 SYSTEM.

17 7-703.

18 (a) (1) (i) The Commission shall implement a renewable energy portfolio  
19 standard that, except as provided under paragraphs [(2) and (3)] (2), (3), AND (4) of this  
20 subsection, applies to all retail electricity sales in the State by electricity suppliers.

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

24 (2) A renewable energy portfolio standard may not apply to electricity sales  
25 at retail by any electricity supplier:

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

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

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

(3) The portion of a renewable energy portfolio standard that represents offshore wind energy:

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

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

19       (b) Except as provided in subsections (e) and (f) of this section, the renewable  
20 energy portfolio standard shall be as follows:

21 (23) in 2028:

22 (i) AN AMOUNT EQUAL TO THE SUM OF:

1. 43% from Tier 1 renewable sources, including:

24 [1.] A. at least 11% derived from solar energy THAT IS NOT  
25 GENERATED FROM SOURCES IDENTIFIED IN ITEM 2 OF THIS ITEM;

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

[3.] C. at least 1% derived from post-2022 geothermal systems; and

1 SOLAR ENERGY THAT IS GENERATED FROM QUALIFYING DISTRIBUTED SOLAR  
2 ENERGY GENERATING SYSTEMS AND QUALIFYING UTILITY-SCALE SOLAR ENERGY  
3 GENERATING SYSTEMS; AND

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

5 (24) in 2029:

6 (i) **AN AMOUNT EQUAL TO THE SUM OF:**

7 1. 49.5% from Tier 1 renewable sources, including:

8 [1.] A. at least 12.5% derived from solar energy **THAT IS**  
9 **NOT GENERATED FROM SOURCES IDENTIFIED IN ITEM 2 OF THIS ITEM;**

10 [2.] B. an amount set by the Commission under §  
11 7-704.2(a) of this subtitle derived from offshore wind energy, including at least 800  
12 megawatts of Round 2 offshore wind projects; and

13 [3.] C. at least 1% derived from post-2022 geothermal  
14 systems; and

15 **2. AN AMOUNT SET BY THE COMMISSION UNDER §**  
16 **7-709.2 OF THIS SUBTITLE FOR RENEWABLE ENERGY CREDITS DERIVED FROM**  
17 **SOLAR ENERGY THAT IS GENERATED FROM QUALIFYING DISTRIBUTED SOLAR**  
18 **ENERGY GENERATING SYSTEMS AND QUALIFYING UTILITY-SCALE SOLAR ENERGY**  
19 **GENERATING SYSTEMS; AND**

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

21 (25) in 2030 and later:

22 (i) **AN AMOUNT EQUAL TO THE SUM OF:**

23 1. 50% from Tier 1 renewable sources, including:

24 [1.] A. at least 14.5% derived from solar energy **THAT IS**  
25 **NOT GENERATED FROM SOURCES IDENTIFIED IN ITEM 2 OF THIS ITEM;**

26 [2.] B. an amount set by the Commission under §  
27 7-704.2(a) of this subtitle derived from offshore wind energy, including at least 1,200  
28 megawatts of Round 2 offshore wind projects; and

29 [3.] C. at least 1% derived from post-2022 geothermal  
30 systems; and

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

9 (II) AN ELECTRIC COOPERATIVE MAY MEET ITS RENEWABLE  
10 ENERGY PORTFOLIO STANDARD FOR SOLAR ENERGY BY AUTHORIZING THE  
11 PURCHASE OF SREC-II'S THROUGH A PROCUREMENT PROCESS ESTABLISHED BY  
12 THE COMMISSION UNDER SUBTITLE 12, PART V OF THIS TITLE.

17 (IV) BEGINNING JANUARY 1, 2028, AN ELECTRIC COOPERATIVE  
18 THAT FAILS TO SATISFY ITS SOLAR ENERGY REQUIREMENTS UNDER THIS  
19 PARAGRAPH SHALL PAY A COMPLIANCE FEE EQUAL TO THE WEIGHTED AVERAGE  
20 DOLLAR PER KILOWATT-HOUR OF SREC-II CREDITS PROCURED UNDER SUBTITLE  
21 12, PART V OF THIS TITLE FOR THE RELEVANT COMPLIANCE YEAR INSTEAD OF THE  
22 COMPLIANCE FEE ESTABLISHED UNDER § 7-705 OF THIS SUBTITLE.

(2) (I) The required percentage of a municipal electric utility's renewable energy portfolio standard shall be[:

25 (i) in 2021:

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

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

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

30 2. 2.5% from Tier 2 renewable sources; and

31 (ii) in 2022 and later,] 20.4% from Tier 1 renewable sources,  
32 including:

1. at least 1.95% derived from solar energy; and
2. an amount set by the Commission under § 7-704.2(a) of  
d 2.5%, derived from offshore wind energy.

4 (II) A MUNICIPAL ELECTRIC UTILITY MAY MEET ITS  
5 RENEWABLE ENERGY PORTFOLIO STANDARD FOR SOLAR ENERGY BY AUTHORIZING  
6 THE PURCHASE OF SREC-II'S THROUGH A PROCUREMENT PROCESS ESTABLISHED  
7 BY THE COMMISSION UNDER SUBTITLE 12, PART V OF THIS TITLE.

12 (IV) BEGINNING JANUARY 1, 2028, A MUNICIPAL ELECTRIC  
13 UTILITY THAT FAILS TO SATISFY ITS SOLAR ENERGY REQUIREMENTS UNDER THIS  
14 SECTION SHALL PAY A COMPLIANCE FEE EQUAL TO THE WEIGHTED AVERAGE  
15 DOLLAR PER KILOWATT-HOUR OF SREC-II CREDITS PROCURED UNDER SUBTITLE  
16 12, PART V OF THIS TITLE FOR THE RELEVANT COMPLIANCE YEAR INSTEAD OF THE  
17 COMPLIANCE FEE ESTABLISHED UNDER § 7-705 OF THIS SUBTITLE.

