

SENATE BILL 841

P1, M5, C5

6lr2749

By: Senators Feldman and, Hester, Ferguson, Brooks, Gile, Harris, Kagan, Simonaire, M. Washington, and Watson

Introduced and read first time: February 6, 2026

Assigned to: Education, Energy, and the Environment

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 15, 2026

CHAPTER _____

1 AN ACT concerning

2 ~~Maryland Energy Administration Renewable Energy Generation Projects~~
3 ~~Alternative Compliance Fee Auctions~~
4 Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act

5 FOR the purpose of ~~altering the uses of the Maryland Strategic Energy Investment Fund~~
6 ~~and certain compliance fees; requiring the Maryland Energy Administration, in~~
7 ~~consultation with the Public Service Commission, to develop and conduct certain~~
8 ~~annual, competitive, low-bid alternative compliance fee auctions for the~~
9 ~~development of certain renewable energy generation projects; establishing the~~
10 ~~purpose and procedures for an auction and the eligibility requirements for certain~~
11 ~~bidders; requiring the Administration and the Commission to set certain thresholds~~
12 ~~and capacity targets; requiring the Administration to set certain deadlines and~~
13 ~~milestones for projects awarded a contract; authorizing the Administration to~~
14 ~~provide certain extensions under certain circumstances; authorizing the recapture~~
15 ~~of certain funds under certain circumstances; and generally relating to alternative~~
16 ~~compliance fee auctions for renewable energy generation projects~~ transferring the
17 electric universal service program to the Office of Home Energy Programs and
18 requiring the Office to authorize benefits under the program for certain electric
19 customers; establishing the Green and Renewable Energy Efficiency for Nonprofits
20 Loan Program in the Maryland Clean Energy Center; reducing a certain alternative
21 compliance payment rate applicable to certain covered buildings; altering certain
22 procedures related to the permitting, inspection, and interconnection of certain
23 residential solar energy systems; requiring certain public service companies to
24 include certain information on customer bills under certain circumstances; altering

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



certain provisions relating to and establishing certain requirements for large load customers, including requiring the Public Service Commission to establish a large load customer registry, a voluntary clean capacity rating program, and an interconnection process for certain large load customers; altering certain provisions regulating multiyear rate plans and limited-income mechanisms; prohibiting certain public service companies from recovering certain costs through rates; requiring a certain person to participate as a member in a regional transmission organization; requiring the Commission or, at the Commission's direction, a person applying for a certificate of public convenience and necessity for the construction of any transmission line to provide certain notices to certain landowners regarding the construction; establishing that if the Commission makes a certain finding, a certain public hearing is invalidated or the Commission may order a new hearing under certain circumstances; altering certain provisions and establishing certain requirements relating to certificates of public convenience and necessity; requiring the Commission to establish and review certain electric system metrics; requiring electric companies to submit a certain electric system utilization improvement plan to the Commission at certain times; altering which gas companies are subject to certain requirements for the development and implementation of certain programs and services relating to energy efficiency, conservation, demand response, beneficial electrification, and greenhouse gas emissions reductions; altering certain provisions regulating certain energy efficiency and conservation plans; altering certain provisions regulating community solar energy generating systems; authorizing the Maryland Energy Administration to require applicants for the Energy Storage System Grant Program to participate in certain programs and tariffs; altering the net energy metering program; altering certain provisions regulating community solar energy generating systems; requiring the Commission to establish a successor program to the net energy metering program; authorizing the purchase, installation, and use of a certain portable solar energy generating system for residential use; prohibiting the Commission from adopting or enforcing a regulation or order that prohibits a public service company from offering a discount or payment plan for the connection or extension of a natural gas line to a customer's property; altering the administration of certain incentives and rebates for acquiring and installing renewable on-site generating systems; altering certain provisions relating to energy solicitation and procurement; altering certain provisions relating to the Strategic Energy Planning Office; prohibiting the construction of a data center in certain development districts in Baltimore City; authorizing the Department of General Services to issue a request for proposals for a certain long-term lease on certain sites; authorizing the Board of Public Works to waive the inclusion of certain clauses in a certain contract; altering the uses of the Maryland Strategic Energy Investment Fund and certain compliance fees paid into the Fund; requiring the Administration to conduct certain alternative compliance fee auctions; requiring that certain compliance fees and proceeds be used in a certain manner; authorizing the Governor to transfer certain funds for certain purposes in a certain fiscal year; requiring the Commission to conduct certain proceedings, conduct a certain costs and benefits analysis, prepare certain recommendations, and develop certain guidelines and recommendations; authorizing certain committees of the General Assembly to request that the Strategic Energy Planning Office assess certain policy scenarios and

