

HOUSE BILL 1442

C5, L6

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By: **Delegates J. Long, Charkoudian, and Ivey**

Introduced and read first time: February 13, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Community Choice Aggregation Pilot Program – Definition, Application, and**
3 **Workgroup – Modifications**

4 FOR the purpose of modifying the definition of “community choice aggregator” for purposes
5 of the Community Choice Aggregation Pilot Program to include residential electric
6 customers served by certain electric cooperatives; expanding the application of the
7 Community Choice Aggregation Pilot Program to apply to all counties and Baltimore
8 City instead of applying to Montgomery County only; modifying the membership of
9 the Community Choice Energy Workgroup; and generally relating to the Community
10 Choice Aggregation Pilot Program.

11 BY repealing and reenacting, without amendments,
12 Article – Corporations and Associations
13 Section 5–601(a) and (f)
14 Annotated Code of Maryland
15 (2025 Replacement Volume)

16 BY repealing and reenacting, without amendments,
17 Article – Public Utilities
18 Section 1–101(a), (b), (h), and (hh), 7–507(a), and 7–510(i)
19 Annotated Code of Maryland
20 (2025 Replacement Volume and 2025 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Public Utilities
23 Section 1–101(f) and 7–510.3
24 Annotated Code of Maryland
25 (2025 Replacement Volume and 2025 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Corporations and Associations

5–601.

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

(f) “Member–regulated cooperative” means a cooperative:

(1) That provides retail electric service to its members on the Eastern Shore of Maryland; and

(2) Whose board of directors has passed a binding resolution to operate as a member–regulated cooperative.

Article – Public Utilities

1–101.

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

(b) (1) “Aggregator” means an entity or an individual that acts on behalf of a customer to purchase electricity or gas.

(2) “Aggregator” does not include:

(i) an entity or individual that purchases electricity or gas only for its own use or for the use of its subsidiaries or affiliates;

(ii) a municipal electric utility or a municipal gas utility serving only in its distribution territory; or

(iii) a combination of governmental units that purchases electricity or gas for use by the governmental units.

(f) “Community choice aggregator” means a county that serves as an electric aggregator for the purpose of negotiating the purchase of electric generation services from an electricity supplier licensed by the Commission or from an electric generating or storage facility, or providing electricity from an electric generating facility owned by the aggregator for residential electric customers, which include master–metered multiple occupancy residences and small commercial electric customers, as defined in § 7–510.3 of this article, that:

(1) are located within the county, including customers located within municipal corporations located in the county;

(2) have not:

1 (i) selected an electricity supplier other than the standard offer
2 service supplier; or

3 (ii) refused to participate in the aggregation activities of the county;
4 and

5 (3) are not located in the service territory of:

6 (i) a municipal electric utility; [or]

7 (ii) [an electric cooperative] A MEMBER-REGULATED
8 COOPERATIVE AS DEFINED IN § 5-601 OF THE CORPORATIONS AND ASSOCIATIONS
9 ARTICLE; OR

10 (III) A SMALL RURAL ELECTRIC COOPERATIVE.

11 (h) "County" means a county of the State or Baltimore City.

12 (hh) "Small rural electric cooperative" means an electric company that:

13 (1) serves only the consumers that exclusively own and control the
14 company;

15 (2) conducts its business on a nonprofit basis; and

16 (3) supplies electricity to less than 1,000 electric meters in the State.

17 7-507.

18 (a) A person, other than an electric company providing standard offer service
19 under § 7-510(c) of this subtitle, a municipal electric utility serving customers solely in its
20 distribution territory, the Department of General Services selling energy under § 7-704.4
21 of this title, or a community choice aggregator under § 7-510.3 of this subtitle, may not
22 engage in the business of an electricity supplier in the State unless the person holds a
23 license issued by the Commission.

24 7-510.

25 (i) Except as provided in § 7-510.3 of this subtitle, a county or municipal
26 corporation may not act as an aggregator unless the Commission determines there is not
27 sufficient competition within the boundaries of the county or municipal corporation.

28 7-510.3.

1 (a) In this section, “small commercial electric customer” means a commercial
2 electric customer that has a peak electric load of not more than 25 kilowatts and includes
3 master-metered multiple occupancy residences that have a peak electric load of not more
4 than 25 kilowatts.

5 (b) [This section applies only in Montgomery County.

6 (c) (1) There is a Community Choice Aggregation Pilot Program.

7 (2) Beginning December 31, 2023, a county may form a community choice
8 aggregator under this section.