18 7-705.

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

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

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

(iv) documents the amount of renewable energy certificates that do

1 not qualify as renewable energy credits as defined in § 7–701 of this subtitle, including, for  
2 each certificate:

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

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

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

10                  4. any other information required by the Commission.

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

12                (i) the Department of General Services' sale of energy under §  
13 7–704.4 of this subtitle; or

14                (ii) a community choice aggregator under § 7–510.3 of this title.

15               (b) (1) This subsection does not apply to a shortfall from:

16               (I) the required Tier 1 renewable sources that is to be derived from  
17 post–2022 geothermal systems; OR

18               (II) THE REQUIRED SOLAR ENERGY TIER 1 RENEWABLE  
19 SOURCES THAT IS TO BE DERIVED FROM QUALIFYING DISTRIBUTED SOLAR ENERGY  
20 GENERATING SYSTEMS AND QUALIFYING UTILITY-SCALE SOLAR ENERGY  
21 GENERATING SYSTEMS.

22               (2) **[If] BEGINNING OCTOBER 1, 2026, IF** an electricity supplier OR  
23 ELECTRIC COMPANY fails to comply with ITS OBLIGATION UNDER the renewable energy  
24 portfolio standard for the applicable year, the electricity supplier OR ELECTRIC COMPANY  
25 shall pay into the [Maryland Strategic Energy Investment Fund established under §  
26 9–20B–05 of the State Government Article] ESCROW ACCOUNT ESTABLISHED UNDER §  
27 7–1235 OF THIS TITLE:

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

30               1. the following amounts for each kilowatt–hour of shortfall  
31 from required Tier 1 renewable sources other than the shortfall from the required Tier 1  
32 renewable sources that is to be derived from solar energy CONNECTED TO THE  
33 DISTRIBUTION SYSTEM IN THE STATE:

- 1                   A.     4 cents through 2016;
- 2                   B.     3.75 cents in 2017 and 2018;
- 3                   C.     3 cents in 2019 through 2023;
- 4                   D.     2.75 cents in 2024;
- 5                   E.     2.5 cents in 2025;
- 6                   F.     2.475 cents in 2026;
- 7                   G.     2.45 cents in 2027;
- 8                   H.     2.25 cents in 2028 and 2029; and
- 9                   I.     2.235 cents in 2030 and later;

10                   2.     **EXCEPT AS PROVIDED UNDER PARAGRAPH (1)(II) OF**

11   **THIS SUBSECTION**, the following amounts for each kilowatt-hour of shortfall from  
12   required Tier 1 renewable sources that is to be derived from solar energy:

- 13                   A.     45 cents in 2008;
- 14                   B.     40 cents in 2009 through 2014;
- 15                   C.     35 cents in 2015 and 2016;
- 16                   D.     19.5 cents in 2017;
- 17                   E.     17.5 cents in 2018;
- 18                   F.     10 cents in 2019;
- 19                   G.     10 cents in 2020;
- 20                   H.     8 cents in 2021;
- 21                   I.     6 cents in 2022;
- 22                   J.     6 cents in 2023;
- 23                   K.     6 cents in 2024;
- 24                   L.     5.5 cents in 2025;

- M. 4.5 cents in 2026;
- N. 3.5 cents in 2027;
- O. 3.25 cents in 2028;
- P. 2.5 cents in 2029; and
- Q. 2.25 cents in 2030 and later; and
- 3. 1.5 cents for each kilowatt-hour of shortfall from required sources; or

(ii) for industrial process load:

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

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

24 (b-1) If an electricity supplier fails to comply with the renewable energy portfolio  
25 standard that is required to be derived from post-2022 geothermal systems for the  
26 applicable year, the electricity supplier shall pay into the [Maryland Strategic Energy  
27 Investment Fund established under § 9-20B-05 of the State Government Article] ESCROW  
28 ACCOUNT ESTABLISHED UNDER § 7-1235 OF THIS TITLE a compliance fee of the  
29 following amounts for each kilowatt-hour of shortfall from required post-2022 geothermal  
30 systems:

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

5 **7-709.2.**

6 (A) (1) ON OR BEFORE JANUARY 1, 2028, AND BEFORE EACH  
7 PROCUREMENT ESTABLISHED UNDER § 7-1232 OF THIS TITLE, THE COMMISSION  
8 SHALL DETERMINE:

9 (I) THE TOTAL NUMBER OF SRECs AND SREC-IIIS  
10 GENERATED BY SOLAR ENERGY GENERATING SYSTEMS IN THE STATE DURING THE  
11 PREVIOUS YEAR; AND

12 (II) THE AMOUNT OF ADDITIONAL SOLAR ENERGY GENERATION  
13 NEEDED, IF ANY, TO MEET THE SOLAR PORTION OF THE RENEWABLE ENERGY  
14 PORTFOLIO STANDARD FOR THE CURRENT YEAR.

15 (2) AFTER MAKING THE DETERMINATIONS UNDER PARAGRAPH (1) OF  
16 THIS SUBSECTION, THE COMMISSION SHALL REQUIRE ELECTRIC COMPANIES TO  
17 PROCURE THE TOTAL NUMBER OF SRECs AND SREC-IIIS GENERATED DURING  
18 THAT COMPLIANCE YEAR ON A DATE, DETERMINED BY THE COMMISSION, THAT IS  
19 AFTER THE DATE OF THE LAST MONTH IN WHICH SRECs AND SREC-IIIS ARE  
20 ISSUED FOR THE FINAL MONTH OF THAT COMPLIANCE YEAR.

21 (3) EACH YEAR THE COMMISSION, IN CONSULTATION WITH THE  
22 ADMINISTRATOR OF THE ESCROW ACCOUNT ESTABLISHED IN § 7-1235 OF THIS  
23 TITLE, SHALL DETERMINE EACH ELECTRIC COMPANY'S SREC AND SREC-II  
24 OBLIGATION BASED ON THE TOTAL RETAIL ELECTRICITY SALES IN THE ELECTRIC  
25 COMPANY'S SERVICE TERRITORY DURING THE PREVIOUS YEAR.