1 submit a certain report to the committees on or before a certain date; requiring the
2 Commission to issue a certain request for information and request for certain
3 proposals for a certain purpose; requiring the Power Plant Research Program, in
4 consultation with the Department of the Environment and the Administration, to
5 conduct a certain study; altering and adding certain reporting requirements relating
6 to greenhouse gas emissions reductions, the Maryland Clean Energy Center,
7 transmission congestion, power flow analyses, and the Maryland Energy Storage
8 Program; and generally relating to energy policy in the State.

9 BY renumbering

10 Article – Economic Development
11 Section 10–862 and the part “Part VII. Short Title”
12 to be Section 10–871 and the part “Part VIII. Short Title”
13 Annotated Code of Maryland
14 (2024 Replacement Volume and 2025 Supplement)

15 BY renumbering

16 Article – Human Services
17 Section 5–5A–08 through 5–5A–10
18 to be Section 5–5A–09 through 5–5A–11, respectively
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2025 Supplement)

21 BY transferring

22 Article – Public Utilities
23 Section 7–512.1
24 Annotated Code of Maryland
25 (2025 Replacement Volume and 2025 Supplement)

26 to be

27 Article – Human Services
28 Section 5–5A–08
29 Annotated Code of Maryland
30 (2019 Replacement Volume and 2025 Supplement)

31 BY repealing and reenacting, with amendments,

32 Article – Economic Development
33 Section 10–826
34 Annotated Code of Maryland
35 (2024 Replacement Volume and 2025 Supplement)

36 BY adding to

37 Article – Economic Development
38 Section 10–862 through 10–868 to be under the new part “Part VII. Green and
39 Renewable Energy Efficiency for Nonprofits Loan Program”
40 Annotated Code of Maryland
41 (2024 Replacement Volume and 2025 Supplement)

- 1 BY adding to
2 Article – Environment
3 Section 2–1209
4 Annotated Code of Maryland
5 (2013 Replacement Volume and 2025 Supplement)
- 6 BY repealing and reenacting, with amendments,
7 Article – Environment
8 Section 2–1601 and 2–1602
9 Annotated Code of Maryland
10 (2013 Replacement Volume and 2025 Supplement)
- 11 BY repealing and reenacting, without amendments,
12 Article – Financial Institutions
13 Section 12–401(a) and (i)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2025 Supplement)
- 16 BY repealing and reenacting, with amendments,
17 Article – Housing and Community Development
18 Section 2–102(a)(10)
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2025 Supplement)
- 21 BY repealing and reenacting, without amendments,
22 Article – Human Services
23 Section 5–101(a), (b), and (c), 5–5A–02, and 5–5A–03
24 Annotated Code of Maryland
25 (2019 Replacement Volume and 2025 Supplement)
- 26 BY repealing and reenacting, with amendments,
27 Article – Human Services
28 Section 5–5A–01
29 Annotated Code of Maryland
30 (2019 Replacement Volume and 2025 Supplement)
- 31 BY repealing and reenacting, with amendments,
32 Article – Human Services
33 Section 5–5A–08
34 Annotated Code of Maryland
35 (2019 Replacement Volume and 2025 Supplement)
36 (As enacted by Section 2 of this Act)
- 37 BY repealing and reenacting, with amendments,
38 Article – Local Government
39 Section 1–1320
40 Annotated Code of Maryland