9 [(d)] (C) (1) At least 60 days before initiating the process to form a
10 community choice aggregator, a county shall:

11 (i) develop an aggregation plan;

12 (ii) give written notice of the aggregation plan to each residential
13 and small commercial electric customer in the county;

14 (iii) publish a fair summary of the aggregation plan in at least one
15 newspaper of general circulation in the county;

16 (iv) if the county maintains a website, publish the full text of the
17 aggregation plan on the website; and

18 (v) give, for the Commission’s approval, written notice of its
19 intention to initiate a process to form a community choice aggregator.

20 (2) The aggregation plan shall:

21 (i) detail the processes related to participating in the aggregation
22 activities of a community choice aggregator;

23 (ii) contain information on the operations, funding, and
24 organizational structure of the community choice aggregator;

25 (iii) provide details on:

26 1. the rate setting and costs to participants, including an
27 analysis of historical and forecasted trends in electricity prices and a purchasing plan
28 designed to save ratepayers money;

29 2. methods that the community choice aggregator must use
30 for entering into and terminating agreements with other entities;

- 1 (ii) terms and conditions of service;
- 2 (iii) new rates, charges, and fees for service under the community
3 choice aggregator;
- 4 (iv) a comparison of the new rates and the rates under the current
5 standard offer service;
- 6 (v) information on how to access the standard offer service available
7 from an electric company; and
- 8 (vi) the total renewable component of the electricity to be supplied
9 through a community choice aggregator, including the specific sources of any renewable
10 energy compared to the requirements under current law, if any.

11 (3) In the notice required under this subsection, the county shall provide to
12 the residential and small commercial electric customers in the county the opportunity to
13 refuse to participate in the aggregation activities of the community choice aggregator:

- 14 (i) by return submission of the notice to the community choice
15 aggregator or the electric company indicating the customer's decision to refuse to
16 participate in the aggregation activities of the community choice aggregator; or
- 17 (ii) by contracting for service with a retail electricity supplier or by
18 choosing standard offer service from an electric company.

19 (4) A county that enacts a local law to act as a community choice aggregator
20 under this section may not exclude from the ability to participate in the aggregation
21 activities of the community choice aggregator:

- 22 (i) any residential or small commercial electric customer in the
23 county; or
- 24 (ii) for the provision of electric service for facilities located within the
25 jurisdiction of the community choice aggregator, any governmental entity.

26 **[(g)] (F)** A residential or small commercial electric customer is deemed to have
27 given permission to the county to act on the customer's behalf as a community choice
28 aggregator:

29 (1) when the county receives from the customer:

- 30 (i) a reply from the notice required under subsection **[(f)] (E)** of this
31 section by which the customer explicitly grants permission for the customer to receive
32 service with the community choice aggregator; or

1 (ii) an application to receive service with the community choice
2 aggregator;

3 (2) in the case of a customer receiving standard offer service, within 30
4 days after the notice required by subsection [(f)] (E) of this section is given if:

5 (i) the county has not received a returned notice by that date; or

6 (ii) after the creation of the community choice aggregator and receipt
7 of the notice, the customer has not contracted with a retail electricity supplier or contacted
8 an electric company to select standard offer services; or

9 (3) on applying for new electric service within the territory served by the
10 community choice aggregator, unless the customer has:

11 (i) contracted with a retail electricity supplier for service; or

12 (ii) contacted an electric company to select standard offer service.

13 [(h)] (G) Except for a contract that automatically renews, at the end of a contract
14 term with an electricity supplier a residential or small commercial electric customer in the
15 jurisdiction of a community choice aggregator shall be automatically enrolled as a
16 participant in the aggregation activities of the community choice aggregator unless the
17 customer:

18 (1) gives written notice to the county declining to participate in the
19 aggregation activities of the community choice aggregator; or

20 (2) contracts for service with a retail electricity supplier or contacts an
21 electric company to select standard offer service.

22 [(i)] (H) This section may not be construed to prevent a residential or small
23 commercial electric customer in the county from choosing at any time:

24 (1) to enter into a contract with an electricity supplier other than the
25 community choice aggregator; or

26 (2) the standard offer service offered by an electric company.

27 [(j)] (I) (1) A community choice aggregator may not assess any new fee, tax,
28 or other charge in the aggregation charges or rates that is not related to the cost of:

29 (i) providing electricity supply and electricity supply service,
30 including service from a generating station owned by the community choice aggregator;

31 (ii) promoting the use of renewable energy; and

1 (iii) providing and promoting energy efficiency programs promoted
2 under paragraph (2) or (3) of this subsection.