26 (B) (1) THIS SUBSECTION APPLIES ONLY TO THE PROCUREMENT OF  
27 SRECs AND SREC-IIIS GENERATED BY SOLAR ENERGY GENERATING SYSTEMS  
28 THAT BEGAN OPERATION BEFORE JANUARY 1, 2028.

29 (2) THE COMMISSION SHALL ESTABLISH AN ANNUAL PROCESS FOR  
30 THE PROCUREMENT OF ALL AVAILABLE SRECs AND SREC-IIIS FROM SOLAR  
31 ENERGY GENERATING SYSTEMS THAT BEGAN OPERATION BEFORE JANUARY 1, 2028.

32 (3) THE PROCESS SHALL:

1 (I) DETERMINE THE AMOUNT OF SRECS AND SREC-IIIS  
2 NEEDED TO BE PROCURED IN EACH PROCUREMENT;

(II) OCCUR FOLLOWING THE LAST MONTH IN WHICH SRECs  
AND SREC-II'S ARE GENERATED FOR THAT YEAR; AND

5 (III) ENSURE THAT THE SRECS AND SREC-II'S PROCURED ARE  
6 EQUAL TO THE TOTAL SRECS AND SREC-II'S GENERATED IN THAT YEAR.

12 7-1230. RESERVED.

13 7-1231. RESERVED.

## PART V. SOLAR ENERGY.

15 7-1232.

16 (A) (1) BEGINNING JANUARY 1, 2028, AND AT INTERVALS OF NOT MORE  
17 THAN 18 MONTHS UNTIL JANUARY 1, 2036, IN ACCORDANCE WITH THE PROGRAMS  
18 ESTABLISHED IN §§ 7-1233 AND 7-1234 OF THIS SUBTITLE, THE COMMISSION, BY  
19 ORDER OR REGULATION, SHALL ISSUE A SOLICITATION FOR APPLICATIONS FOR THE  
20 CONSTRUCTION OF SOLAR ENERGY GENERATING SYSTEMS ELIGIBLE FOR  
21 INCLUSION IN THE RENEWABLE ENERGY PORTFOLIO STANDARD THAT, IN TOTAL,  
22 WILL INCREASE THE GENERATION OF SOLAR ENERGY IN THE STATE BY 4,000  
23 MEGAWATTS OF GENERATING CAPACITY IN ADDITION TO THE TOTAL GENERATING  
24 CAPACITY OF THE SOLAR GENERATING SYSTEMS IN OPERATION IN THE STATE ON  
25 JANUARY 1, 2028, WITH THE ADDITIONAL GENERATION CAPACITY TO CONSIST OF:

26 (I) 2,000 MEGAWATTS FROM QUALIFYING DISTRIBUTED SOLAR  
27 ENERGY GENERATING SYSTEMS; AND

28 (II) 2,000 MEGAWATTS FROM QUALIFYING UTILITY-SCALE  
29 SOLAR ENERGY GENERATING SYSTEMS.

(2) THE COMMISSION, BY ORDER OR REGULATION, SHALL ESTABLISH A PROCESS BY WHICH THE NUMBER OF SRECS ELECTRIC COMPANIES MUST

1 PROCURE UNDER § 7-709.2 OF THIS TITLE MAY BE REDUCED:

2 (I) BY AN AMOUNT EQUAL TO THE NUMBER OF SRECS  
3 PROCURED DURING THE 2027 COMPLIANCE YEAR; AND

4 (II) BASED ON A METHOD DETERMINED BY THE COMMISSION.

5 (B) THE COMMISSION, BY ORDER OR REGULATION, SHALL ESTABLISH A  
6 PROCESS TO ADJUST THE RENEWABLE ENERGY PORTFOLIO STANDARD FOR SOLAR  
7 ENERGY EACH YEAR TO ACCOUNT FOR THE PROJECTED NUMBER OF SRECS AND  
8 SREC-II'S ANTICIPATED TO BE PROCURED UNDER § 7-709.2 OF THIS TITLE, AND  
9 ANY OTHER ADJUSTMENTS THE COMMISSION CONSIDERS NECESSARY.

10 (C) THE COMMISSION MAY CONTRACT FOR THE SERVICES OF  
11 INDEPENDENT CONSULTANTS OR EXPERTS IN THE IMPLEMENTATION OF THE  
12 PROVISIONS OF THIS PART.

13 (D) A DEBT, AN OBLIGATION, OR A LIABILITY OF ANY SOLAR ENERGY  
14 GENERATING SYSTEMS CONSTRUCTED UNDER THIS SUBTITLE MAY NOT BE  
15 CONSIDERED A DEBT, AN OBLIGATION, OR A LIABILITY OF THE STATE.

16 7-1233.

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

19 (2) "ADMINISTRATIVELY DETERMINED INCENTIVE" MEANS THE  
20 MONETARY VALUE OF AN SREC-II GENERATED BY A QUALIFYING DISTRIBUTED  
21 SOLAR ENERGY GENERATING SYSTEM UNDER THE PROGRAM.

22 (3) "CAPACITY BLOCK" MEANS THE MAXIMUM AMOUNT OF  
23 GENERATING CAPACITY, MEASURED IN MEGAWATTS OF ALTERNATING CURRENT,  
24 THAT THE COMMISSION DETERMINES MAY BE ALLOTTED TO A SPECIFIC MARKET  
25 SEGMENT FOR ANY GIVEN INCENTIVE YEAR.

26 (4) "COMMUNITY SOLAR ENERGY GENERATING SYSTEM" HAS THE  
27 MEANING STATED IN § 7-306.2 OF THIS TITLE.

28 (5) "ELIGIBLE CUSTOMER-GENERATOR" HAS THE MEANING STATED  
29 IN § 7-306 OF THIS TITLE.

