

HOUSE BILL 1147

P1, P4, P2

6lr3063
CF SB 842

By: **Delegate Foley**

Introduced and read first time: February 11, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Administrative Operations and Personnel Matters**
3 **(Public Service Commission Flexibility Act)**

4 FOR the purpose of establishing that the exercise by the Public Service Commission of its
5 authority is an essential government function; altering the duties of the Commission
6 and the Executive Secretary of the Commission; providing for the designation of a
7 certain employee as Deputy Executive Secretary of the Commission; requiring the
8 Commission to submit certain information to the Department of Budget and
9 Management each year, keep certain records, and submit to certain audits;
10 authorizing the Commission to employ or retain as independent contractors certain
11 consultants and experts; requiring the Commission to establish a personnel
12 management system that operates independently of the State Personnel
13 Management System; altering the application of certain provisions of the State
14 Personnel and Pensions Article to Commission employees; requiring that all
15 employee compensation be determined by the Commission; requiring that certain
16 employees of the Commission be considered as permanent State employees, receive
17 certain credit for service, and be granted certain compensation consideration for
18 certain purposes; repealing provisions related to certain salary plan changes and
19 reporting requirements for certain personnel matters; exempting the Commission
20 from certain taxes and certain provisions of State procurement law; requiring that
21 certain employees of the Commission remain in the State Personnel Management
22 System until the Commission adopts an independent personnel management
23 system; and generally relating to the administration and powers of the Public Service
24 Commission.

25 BY repealing and reenacting, with amendments,
26 Article – Public Utilities
27 Section 2–101, 2–104, and 2–108
28 Annotated Code of Maryland
29 (2025 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – State Finance and Procurement
3 Section 11–203(c–1)
4 Annotated Code of Maryland
5 (2021 Replacement Volume and 2025 Supplement)

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

8 **Article – Public Utilities**

9 2–101.

10 (a) There is a Public Service Commission.

11 (b) The Commission is an independent unit in the Executive Branch of State
12 government.

13 (c) **THE EXERCISE BY THE COMMISSION OF ITS AUTHORITY UNDER THIS**
14 **DIVISION IS AN ESSENTIAL GOVERNMENT FUNCTION.**

15 (D) The Commission:

16 (1) shall carry out the functions assigned to it by law; AND

17 (2) **MAY TAKE ACTIONS NECESSARY TO IMPLEMENT THE PROVISIONS**
18 **OF LAW UNDER ITS JURISDICTION.**

19 2–104.

20 (a) The Commission shall appoint an Executive Secretary.

21 (b) The Executive Secretary serves at the pleasure of the Commission.

22 (c) The Executive Secretary shall:

23 (1) keep the records of the Commission, including a record of proceedings,
24 all documents required to be filed with the Commission, all orders, regulations, and
25 decisions of the Commission, and all dockets and files;

26 (2) certify true copies of those materials;

27 (3) designate an employee of the Commission to **SERVE AS THE DEPUTY**
28 **EXECUTIVE SECRETARY WHO SHALL** perform the duties of Executive Secretary when
29 the Executive Secretary is absent; [and]

1 **1. EACH FISCAL YEAR, SUBMIT THE COMMISSION'S**
2 **OPERATING PROGRAM BUDGET TO THE DEPARTMENT OF BUDGET AND**
3 **MANAGEMENT FOR INCLUSION IN THE STATE BUDGET BOOK FOR INFORMATIONAL**
4 **PURPOSES;**

5 **2. KEEP BUSINESS AND ACCOUNTING RECORDS USING**
6 **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND**

7 **3. AT THE END OF EACH FISCAL YEAR, HAVE AN**
8 **INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT AUDIT THE ACCOUNTS AND**
9 **TRANSACTIONS OF THE COMMISSION.**

10 (2) (i) As the Commission considers necessary, the Commission [shall
11 hire] **MAY EMPLOY OR RETAIN AS INDEPENDENT CONTRACTORS, AND SET**
12 **COMPENSATION FOR, CONSULTANTS AND OTHER** experts including economists, cost of
13 capital experts, rate design experts, accountants, engineers, transportation specialists,
14 [and] lawyers, **FINANCIAL EXPERTS, MODELING EXPERTS, CLIMATE EXPERTS,**
15 **MANAGERS AND OTHER PROFESSIONAL PERSONNEL, AND ADMINISTRATIVE STAFF**
16 **AND PERSONNEL.**

17 (ii) To assist in the regulation of intrastate hazardous liquid
18 pipelines under Title 11, Subtitle 2 of this article, the Commission shall include on its staff
19 at least one engineer who specializes in the storage of and the transportation of hazardous
20 liquid materials by pipeline.