1 (2013 Volume and 2025 Supplement)

2 BY adding to

3 Article – Public Utilities

4 Section 4–203.1, 7–207(f), 7–207.6, 7–207.7, 7–216.1(d), 7–219.1, 7–221.1, and
5 7–229; 7–232 through 7–234 to be under the new part “Part III. Large Load
6 Customers”; and 7–306.2(o), 7–306.4, 7–321, 7–322, and 7–1008

7 Annotated Code of Maryland

8 (2025 Replacement Volume and 2025 Supplement)

9 BY repealing and reenacting, with amendments,

10 Article – Public Utilities

11 Section 4–212, 4–213, 4–309, 4–504, 7–103, 7–204, 7–207(a), (b)(3) and (4), and (c)
12 through (h), 7–208, 7–222, 7–223, 7–224(a)(1) and (d), 7–225, 7–306(d) and (j),
13 7–306.2(a)(4) and (d)(13), 7–505(b)(2) and (d)(2)(ii)3., 7–510.3(o), 7–1006,
14 7–1007, 7–1201(g), 7–1216(b), 7–1220, 7–1225, 7–1302(b), and 7–1304(c)

15 Annotated Code of Maryland

16 (2025 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Public Utilities

19 Section 3–106, 7–216.1(a)(1) and (5) and (c), 7–221, 7–226 through 7–228,
20 7–306(a)(1), (4), and (7), 7–306.2(a)(1) and (7) and (d)(1), 7–505(b)(1),
21 7–1201(a), 7–1216(a), and 7–1302(a)

22 Annotated Code of Maryland

23 (2025 Replacement Volume and 2025 Supplement)

24 BY adding to

25 Article – Real Property

26 Section 14–134

27 Annotated Code of Maryland

28 (2023 Replacement Volume and 2025 Supplement)

29 BY repealing and reenacting, without amendments,

30 Article – State Finance and Procurement

31 Section 4–101(a) and (b), 6–226(a)(2)(i) and (ii), and 13–218(a)(2)

32 Annotated Code of Maryland

33 (2021 Replacement Volume and 2025 Supplement)

34 BY adding to

35 Article – State Finance and Procurement

36 Section 4–323, 6–226(a)(2)(iii)214., and 13–218(f)

37 Annotated Code of Maryland

38 (2021 Replacement Volume and 2025 Supplement)

39 BY repealing and reenacting, with amendments,

40 Article – State Finance and Procurement

- 1 Section 6–226(a)(2)(iii)212. and 213. and 13–217
 2 Annotated Code of Maryland
 3 (2021 Replacement Volume and 2025 Supplement)
- 4 BY repealing and reenacting, without amendments,
 5 Article – State Government
 6 Section 9–2012(b) and (c), 9–2016(a), (b), and (e), 9–20B–01(a) and (b), and
 7 9–20B–05(b) and (c)
 8 Annotated Code of Maryland
 9 (2021 Replacement Volume and 2025 Supplement)
- 10 BY adding to
 11 Article – State Government
 12 Section 9–2012(j) and 9–20B–05(a) and (i–2); and 9–20E–01 and 9–20E–02 to be
 13 under the new subtitle “Subtitle 20E. Alternative Compliance Fee Auctions”
 14 Annotated Code of Maryland
 15 (2021 Replacement Volume and 2025 Supplement)
- 16 BY repealing and reenacting, with amendments,
 17 Article – State Government
 18 Section 9–2012(j), 9–2016(f), and 9–20B–05(a), (e), (f), (g)(1), (g–1), (i), and (i–1)
 19 Annotated Code of Maryland
 20 (2021 Replacement Volume and 2025 Supplement)
- 21 BY repealing and reenacting, with amendments,
 22 Chapter 7 of the Acts of the General Assembly of the 2025 Special Session
 23 Section 2
- 24 BY repealing and reenacting, with amendments,
 25 Chapter 19 of the Acts of the General Assembly of the 2025 Special Session
 26 Section 2
- 27 ~~BY repealing and reenacting, without amendments,~~
 28 ~~Article – State Government~~
 29 ~~Section 9–2016(a), (b), and (c) and 9–20B–05(a), (b), (c), and (e)~~
 30 ~~Annotated Code of Maryland~~
 31 ~~(2021 Replacement Volume and 2025 Supplement)~~
- 32 ~~BY repealing and reenacting, with amendments,~~
 33 ~~Article – State Government~~
 34 ~~Section 9–2016(f) and 9–20B–05(f)(13) and (14)~~
 35 ~~Annotated Code of Maryland~~
 36 ~~(2021 Replacement Volume and 2025 Supplement)~~
- 37 ~~BY adding to~~
 38 ~~Article – State Government~~