30 (6) "MARKET SEGMENT" MEANS THE GROUP CLASSIFICATION FOR  
31 QUALIFYING DISTRIBUTED SOLAR ENERGY GENERATING SYSTEMS UNDER THE

1 **PROGRAM.**2                   **(7) "PROGRAM" MEANS THE DISTRIBUTED SOLAR FACILITIES**  
3 **INCENTIVE PROGRAM.**4                   **(8) "PROJECT OFF-TAKER" MEANS THE END USER OF SREC-II'S**  
5 **THAT ARE GENERATED BY A QUALIFYING DISTRIBUTED SOLAR ENERGY**  
6 **GENERATING SYSTEM.**7                   **(9) "QUALIFYING DISTRIBUTED SOLAR ENERGY GENERATING**  
8 **SYSTEM" HAS THE MEANING STATED IN § 7-701(L-1) OF THIS TITLE.**9                   **(B) (1) THERE IS A DISTRIBUTED SOLAR FACILITIES INCENTIVE**  
10 **PROGRAM.**11                   **(2) THE COMMISSION SHALL ADMINISTER THE PROGRAM.**12                   **(3) ON OR BEFORE JANUARY 1, 2028, IN ACCORDANCE WITH §**  
13 **7-1232, THE PROGRAM SHALL BEGIN ACCEPTING APPLICATIONS FROM QUALIFYING**  
14 **DISTRIBUTED SOLAR ENERGY GENERATING SYSTEMS WITHIN A CAPACITY BLOCK ON**  
15 **A FIRST-COME, FIRST-SERVED BASIS.**16                   **(C) ON OR BEFORE JANUARY 1, 2035, THE PROGRAM SHALL PROVIDE**  
17 **INCENTIVES FOR THE DEVELOPMENT OF NEW GENERATION CAPACITY OF AT LEAST**  
18 **2,000 MEGAWATTS OF SOLAR ENERGY FROM OWNERS OF QUALIFYING DISTRIBUTED**  
19 **SOLAR ENERGY GENERATING SYSTEMS.**20                   **(D) (1) THE COMMISSION SHALL ESTABLISH ELIGIBILITY CRITERIA AND**  
21 **AN APPLICATION PROCESS FOR OWNERS OF DISTRIBUTED SOLAR ENERGY**  
22 **GENERATING SYSTEMS TO BE QUALIFIED UNDER THE PROGRAM.**23                   **(2) IN ADDITION TO ANY QUALIFICATION REQUIREMENTS**  
24 **ESTABLISHED BY THE COMMISSION, A QUALIFYING DISTRIBUTED SOLAR ENERGY**  
25 **GENERATING SYSTEM SHALL:**26                   **(I) BE CONNECTED TO THE ELECTRIC DISTRIBUTION SYSTEM**  
27 **SERVING MARYLAND;**28                   **(II) BE ELIGIBLE FOR INCLUSION IN THE RENEWABLE ENERGY**  
29 **PORTFOLIO STANDARD;**30                   **(III) BE PLACED IN SERVICE AFTER DECEMBER 31, 2027; AND**

1 (IV) CONTRIBUTE TOWARD THE STATE'S ENERGY SUPPLY  
2 NEEDS.

3 (E) (1) ON OR BEFORE OCTOBER 1, 2027, AND EVERY 3 YEARS  
4 THEREAFTER, THE COMMISSION SHALL ESTABLISH AN ADMINISTRATIVELY  
5 DETERMINED INCENTIVE AND ANNUAL CAPACITY BLOCK FOR EACH OF THE  
6 FOLLOWING MARKET SEGMENTS UNDER THE PROGRAM:

7 (I) BEHIND-THE-METER RESIDENTIAL;

8 (II) BEHIND-THE-METER NONRESIDENTIAL;

9 (III) COMMUNITY SOLAR; AND

10 (IV) ANY OTHER MARKET SEGMENT DETERMINED BY THE  
11 COMMISSION.

15 (I) IF THE COMMISSION FINDS THAT AN ADJUSTMENT IS  
16 NECESSARY; OR

17 (II) TO ADDRESS CHANGES IN LAW OR POLICY.

## 14 D. SOCIETAL COSTS AND BENEFITS.

15 (F) IN DETERMINING THE ADMINISTRATIVELY DETERMINED INCENTIVE  
16 FOR EACH MARKET SEGMENT, THE COMMISSION:

**17 (1) MAY CONSIDER PRICE DIFFERENTIALS BASED ON:**

20 (II) THE COST TO CONSTRUCT AND FINANCE A SOLAR ENERGY  
21 GENERATING SYSTEM; AND

22 (III) ANY OTHER CRITERIA DETERMINED BY THE COMMISSION;

23 (2) SHALL ESTABLISH MONETARY VALUES THAT ENCOURAGE  
24 MARKET DEVELOPMENT WHILE BALANCING RATEPAYER COSTS; AND

**25 (3) SHALL STRIVE TO ACHIEVE MARKET DIVERSITY.**

26 (G) IN ESTABLISHING THE CAPACITY BLOCK FOR EACH MARKET SEGMENT  
27 UNDER SUBSECTION (E)(1) OF THIS SECTION, THE COMMISSION SHALL:

(1) ENABLE MEANINGFUL AND CONTINUED MARKET GROWTH FOR  
EACH MARKET SEGMENT;

3 (2) CONSIDER THE VALUE OF REDUCING ELECTRICITY DEMAND AND  
4 THE COST OF INSTALLING GENERATION CAPACITY ON THE TRANSMISSION AND  
5 DISTRIBUTION SYSTEMS; AND

6 (3) FOR EACH MARKET SEGMENT:

10 (II) MAINTAIN A CAPACITY BLOCK WAITLIST UNTIL THE NEXT  
11 CAPACITY BLOCK IS ESTABLISHED AND ALLOW THE WAITLISTED PROJECTS TO HAVE  
12 PRIORITY IN THE SUBSEQUENT CAPACITY BLOCK.