21 (3) The Commission shall include on its staff one or more employees that
22 are experts in cybersecurity to:

23 (i) advise the Chairman of the Commission and the commissioners
24 on measures to improve oversight of the cybersecurity practices of public service companies;

25 (ii) consult with the Office of Security Management on cybersecurity
26 issues related to utility regulation;

27 (iii) assist the Commission in monitoring the minimum security
28 standards developed under § 5-306 of this article;

29 (iv) participate in briefings to discuss cybersecurity practices based
30 on:

31 1. applicable National Association of Regulatory Utility
32 Commissioners guidance; and

1 2. improvements to cybersecurity practices recommended in
2 the cybersecurity assessments required under § 5–306 of this article; and

3 (v) support public service companies that do not meet minimum
4 security standards with remediating vulnerabilities or addressing cybersecurity
5 assessment findings.

6 [(4) The Commission may retain on a case by case basis additional experts
7 as required for a particular matter.]

8 [(5)] (4) The lawyers who represent the Commission staff in proceedings
9 before the Commission shall be appointed by the Commission and shall be organized and
10 operate independently of the office of General Counsel.

11 [(6)] (5) (i) As required, the Commission shall hire public utility law
12 judges.

13 (ii) Public utility law judges are a separate organizational unit and
14 shall report directly to the Commission.

15 [(7)] (6) The Commission shall hire personal staff members for each
16 commissioner as required to provide advice, draft proposed orders and rulings, and perform
17 other personal staff functions.

18 [(8)] (7) (i) The Commission shall:

19 1. collaborate with the Office of Security Management to
20 establish cybersecurity standards and best practices for regulated entities, taking into
21 account utility needs and capabilities based on size;

22 2. periodically share information on cybersecurity initiatives
23 and best practices with municipal electric utilities; and

24 3. beginning on or before January 1, 2025, and every 2 years
25 thereafter:

26 A. collect certifications of a public service company's
27 compliance with standards used in the assessments conducted under § 5–306 of this article
28 for cybersecurity–related policies and procedures; and

29 B. submit a report to the State Chief Information Security
30 Officer, or the Officer's designee.

31 (ii) The report required under subparagraph (i) of this paragraph
32 shall include:

1 1. a general overview of cybersecurity technology and
2 policies used by public service companies in the State, grouped by the following types:

3 A. investor–owned electric companies;

4 B. electric cooperatives;

5 C. municipal electric companies;

6 D. gas companies; and

7 E. water companies;

8 2. general recommendations for improving cybersecurity
9 technology and policies used by public service companies in the State, grouped by the
10 following types:

11 A. investor–owned electric companies;

12 B. electric cooperatives;

13 C. municipal electric companies;

14 D. gas companies; and

15 E. water companies; and

16 3. for each certification collected:

17 A. the name of the public service company;

18 B. the date of the public service company’s most recent
19 cybersecurity assessment;

20 C. the cybersecurity framework used in the cybersecurity
21 assessment of the public service company; and

22 D. the name of the entity that completed the cybersecurity
23 assessment.

24 **[(9) (8)]** Subject to § 3–104 of this article, the Commission may delegate
25 to a commissioner or personnel the authority to perform an administrative function
26 necessary to carry out a duty of the Commission.

27 **[(10) (i)]** Except as provided in subparagraph (ii) of this paragraph or
28 otherwise by law, all personnel of the Commission are subject to the provisions of the State
29 Personnel and Pensions Article.

1 (ii) The following are in the executive service, management service,
2 or are special appointments in the State Personnel Management System:

- 3 1. each commissioner of the Commission;
- 4 2. the Executive Director;
- 5 3. the General Counsel and each assistant general counsel;
- 6 4. the Executive Secretary;
- 7 5. the commissioners' personal staff members;
- 8 6. the chief public utility law judge; and
- 9 7. each license hearing officer.]

10 (e) (1) (I) **THE COMMISSION SHALL ESTABLISH FOR THE EMPLOYEES**
11 **OF THE COMMISSION A PERSONNEL MANAGEMENT SYSTEM THAT OPERATES**
12 **INDEPENDENTLY OF THE STATE PERSONNEL MANAGEMENT SYSTEM.**

13 (II) **THE PERSONNEL MANAGEMENT SYSTEM ESTABLISHED BY**
14 **THE COMMISSION SHALL:**

- 15 1. **BE BASED ON MERIT; AND**
- 16 2. **INCLUDE FAIR AND EQUITABLE PROCEDURES FOR:**
 - 17 **A. APPOINTING, HIRING, PROMOTING, TERMINATING,**
18 **AND REMOVING EMPLOYEES; AND**
 - 19 **B. REDRESSING GRIEVANCES.**

