

HOUSE BILL 1525

M3, M5, C5

6lr1749
CF SB 801

By: **Delegates Wivell, Arentz, Beauchamp, Buckel, Hornberger, Hutchinson, McComas, Miller, T. Morgan, Reilly, Schmidt, Tomlinson, and Valentine**
Introduced and read first time: February 13, 2026
Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Regional Greenhouse Gas Initiative, EmPOWER Energy Efficiency Programs,**
3 **and Community Solar Energy Generating Systems**

4 FOR the purpose of requiring the Governor to withdraw the State from the Regional
5 Greenhouse Gas Initiative on or before a certain date; authorizing the State to rejoin
6 the Initiative under certain circumstances; eliminating the surcharge that allows
7 recovery of costs to utilities from the EmPOWER energy efficiency programs;
8 providing that a certain tariff may not require an electric company to purchase or
9 provide a bill credit for certain electricity for more than a certain amount; and
10 generally relating to the Regional Greenhouse Gas Initiative, the EmPOWER energy
11 efficiency programs, and Community Solar Energy Generating Systems.

12 BY repealing and reenacting, with amendments,
13 Article – Environment
14 Section 2–1002(g)
15 Annotated Code of Maryland
16 (2013 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Public Utilities
19 Section 7–222(d)
20 Annotated Code of Maryland
21 (2025 Replacement Volume and 2025 Supplement)

22 BY repealing
23 Article – Public Utilities
24 Section 7–222(e)
25 Annotated Code of Maryland
26 (2025 Replacement Volume and 2025 Supplement)

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 7–306.2(d)(1)(i), (e)(2), (f)(2), and (g)(2)
4 Annotated Code of Maryland
5 (2025 Replacement Volume and 2025 Supplement)

6 BY adding to
7 Article – Public Utilities
8 Section 7–306.2(h–1)
9 Annotated Code of Maryland
10 (2025 Replacement Volume and 2025 Supplement)

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

13 **Article – Environment**

14 2–1002.

15 (g) (1) [In this subsection, “allowance” means one ton of carbon dioxide that
16 may be bought, sold, traded, or banked for use under the Regional Greenhouse Gas
17 Initiative.

18 (2) Not later than June 30, 2007] **ON OR BEFORE JANUARY 1, 2027**, the
19 Governor shall [include] **WITHDRAW** the State as a full participant in the Regional
20 Greenhouse Gas Initiative among Mid–Atlantic and Northeast states.

21 [(3) The State may withdraw from the Initiative, as provided in the
22 December 20, 2005 memorandum of understanding of the Initiative, at any time after
23 January 1, 2009, if the General Assembly enacts a law to approve the withdrawal.

24 (4) If the Regional Greenhouse Gas Initiative expires and there is a
25 successor organization with the same purposes and goals, the Governor is encouraged to
26 join the State in the successor organization.

27 (5) Notwithstanding § 2–107 of this title, all of the proceeds from the sale
28 of Maryland allowances under the Regional Greenhouse Gas Initiative shall be deposited
29 in the Maryland Strategic Energy Investment Fund under § 9–20B–05 of the State
30 Government Article.

31 (6) If the State’s participation in the Regional Greenhouse Gas Initiative
32 ceases for any reason, the Governor shall report to the General Assembly, in accordance
33 with § 2–1257 of the State Government Article, regarding:

34 (i) Why participation ceased; and

1 (ii) A plan to reduce carbon dioxide emissions from power plants in
2 the State that considers the use of Maryland grown, native, warm season grasses as a
3 possible method of reducing carbon emissions.]

4 **(2) THE STATE MAY REJOIN AS A FULL PARTICIPANT IN THE**
5 **REGIONAL GREENHOUSE GAS INITIATIVE IF:**

6 **(I) ALL OTHER STATES SERVED BY PJM INTERCONNECTION**
7 **BECOME FULL MEMBERS OF THE REGIONAL GREENHOUSE GAS INITIATIVE; OR**

8 **(II) THE STATE BECOMES AND REMAINS A NET EXPORTER OF**
9 **ELECTRICITY.**

10 **(3) NOTWITHSTANDING § 2-107 OF THIS TITLE, IF THE STATE**
11 **REJOINS THE REGIONAL GREENHOUSE GAS INITIATIVE ALL OF THE PROCEEDS**
12 **FROM THE SALE OF MARYLAND ALLOWANCES UNDER THE INITIATIVE SHALL BE**
13 **DEPOSITED IN THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND UNDER §**
14 **9-20B-05 OF THE STATE GOVERNMENT ARTICLE.**

15 **Article – Public Utilities**

16 7-222.

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

22 (1) requiring each electric company and gas company to establish any
23 program or service that the Commission determines to be appropriate and cost-effective;
24 **AND**

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

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

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

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

1 B. were incurred before January 1, 2028; and

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

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

7 (iv) reasonable financial performance incentives and penalties for
8 investor-owned electric companies and gas companies, as appropriate; and

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

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

17 (1) that the surcharge imposed in accordance with subsection (d) of this
18 section includes the cost of paying down the unpaid costs and unamortized costs that were
19 accrued over time by programs and services required by the Commission dating back to
20 2008; and

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

23 7-306.2.

24 (d) (1) (i) The Commission shall establish and maintain a Community
25 Solar Energy Generating Systems Program.

26 (e) On or before May 15, 2016, the Commission shall adopt regulations to
27 implement this section, including regulations for:

28 (2) a tariff structure for an electric company to provide a subscriber with
29 the kilowatt-hours or value of the subscriber's subscription, as the Commission determines;

30 (f) (2) On or before July 1, 2025, the Commission shall approve electric
31 company tariff modifications that are consistent with the regulations adopted under this
32 subsection.

1 (g) (2) On or before January 1, 2026, the Commission shall approve electric
2 company tariff modifications that are consistent with the regulations adopted under this
3 subsection.

4 **(H-1) A TARIFF ESTABLISHED UNDER SUBSECTION (E)(2), (F)(2), OR (G)(2) OF**
5 **THIS SECTION MAY NOT REQUIRE AN ELECTRIC COMPANY TO PURCHASE, OR**
6 **PROVIDE A BILL CREDIT TO A SUBSCRIBER OR SUBSCRIBER ORGANIZATION, FOR**
7 **ELECTRICITY FROM A COMMUNITY SOLAR ENERGY GENERATING SYSTEM AT A RATE**
8 **THAT EXCEEDS THE GENERATION COST OF ELECTRICITY PROVIDED BY THE**
9 **ELECTRIC COMPANY THROUGH STANDARD OFFER SERVICE.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Governor shall notify the
11 Department of Legislative Services:

12 (1) within 5 days after withdrawing from the Regional Greenhouse Gas
13 Initiative in accordance with § 2-1002(g)(1) of the Environment Article, as enacted by
14 Section 1 of this Act; and

15 (2) within 5 days after the State rejoins the Regional Greenhouse Gas
16 Initiative in accordance with § 2-1002(g)(2) of the Environment Article, as enacted by
17 Section 1 of this Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2026.