13 (H) (1) A QUALIFYING DISTRIBUTED SOLAR ENERGY GENERATING  
14 SYSTEM THAT GENERATES SREC-II'S UNDER THIS SECTION MAY NOT RECEIVE ANY  
15 OTHER EQUIVALENT SOLAR ENERGY CREDITS.

25 7-1234.

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

(2) "PROGRAM" MEANS THE UTILITY-SCALE SREC-II PROGRAM.

31 (B) (1) THERE IS A UTILITY-SCALE SREC-II PROGRAM.

**(2) THE COMMISSION SHALL ADMINISTER THE PROGRAM.**

(C) BY JANUARY 1, 2035, THE PROGRAM SHALL PROVIDE INCENTIVES FOR DEVELOPMENT OF AT LEAST 2,000 MEGAWATTS OF SOLAR ENERGY RATING CAPACITY BY QUALIFYING UTILITY-SCALE SOLAR ENERGY RATING SYSTEMS.

**(D) A QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING SYSTEM  
FOR THE PROGRAM SHALL:**

(1) HAVE A GENERATING CAPACITY THAT IS GREATER THAN 5 MEGAWATTS, AS MEASURED IN DIRECT CURRENT, OR ANOTHER GENERATING CAPACITY AS SPECIFIED BY THE COMMISSION BUT AT LEAST 5 MEGAWATTS;

11 (2) BE CONNECTED TO THE ELECTRIC TRANSMISSION SYSTEM  
12 SERVING MARYLAND;

**(4) BE NEWLY CONSTRUCTED OR RECONSTRUCTED; AND**

**(5) MEET ANY OTHER CRITERIA DEVELOPED BY THE COMMISSION.**

17 (E) (1) BY REGULATION OR ORDER, THE COMMISSION SHALL ESTABLISH  
18 A COMPETITIVE SOLICITATION PROCESS FOR THE SELECTION OF PROJECTS FOR  
19 THE CONSTRUCTION OF QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING  
20 SYSTEMS UNDER THE PROGRAM.

24 (I) A PROPOSED SREC-II PRICING SCHEDULE THAT  
25 SPECIFIES:

## 1. A FIXED RATE OR RATE SCHEDULE; AND

## 2. A FIXED PRICE FOR THE ENVIRONMENTAL ENERGY GENERATED BY THE SYSTEM; AND

**(II) A CERTIFICATION THAT, IF SELECTED UNDER THE**

1 PROGRAM, THE CONSTRUCTION OF THE QUALIFYING UTILITY-SCALE SOLAR  
2 ENERGY GENERATING SYSTEM SHALL INCLUDE A COMMUNITY BENEFIT AGREEMENT  
3 AS ESTABLISHED UNDER § 7-1202 OF THIS SUBTITLE.

4 (F) THE COMMISSION SHALL:

5 (1) IN ACCORDANCE WITH § 7-1232 OF THIS SUBTITLE, DETERMINE A  
6 SCHEDULE FOR THE PROCUREMENT OF QUALIFYING UTILITY-SCALE SOLAR  
7 ENERGY GENERATING SYSTEMS UNDER THE PROGRAM THAT MEETS THE JANUARY  
8 1, 2035, GOAL WHILE BALANCING RATEPAYER COSTS; AND

9 (2) ADOPT REGULATIONS TO IMPLEMENT THE PROGRAM, INCLUDING  
10 REQUIREMENTS FOR:

11 (I) CERTIFICATION AS A QUALIFYING UTILITY-SCALE SOLAR  
12 ENERGY GENERATING SYSTEM; AND

13 (II) ANY MONEY TO BE HELD IN ESCROW DURING THE BIDDING  
14 PROCESS.

15 (G) (1) BEGINNING JANUARY 1, 2027, AND EVERY 18 MONTHS  
16 THEREAFTER, THE COMMISSION SHALL COMMENCE SOLICITATIONS FOR THE  
17 AWARD OF PROJECTS UNDER THE PROGRAM.

18 (2) THE SOLICITATION SHALL:

19 (I) AWARD CONTRACTS FOR THE CONSTRUCTION OF  
20 QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING SYSTEMS FOR NOT LESS  
21 THAN 205 MEGAWATTS PER YEAR FOR 8 YEARS AFTER THE FIRST CONTRACTS ARE  
22 AWARDED;

23 (II) AWARD CONTRACTS WITHIN 6 MONTHS AFTER EACH  
24 SOLICITATION;

25 (III) ENSURE AWARDED PROJECTS RECEIVE A RENEWABLE  
26 ENERGY INCENTIVE PAYMENT, IN THE FORM OF AN SREC-II VALUE PER  
27 MEGAWATT-HOUR FOR THE ENVIRONMENTAL ATTRIBUTE PRODUCED BY THE  
28 QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING SYSTEM, AND ANY OTHER  
29 BENEFITS TO THE STATE PROVIDED BY THE SYSTEM, AS DETERMINED BY THE  
30 COMMISSION;

31 (IV) ENSURE THAT THE LENGTH OF AN AWARD IS SUFFICIENT TO  
32 ENCOURAGE LOW FINANCING RATES, PROVIDE REASONABLE RISKS TO

1 RATEPAYERS, AND ENABLE THE DEVELOPMENT OF AFFORDABLE RENEWABLE  
2 ENERGY;

3 (V) MITIGATE PRICE AND DELIVERY RISKS FOR CONSUMERS;

4 (VI) INCLUDE REQUIREMENTS DESIGNED TO ENSURE  
5 SUCCESSFUL COMPLETION OF PROJECTS, INCLUDING THE IMPOSITION OF  
6 APPROPRIATE ESCROW FEES, BID MATURITY REQUIREMENTS, REQUIRED  
7 INTERCONNECTION MILESTONES, AND COMMERCIAL OPERATION MILESTONES;

8 (VII) ENSURE THE RECOGNITION OF THE ENVIRONMENTAL AND  
9 PUBLIC HEALTH BENEFITS OF PROJECTS LOCATED ON BROWNFIELDS OR  
10 CONTAMINATED SITES;

11 (VIII) BE OPEN ON A NONDISCRIMINATORY BASIS TO ANY  
12 PROJECT MEETING THE CRITERIA OF THIS SUBTITLE; AND

13 (IX) INCLUDE ANY OTHER REQUIREMENTS DEVELOPED BY THE  
14 COMMISSION.