3 (2) A community choice aggregator, in consultation with all
4 [investor-owned] electric companies whose service territories include all or part of the
5 county and the Department of Housing and Community Development, may promote energy
6 efficiency programs that are:

7 (i) offered by the [investor-owned] electric companies; or

8 (ii) filed by the [investor-owned] electric companies with the
9 Commission for its approval in accordance with Subtitle 2, Part II of this title.

10 (3) In addition to the authority granted under paragraph (2) of this
11 subsection, a community choice aggregator may provide and promote energy efficiency
12 programs that are supplemental to any programs that are promoted under paragraph (2)
13 of this subsection.

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

18 (2) (i) A community choice aggregator may own an electric generating
19 facility or an electric storage facility in accordance with this article if the facility is designed
20 to provide energy primarily for use by the participants of the community choice aggregator.

21 (ii) When a community choice aggregator builds or acquires an
22 electric generating facility or electric storage facility, the community choice aggregator
23 shall submit to the Commission a plan for the use or disposition of the facility if the
24 community choice aggregator is dissolved.

25 (3) (i) A community choice aggregator may contract for service from an
26 electric generating facility in accordance with this article if the amount of contracted
27 electricity supply from the facility is not greater than the amount estimated to be necessary
28 to meet the electrical demand of the participants of the community choice aggregator.

29 (ii) When a community choice aggregator contracts for service from
30 an electric generating facility for a period exceeding 2 years, the community choice
31 aggregator shall submit to the Commission a plan for the transfer of the contract to another
32 electricity supplier if:

33 1. the community choice aggregator is dissolved; or

34 2. the pilot program ends without an extension or the
35 creation of a permanent community choice aggregator.

1 (4) Any contract relating to the provision of electric service by a community
2 choice aggregator, including any contract for the supply of electricity or the procurement or
3 financing of electric generation services shall allow for or anticipate the potential adoption
4 of an alternative resource adequacy mechanism that could apply in the State.

5 ~~[(l)]~~ **(K)** (1) Based on a determination of the mitigation of volumetric risk,
6 the Commission may establish by order or regulation a schedule that may not exceed a
7 period of 2 years, by which a community choice aggregator may transfer load from standard
8 offer service to retail or wholesale contracts under an aggregation plan.

9 (2) The Commission shall consider the impacts to the price and stability of
10 the procurement of standard offer service when considering a schedule under paragraph
11 (1) of this subsection.

12 ~~[(m)]~~ **(L)** (1) A county that is forming a community choice aggregator is
13 deemed to have obtained electric customer authorization to retrieve preenrollment usage
14 data for residential and small commercial electric customers in the county.

15 (2) In accordance with procedures established by the Commission, an
16 electric company shall provide to a community choice aggregator any relevant data for
17 customers in the jurisdiction of the community choice aggregator, including:

18 (i) preenrollment usage data; and

19 (ii) any other appropriate billing and electrical load data.

20 (3) An electric company shall provide to a county that is forming a
21 community choice aggregator data under this subsection as follows:

22 (i) only aggregate data when the county initiates the process of
23 forming a community choice aggregator; and

24 (ii) any customer-specific data after the aggregation plan is
25 approved by the Commission.

26 ~~[(n)]~~ **(M)** The Commission shall review applicable fees, request formats, and the
27 format of data provided to facilitate the intent of this section.

28 ~~[(o)]~~ **(N)** The Commission shall establish procedures for an electric customer
29 that is receiving electricity supply through a community choice aggregator to receive any
30 bill assistance credit or arrearage assistance to which the customer may be entitled under
31 § 7-512.1 of this subtitle or any other federal or State bill and arrearage assistance
32 administered by the Office of Home Energy Programs.

33 ~~[(p)]~~ **(O)** The Commission may allocate the portion of delinquent accounts
34 receivable that is attributable to electricity supply between the electric customers
35 participating in the aggregation activities of a community choice aggregator and the electric

1 customers throughout the electric company's service territory if the Commission
2 determines that:

3 (1) the amount of delinquent accounts receivable attributable to electric
4 customers receiving standard offer service is projected to increase to an extent that will
5 materially adversely impact the cost of providing standard offer service; and

6 (2) the projected increase in the amount of delinquent accounts receivable
7 attributable to electric customers receiving standard offer service is directly or indirectly
8 caused by the migration of a substantial number of electric customers from standard offer
9 service to participation in the aggregation activities of a community choice aggregator.

10 **[(q)] (P)** Bills sent to electric customers that participate in the aggregation
11 activities of a community choice aggregator shall identify the community choice aggregator
12 as the electricity supplier.

13 **[(r)] (Q)** (1) In this subsection, "Workgroup" means the Community Choice
14 Energy Workgroup established in accordance with this subsection.

