HOUSE BILL 1532

C5, M5 6lr3230

By: **The Speaker and Delegates Korman and Fraser–Hidalgo**
Introduced and read first time: February 13, 2026
Assigned to: Environment and Transportation

A BILL ENTITLED

AN ACT concerning

Continuing the Next Generation Energy Act

FOR the purpose of lowering the maximum monthly energy demand that is required for a certain large load customer to qualify for a specific rate schedule; altering the requirements that a certain multiyear rate plan must meet to be eligible for approval; authorizing the Public Service Commission to require a public service company to include a certain reconciliation procedure in the company's multiyear rate plan; altering the program cycle for certain energy efficiency and conservation plans; altering the years for which certain electricity savings percentages are used to calculate certain greenhouse gas emissions reduction targets in certain years; prohibiting the Commission from approving a certain energy efficiency and conservation plan that includes a certain residential sector subprogram; altering the definition of "large capacity energy resource" and "zero–emission credit" for provisions relating to energy solicitation and procurement; requiring the Commission to consider, rather than apply, certain costs when calculating certain impacts for certain nuclear energy generation projects; authorizing, with the approval of the Commission, the increase of certain nuclear energy generation project costs under certain circumstances; requiring the Commission to conduct a certain request for information and a certain request for proposals; requiring the Commission to select a certain third–party administrator by a certain date subject to a certain exception; requiring the Power Plant Research Program, in consultation with the Department of the Environment and the Maryland Energy Administration, to conduct a certain study; and generally relating to electricity rate schedules, rate plans, energy efficiency and conservation plans, and long–term pricing schedules and purchase pricing obligations.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 4–212(c), 4–213, 7–222(c)(5), 7–223(a) and (b)(1) and (4), 7–224(a)(1) and (d), 7–225(b) through (d), 7–1201(g), 7–1216(b), and 7–1220
Annotated Code of Maryland

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(2025 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,
Article – Public Utilities
Section 7–1201(a) and 7–1216(a)
Annotated Code of Maryland
(2025 Replacement Volume and 2025 Supplement)

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

Article – Public Utilities

4–212.

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

1. 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. 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.

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 establish just and reasonable rates **IF THE RECONCILIATION WOULD RESULT IN ADDITIONAL CUSTOMER CHARGES; OR**

(II) THE USE OF COST–SHARING MECHANISMS THAT WOULD RESULT IN ADDITIONAL CUSTOMER CHARGES 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 CUSTOMER CHARGES 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.

7–222.

(c) (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**]** **2–YEAR** program cycle starting January 1, 2027.

7–223.

(a) On or before January 1, 2025, **[**and**]** on or before January 1**, 2027, ON OR BEFORE JANUARY 1, 2029, AND ON OR BEFORE JANUARY 1** every 3 years, starting in **[**2027**]** **2029**, 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**]** **2029**, 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,**]** **2025, 2026, 2027, AND 2028,** and for each 3–year program cycle starting in **[**2027**]** **2029**, 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.

(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**]** **THROUGH 2028; AND**

(iii) 2.5% each year in **[**2027**]** **2029** and after.

7–224.

(a) (1) Beginning January 1, 2025, **[**and**]** on or before January 1**, 2027, ON OR BEFORE JANUARY 1, 2029, AND ON OR BEFORE JANUARY 1** every 3 years, starting in

[2027] **2029**, the Department shall procure or provide to low–income individuals energy efficiency and conservation programs and services, demand response programs and services, and beneficial electrification programs and services that achieve the greenhouse gas emissions reduction targets established for the Department under paragraph (2) of this subsection.

(d) If directed by the Commission in 2024, [and] on or before September 1**, 2026, ON OR BEFORE SEPTEMBER 1, 2028, AND ON OR BEFORE SEPTEMBER 1** every 3 years, starting in [2026] **2028**, the Department shall submit its plans for any programs or services procured or provided under subsection (a) of this section to the Commission for review and approval under § 7–225 of this subtitle.

7–225.

(b) (1) (i) If directed by the Commission in 2024, [and] on or before July 1**, 2026, ON OR BEFORE JULY 1, 2028, AND ON OR BEFORE JULY 1** every 3 years, starting in [2026] **2028**, 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**, 2026, ON OR BEFORE JULY 1, 2028, AND ON OR BEFORE JULY 1** every 3 years, starting in [2026] **2028**, 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**, 2026, ON OR BEFORE SEPTEMBER 1, 2028, AND ON OR BEFORE SEPTEMBER 1** every 3 years, starting in [2026] **2028**, 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.

(ii) On or before December 1, 2024, [and] on or before September 1**, 2026, ON OR BEFORE SEPTEMBER 1, 2028, AND ON OR BEFORE SEPTEMBER 1** every

3 years, starting in [2026] **2028**, 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) **(I)** [Each] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, EACH** plan shall detail a proposal for achieving greenhouse gas emissions reduction targets for 3 subsequent calendar years.

(II) THE PLAN SUBMITTED IN 2026 SHALL DETAIL A PROPOSAL FOR ACHIEVING GREENHOUSE GAS EMISSIONS REDUCTION TARGETS FOR THE 2 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, 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;

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:

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.

(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.

(6) THE COMMISSION MAY NOT APPROVE A PLAN UNDER THIS SUBSECTION THAT INCLUDES A RESIDENTIAL SECTOR SUBPROGRAM WITH A BENEFIT–TO–COST RATIO OF LESS THAN 1.0 UNDER THE PRIMARY STATE JURISDICTION–SPECIFIC TEST, AS DEVELOPED, UPDATED, OR APPROVED BY THE COMMISSION.

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 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 IMPACT 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:

(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.

(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, 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 COST.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) (1) On or before July 1, 2026, 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 request for information shall specify a completion date of July 1, 2027.

(b) (1) Within 30 days 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.

(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.

(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 3. 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

(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 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026.