15 (3) THE COMMISSION MAY:

16 (I) ESTABLISH CONFIDENTIAL HIGH- AND LOW-APPLICATION  
17 THRESHOLDS BEFORE CONDUCTING A SOLICITATION, PROVIDED THAT THE  
18 THRESHOLDS PROMOTE FISCAL RESPONSIBILITY AND ENSURE THE LIKELIHOOD OF  
19 SUCCESSFUL PROJECTS, AS DETERMINED BY THE COMMISSION;

20 (II) MAY INCLUDE A CAP ON THE RENEWABLE ENERGY  
21 INCENTIVE UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION; AND

22 (III) PROCURE MORE THAN THE MINIMUM QUANTITY OF SOLAR  
23 ENERGY REQUIRED UNDER THE PROGRAM IF APPLICATIONS ARE BELOW THE  
24 LOW-APPLICATION THRESHOLD ESTABLISHED IN ITEM (I) OF THIS PARAGRAPH.

25 (4) BEFORE ISSUING A SOLICITATION FOR PROJECTS UNDER THIS  
26 SECTION, THE COMMISSION SHALL REQUEST THE COMMISSIONER OF LABOR AND  
27 INDUSTRY TO DETERMINE THE PREVAILING WAGE RATE FOR EACH CLASSIFICATION  
28 OF WORKER REQUIRED TO PERFORM WORK ON THE PROJECT IN ORDER TO INCLUDE  
29 THAT DETERMINATION IN THE BIDDING PROCESS.

30 (5) THE COMMISSION, AT THE END OF THE SOLICITATION PROCESS,  
31 SHALL:

1 (I) RANK ALL APPLICATIONS RECEIVED BASED ON THE  
2 ESTIMATED COST OF THE PROJECT OR ESTIMATED COST BY CATEGORY;

5 (III) ADJUST THE NUMBER OF PROJECTS SELECTED IF THE  
6 COSTS ARE ABOVE OR BELOW THE CONFIDENTIAL PREDETERMINED THRESHOLDS  
7 ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

8 (H) (1) THE COMMISSION, BY ORDER, SHALL APPROVE, CONDITIONALLY  
9 APPROVE, OR DENY ONE OR MORE PROJECTS UNDER THIS SECTION WITHIN 6  
10 MONTHS AFTER THE CLOSE OF THE SOLICITATION PERIOD.

11 (2) AN ORDER APPROVING A PROJECT UNDER THIS SECTION SHALL:

12 (I) SPECIFY THE SREC-II FIXED PRICING SCHEDULE FOR  
13 ENERGY GENERATED BY THE PROJECT;

14 (II) SPECIFY THE DURATION OF THE SREC-II FIXED PRICING  
15 SCHEDULE, NOT TO EXCEED 15 YEARS;

19 (IV) PROVIDE THAT NO PAYMENT MAY BE MADE FOR AN  
20 SREC-II UNTIL THE QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING  
21 SYSTEM IS OPERATIONAL AND GENERATING ENERGY; AND

22 (v) PROVIDE THAT THE STATE SHALL BE HELD HARMLESS FOR  
23 ANY COST OVERRUNS ASSOCIATED WITH THE CONSTRUCTION AND OPERATION OF  
24 THE QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING SYSTEM.

25 (3) A PROJECT APPROVED UNDER THIS SECTION SHALL REQUIRE:

**(iii) THE CONTRACTORS AND SUBCONTRACTORS TO INCLUDE**

1 THE REQUIREMENTS OF THIS SECTION IN ANY CONTRACTS FOR ANY OTHER  
2 SUBCONTRACTORS BELOW THE PRIME CONTRACTORS OR SUBCONTRACTORS.

3 (4) THE COMMISSION, IN CONSULTATION WITH THE COMMISSIONER  
4 OF LABOR AND INDUSTRY, SHALL ADOPT REGULATIONS TO CARRY OUT THIS  
5 SUBSECTION, INCLUDING:

6 (I) PROVISIONS RELATING TO THE REPORTING OF  
7 NONCOMPLIANCE OR VIOLATIONS OF THE PREVAILING WAGE REQUIREMENTS;

8 (II) PROVISIONS ALLOWING THE USAGE OF THE ESCROW  
9 ACCOUNT UNDER THIS SUBTITLE TO ISSUE BACKPAY TO WORKERS; AND

10 (III) PROVISIONS ESTABLISHING LIQUIDATED DAMAGES  
11 EQUIVALENT TO THE PROVISIONS IN §§ 17-220 AND 17-222 OF THE STATE FINANCE  
12 AND PROCUREMENT ARTICLE.

13 (I) (1) UNDER THE PROGRAM, A QUALIFYING UTILITY-SCALE SOLAR  
14 ENERGY GENERATING SYSTEM SHALL GENERATE ONLY SREC-II'S.

15 (2) A QUALIFYING UTILITY-SCALE SOLAR ENERGY GENERATING  
16 SYSTEM THAT GENERATES SREC-II'S UNDER THE PROGRAM MAY NOT RECEIVE ANY  
17 EQUIVALENT RENEWABLE ENERGY CREDITS OF ANY TYPE.

18 (3) EXCEPT AS OTHERWISE PROVIDED UNDER THIS SECTION, THE  
19 PROVISIONS OF § 7-703 OF THIS TITLE APPLY TO SREC-II'S GENERATED UNDER  
20 THE PROGRAM.