20 (2) **ALL COMMISSION EMPLOYEES ARE SUBJECT TO DIVISIONS II**
21 **AND III OF THE STATE PERSONNEL AND PENSIONS ARTICLE.**

22 [(1)] (3) The compensation of [the following personnel] **ALL EMPLOYEES**
23 shall be determined by the Commission and, if possible, in accordance with the State pay
24 plan[:

- 25 (1) the Executive Director;
- 26 (2) the General Counsel;

- 1 (3) the special appointment attorneys in the office of General Counsel;
- 2 (4) the Executive Secretary;
- 3 (5) the chief public utility law judge;
- 4 (6) each license hearing officer; and
- 5 (7) all Commission personnel in positions in:
- 6 (i) the management service; and
- 7 (ii) professional and technical classifications unique to the
- 8 Commission].

9 **(4) ALL PERMANENT EMPLOYEES OF THE COMMISSION SHALL:**

10 **(I) BE CONSIDERED AS PERMANENT STATE EMPLOYEES FOR**

11 **THE PURPOSES OF TRANSFERRING TO OR FROM ANOTHER POSITION IN STATE**

12 **GOVERNMENT;**

13 **(II) RECEIVE CREDIT FOR SERVICE WITH THE COMMISSION FOR**

14 **ANY ACCRUED LEAVE AND BENEFITS; AND**

15 **(III) BE GRANTED THE SAME COMPENSATION CONSIDERATION**

16 **THAT WOULD BE PROVIDED TO AN EMPLOYEE TRANSFERRING WITHIN ANOTHER**

17 **DIVISION OF STATE GOVERNMENT.**

18 **(5) THE COMMISSION SHALL ADOPT REGULATIONS TO GOVERN THE**

19 **PERSONNEL MANAGEMENT SYSTEM ADOPTED UNDER THIS SUBSECTION,**

20 **INCLUDING:**

21 **(I) PROCEDURES FOR APPOINTING, HIRING, PROMOTING,**

22 **TERMINATING, REMOVING, AND REINSTATING EMPLOYEES;**

23 **(II) POLICIES FOR LEAVE; AND**

24 **(III) PROCEDURES FOR HEARING AND REDRESSING GRIEVANCES**

25 **AND DISCIPLINARY ACTIONS.**

26 **[(f) (1) At least 45 days before the effective date of the change, the Commission**

27 **shall submit to the Secretary of Budget and Management each change to salary plans that**

28 **involves increases or decreases in salary ranges other than those associated with routine**

29 **reclassifications and promotions or general salary increases approved by the General**

30 **Assembly.**

1 (2) Reportable changes include creation or abolition of classes, regrading
2 the classes from one established range to another, changes in salary guidelines to
3 administer the pay schedules, or creation of new pay schedules or ranges.

4 (3) The Secretary of Budget and Management shall:

5 (i) review the proposed changes; and

6 (ii) at least 15 days before the effective date of the proposed changes,
7 advise the Commission whether the changes would have an adverse effect on comparable
8 State jobs.

9 (4) Failure of the Secretary to respond in a timely manner is not considered
10 a statement of adverse effect.

11 (g) On or before January 31 of each year, the Commission shall report to the
12 Secretary of Budget and Management and, subject to § 2–1257 of the State Government
13 Article, to the General Assembly setting forth all personnel positions, classifications, and
14 salaries in the Commission as of the end of the preceding calendar year.]

15 **(F) AT ANY TIME, THE COMMISSION MAY BE SUBJECT TO AN AUDIT AND**
16 **EXAMINATION OF ACCOUNTS AND TRANSACTIONS BY THE OFFICE OF LEGISLATIVE**
17 **AUDITS.**

18 **(G) THE COMMISSION IS EXEMPT FROM TAXATION BY THE STATE AND**
19 **LOCAL GOVERNMENT.**

20 **Article – State Finance and Procurement**

21 11–203.

22 **(C–1) EXCEPT AS PROVIDED IN TITLE 12, SUBTITLE 4 AND TITLE 14,**
23 **SUBTITLE 3 OF THIS ARTICLE, THIS DIVISION II DOES NOT APPLY TO THE PUBLIC**
24 **SERVICE COMMISSION.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That all employees of the Public
26 Service Commission that are subject to the State Personnel Management System on the
27 effective date of this Act shall remain subject to the State Personnel Management System
28 until the Public Service Commission adopts a personnel management system that is
29 independent of the State Personnel Management System in accordance with § 2–108(e) of
30 the Public Utilities Article, as enacted by Section 1 of this Act.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2026.