15 (2) On or before September 1, 2021, the Commission shall establish a
16 Community Choice Energy Workgroup.

17 (3) The Workgroup shall consist of at least the following members:

18 (i) one representative **[of the Montgomery County government]**
19 **FROM EACH COUNTY GOVERNMENT THAT HAS GIVEN THE COMMISSION WRITTEN**
20 **NOTICE OF ITS INTENTION TO INITIATE A PROCESS TO FORM A COMMUNITY CHOICE**
21 **AGGREGATOR UNDER SUBSECTION (C)(1)(V) OF THIS SECTION;**

22 (ii) one representative of the Office of People's Counsel;

23 (iii) one representative of each **[investor-owned]** electric company
24 whose service territory includes all or part of a county that participates in the pilot
25 program;

26 (iv) one representative of any competitive electricity supplier;

27 (v) one representative of residential and small commercial electric
28 customers;

29 (vi) one representative of low-income communities;

30 (vii) one representative of minority residential communities;

31 (viii) one representative with expertise in implementing community
32 choice aggregation programs; and

1 (ix) any other individuals identified by the Commission.

2 (4) The Commission shall provide staff for the Workgroup.

3 (5) Nothing in this subsection may be construed to limit the authority of
4 the Commission to take any action, including the adoption of regulations, without a
5 recommendation from the Workgroup.

6 (6) (i) During any year that a community choice aggregator operates in
7 the State, the Workgroup shall submit an annual report on the status of the community
8 choice aggregator to the Commission.

9 (ii) The Workgroup shall include in the annual report information
10 regarding:

11 1. rates, charges, and fees for service under each community
12 choice aggregator;

13 2. renewable energy;

14 3. customer satisfaction;

15 4. enrollment; and

16 5. any other information or metric determined by the
17 Workgroup or requested by the Commission.

18 ~~[(s)]~~ (R) (1) The Commission shall by regulation establish standards and
19 procedures to protect the consumer rights of residential customers within the territory of a
20 community choice aggregator that receive electricity supply through the community choice
21 aggregator.

22 (2) The regulations shall prohibit discrimination against a customer on the
23 basis of the location of the customer.

24 (3) The Commission shall seek the advice and recommendation of the
25 Community Choice Energy Workgroup established under subsection ~~[(r)]~~ (Q) of this section
26 when carrying out the provisions of this section and adopting regulations.

27 ~~[(t)]~~ (S) (1) The pilot program shall:

28 (i) begin on the earlier of:

29 1. the date that a county gives notice to the Commission of
30 its intention to initiate a process to form a community choice aggregator, in accordance with
31 subsection ~~[(d)(1)(v)]~~ (C)(1)(V) of this section; or

1 (5) procedures by which a community choice aggregator may transfer load
2 from standard offer service to retail or wholesale contracts under an aggregation plan;

3 (6) the method by which the cost of delinquent accounts of a community
4 choice aggregator may be recovered from customers;

5 (7) procedures for enrolling a customer for service with a community choice
6 aggregator on expiration of the customer's retail supply contract;

7 (8) procedures to protect a customer's privacy and confidential data
8 collected or held by a community choice aggregator;

9 (9) procedures to mitigate any risk to standard offer service customers
10 caused by the potential for customers to migrate from a community choice aggregator to
11 standard offer service;

12 (10) procedures by which a community choice aggregator may be dissolved,
13 including procedures for the transfer of customers to standard offer service and the resale
14 of contracted electricity supply;

15 (11) the approval of a tariff structure for community choice [aggregator]
16 **AGGREGATOR** interactions with electric companies, including:

17 (i) billing and payment collection;

18 (ii) dispute resolution;

19 (iii) financial settlement;

20 (iv) losses;

21 (v) metering services;

22 (vi) PJM Interconnection requirements;

23 (vii) scheduling; and

24 (viii) utility charges; and

25 (12) procedures to require that:

26 (i) a community choice aggregator that transfers all customers back
27 to standard offer service is considered to be dissolved; and

28 (ii) if a community choice aggregator is considered to be dissolved, it
29 may not be reformed except through the process of forming a new community choice
30 aggregator in accordance with this section.

1 [(w)] (v) [The Montgomery County government] **A COUNTY THAT FORMS A**
2 **COMMUNITY CHOICE AGGREGATOR UNDER THIS SECTION** shall:

3 (1) be solely responsible for the costs associated with any stranded costs
4 for:

5 (i) contracts entered into by the community choice aggregator for
6 electric supply; or

7 (ii) generation owned by a community choice aggregator; and

8 (2) pay for any costs the [Montgomery County] **COUNTY** government is
9 responsible for under item (1) of this subsection.

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