21 (4) UNDER THE PROGRAM:

22 (I) AN SREC-II GENERATED BY A QUALIFYING UTILITY-SCALE  
23 SOLAR ENERGY GENERATING SYSTEM MAY BE APPLIED ONLY TOWARD MEETING THE  
24 RENEWABLE ENERGY PORTFOLIO STANDARD FOR THE YEAR IN WHICH THE  
25 SREC-II IS GENERATED OR THE FOLLOWING YEAR, ON DETERMINATION BY THE  
26 COMMISSION; AND

27 (II) AN OWNER OF A QUALIFYING UTILITY-SCALE SOLAR  
28 ENERGY GENERATING SYSTEM PRODUCING SREC-II'S MAY NOT SELL, ALIENATE,  
29 OR DISPOSE OF ANY OF THE ENVIRONMENTAL ATTRIBUTES ASSOCIATED WITH THE  
30 ENERGY GENERATED BY THE SYSTEM.

31 (J) (1) AN APPLICATION FOR A QUALIFYING UTILITY-SCALE SOLAR  
32 ENERGY GENERATING SYSTEM UNDER THIS SECTION SHALL BE SUBJECT TO A

## 1 COMMUNITY BENEFIT AGREEMENT.

## 2 (2) A COMMUNITY BENEFIT AGREEMENT SHALL:

3 (I) PROMOTE INCREASED OPPORTUNITIES FOR LOCAL, SMALL,  
4 MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE CLEAN  
5 ENERGY INDUSTRY;6 (II) ENSURE THE TIMELY, SAFE, AND EFFICIENT COMPLETION  
7 OF THE PROJECT BY FACILITATING THE HIRING OF HIGHLY SKILLED WORKERS WHO  
8 SHALL BE PAID NOT LESS THAN THE PREVAILING WAGE, AS DETERMINED BY THE  
9 COMMISSIONER OF LABOR AND INDUSTRY UNDER TITLE 17, SUBTITLE 2 OF THE  
10 STATE FINANCE AND PROCUREMENT ARTICLE;11 (III) GUARANTEE THAT THE CONSTRUCTION WORK ASSOCIATED  
12 WITH THE PROJECT IS SUBJECT TO AN AGREEMENT THAT:13 1. ESTABLISHES THE TERMS AND CONDITIONS OF  
14 EMPLOYMENT AT THE CONSTRUCTION SITE;15 2. GUARANTEES AGAINST STRIKES, LOCKOUTS, OR  
16 SIMILAR DISRUPTIONS;17 3. ENSURES THAT ALL WORK PERFORMED ON THE  
18 PROJECT CONFORMS TO ALL RELEVANT FEDERAL AND STATE LAWS, RULES, AND  
19 REGULATIONS;20 4. CREATES MUTUALLY BINDING PROCEDURES FOR  
21 RESOLVING LABOR DISPUTES ARISING DURING THE TERM OF THE PROJECT;22 5. SETS FORTH MECHANISMS FOR LABOR-MANAGEMENT  
23 COOPERATION ON MATTERS OF MUTUAL INTEREST, INCLUDING PRODUCTIVITY,  
24 QUALITY OF WORK, SAFETY, AND HEALTH; AND25 6. BINDS ALL CONTRACTORS AND SUBCONTRACTORS TO  
26 THE TERMS OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE  
27 PROVISIONS IN ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS;28 (IV) PROMOTE SAFE COMPLETION OF THE PROJECT BY  
29 ENSURING THAT AT LEAST 80 PERCENT OF THE CRAFT WORKERS HAVE COMPLETED  
30 AN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION'S 10-HOUR SAFETY  
31 COURSE;

1 (v) PROMOTE CAREER TRAINING OPPORTUNITIES IN THE  
2 CONSTRUCTION INDUSTRY FOR LOCAL RESIDENTS, VETERANS, WOMEN,  
3 MINORITIES, AND FORMERLY INCARCERATED INDIVIDUALS;

4 (VI) INCLUDE PROVISIONS FOR LOCAL HIRING AND HIRING  
5 HISTORICALLY DISADVANTAGED INDIVIDUALS; AND

6 (VII) ENSURE A STEADY SUPPLY OF LABOR AND PROMOTE  
7 WORKFORCE DEVELOPMENT BY REQUIRING THE USE OF APPRENTICES ENROLLED  
8 IN REGISTERED APPRENTICESHIP PROGRAMS, AS DEFINED IN TITLE 11, SUBTITLE  
9 4 OF THE LABOR AND EMPLOYMENT ARTICLE.

10 (K) ANY MISREPRESENTATION OR OMISSION INCLUDED IN THE REPORTING  
11 REQUIRED BY A CONTRACT AWARDED UNDER THIS SECTION SHALL CONSTITUTE A  
12 FALSE RECORD OR STATEMENT MATERIAL TO A FALSE OR FRAUDULENT CLAIM FOR  
13 PURPOSES OF § 8-102 OF THE GENERAL PROVISIONS ARTICLE.

14 7-1235.

15 (A) **THE COMMISSION, BY REGULATION OR ORDER, SHALL:**

(1) DIRECT ELECTRICITY SUPPLIERS, IN CONSULTATION WITH THE  
COMMISSION, TO JOINTLY SELECT AN ESCROW ADMINISTRATOR;

27 (4) ESTABLISH A MECHANISM THAT ANNUALLY:

28 (I) DETERMINES EACH ELECTRIC COMPANY'S SREC AND  
29 SREC-II PURCHASE OBLIGATIONS UNDER THIS SUBTITLE FOR THE FOLLOWING  
30 COMPLIANCE YEAR FOR SRECS AND SREC-II'S GENERATED BY SOLAR ENERGY  
31 GENERATING SYSTEMS THAT BEGIN OPERATION AFTER JANUARY 1, 2028;

**(II) ADJUSTS THE RENEWABLE ENERGY PORTFOLIO STANDARD**

1 OBLIGATION TO ACCOMMODATE A SHORTFALL OR EXCESS IN EARLIER YEARS THAT  
2 RESULTS FROM THE VARIATION BETWEEN THE QUANTITY OF SRECs AND  
3 SREC-II<sup>S</sup>, CALCULATED FOR THE RENEWABLE ENERGY PORTFOLIO STANDARD  
4 OBLIGATION AND THE QUANTITY OF SRECs AND SREC-II<sup>S</sup> SOLD UNDER THIS  
5 SUBTITLE; AND

6 (III) ADJUSTS THE NONBYPASSABLE SURCHARGE FOR  
7 PROJECTED AND PAST PURCHASE OBLIGATIONS.

8 (B) (1) EACH ELECTRIC COMPANY SHALL PROCURE FROM THE ESCROW  
9 ACCOUNT UNDER THIS SECTION THE NUMBER OF SRECs AND SREC-II<sup>S</sup> TO  
10 SATISFY THE ELECTRIC COMPANY'S OBLIGATIONS UNDER THIS SUBTITLE AND §  
11 7-709.2 OF THIS TITLE.

12 (2) SUBJECT TO ANY ESCROW ACCOUNT RESERVE REQUIREMENT  
13 ESTABLISHED BY THE COMMISSION, IF THERE ARE INSUFFICIENT SRECs AND  
14 SREC-II<sup>S</sup> UNDER THIS SUBTITLE AVAILABLE FOR PURCHASE, ANY OVERPAYMENT  
15 SHALL BE DISTRIBUTED BACK TO THE ELECTRIC COMPANY TO BE REFUNDED OR  
16 CREDITED TO EACH CUSTOMER BASED ON THE CUSTOMER'S CONSUMPTION OF  
17 ELECTRICITY THAT IS SUBJECT TO THE RENEWABLE ENERGY PORTFOLIO  
18 STANDARD.

19 (3) THE CALCULATION OF AN ELECTRIC COMPANY'S SREC AND  
20 SREC-II PURCHASE OBLIGATIONS UNDER THIS SUBTITLE FOR SRECs AND  
21 SREC-II<sup>S</sup> GENERATED BY SOLAR ENERGY GENERATING SYSTEMS THAT BEGIN  
22 OPERATION AFTER JANUARY 1, 2028, SHALL BE BASED ON FINAL ELECTRICITY  
23 SALES, AS DETERMINED BY THE COMMISSION.

24 (4) ANY INTEREST EARNED IN THE ESCROW ACCOUNT SHALL REMAIN  
25 IN THE ACCOUNT AND MAY NOT BE REDIRECTED TO ANY OTHER FUND.

26 (C) SUBJECT TO ANY ESCROW ACCOUNT RESERVE REQUIREMENT  
27 ESTABLISHED BY THE COMMISSION, COMPLIANCE FEES PAID INTO THE ESCROW  
28 ACCOUNT ESTABLISHED IN THIS SECTION SHALL BE DISTRIBUTED TO ELECTRIC  
29 COMPANIES TO PAY FOR FUTURE SRECs AND SREC-II<sup>S</sup> PROCURED UNDER THIS  
30 SUBTITLE.

31 Article – Tax – General

32 8-404.

33 (a) Each public service company that, in a calendar year, has gross receipts  
34 derived from business in the State or delivers electricity or natural gas for final

1 consumption in the State shall complete, under oath, and file with the Department a public  
2 service company franchise tax return, on or before April 15th of the next year.

3 (b) (1) Each public service company that reasonably expects its public service  
4 company franchise tax for a year to exceed \$1,000 shall complete, under oath, and file with  
5 the Department a declaration of estimated tax, on or before April 15 of that year.

6 (2) A public service company required under paragraph (1) of this  
7 subsection to file a declaration of estimated tax for a taxable year shall complete and file  
8 with the Department a quarterly estimated tax return on or before June 15, September 15,  
9 and December 15 of that year.

10 (c) A public service company shall file with the return an attachment that states  
11 any information that the Department requires to determine gross receipts derived from  
12 business in the State or kilowatt hours or therms of natural gas delivered for final  
13 consumption in the State.

14 **(D) A PUBLIC SERVICE COMPANY THAT IS ENGAGED IN THE TRANSMISSION,**  
15 **DISTRIBUTION, OR DELIVERY OF ELECTRICITY IN THE STATE SHALL FILE WITH THE**  
16 **RETURN THE GROSS RECEIPTS DERIVED FROM CUSTOMERS IN THE STATE THAT USE**  
17 **MORE THAN 100 MEGAWATTS OF ELECTRICITY.**

18 8–408.

19 The Department shall:

20 (1) administer the laws that relate to the public service company franchise  
21 tax;

22 (2) adopt reasonable regulations to administer the provisions of laws that  
23 relate to the public service company franchise tax;

24 (3) design the returns and forms that, on completion, provide the  
25 information required for the administration of the public service company franchise tax  
26 laws;

27 (4) collect the public service company franchise tax revenue, including  
28 penalties and interest;

29 (5) **ALLOCATE 75% OF THE PUBLIC SERVICE COMPANY FRANCHISE**  
30 **TAX REVENUES ATTRIBUTED TO CUSTOMERS THAT USE MORE THAN 100**  
31 **MEGAWATTS OF ELECTRICITY THAT IS COLLECTED FROM PUBLIC SERVICE**  
32 **COMPANIES THAT ARE ENGAGED IN THE TRANSMISSION, DISTRIBUTION, OR**  
33 **DELIVERY OF ELECTRICITY IN THE STATE TO THE ESCROW ACCOUNT ESTABLISHED**  
34 **UNDER § 7-1235 OF THE PUBLIC UTILITIES ARTICLE;**

3 [6] (7) certify to the Comptroller that revenue.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2026.