~~Section 9-20B-05(f)(14) and (i); and 9-20E-01 and 9-20E-02 to be under the new subtitle “Subtitle 20E. Alternative Compliance Fee Auctions” Annotated Code of Maryland (2021 Replacement Volume and 2025 Supplement)~~

~~BY repealing~~

~~Article – State Government
Section 9-20B-05(g-1), (i), and (i-1)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)~~

~~BY repealing~~

~~Article – State Government
Section 9-20B-05(g-1)
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)
(As enacted by Chapter 595 of the Acts of the General Assembly of 2024)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 10-862 and the part “Part VII. Short Title” of Article – Economic Development of the Annotated Code of Maryland be renumbered to be Section(s) 10-871 and the part “Part VIII. Short Title”.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5-5A-08 through 5-5A-10 of Article – Human Services of the Annotated Code of Maryland be renumbered to be Section(s) 5-5A-09 through 5-5A-11, respectively.

SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 7-512.1 of Article – Public Utilities of the Annotated Code of Maryland be transferred to be Section(s) 5-5A-08 of Article – Human Services of the Annotated Code of Maryland.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Economic Development

10-826.

(a) On or before December 1 of each year, the Center shall report to the Governor, the Administration, and, in accordance with § 2-1257 of the State Government Article, the General Assembly.

(b) The report shall include:

(1) a complete operating and financial statement covering the Center’s operations;

1 (2) a summary of the Center’s activities during the preceding fiscal year;

2 [and]

3 (3) a summary of the Center’s activities specific to clean energy innovation;

4 AND

5 (4) A SUMMARY OF THE CENTER’S ACTIVITIES SPECIFIC TO THE
6 GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS LOAN PROGRAM
7 ESTABLISHED UNDER § 10–863 OF THIS SUBTITLE, INCLUDING:

8 (I) THE TOTAL NUMBER OF LOANS AWARDED;

9 (II) THE TOTAL MONETARY VALUE OF THE LOANS AWARDED;

10 (III) THE AVERAGE TERM OF LOANS IN THE LOAN PORTFOLIO;

11 (IV) THE ESTIMATED ANNUAL ENERGY SAVINGS, IN
12 KILOWATT–HOURS, RESULTING FROM MEASURES ASSOCIATED WITH LOANS IN THE
13 LOAN PORTFOLIO; AND

14 (V) THE ESTIMATED REDUCTION OF GREENHOUSE GAS
15 EMISSIONS, IN METRIC TONS, ASSOCIATED WITH LOANS IN THE LOAN PORTFOLIO.

16 PART VII. GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS LOAN
17 PROGRAM.

18 10–862.

19 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (B) “BORROWER” MEANS A NONPROFIT ORGANIZATION THAT APPLIES AND
22 QUALIFIES FOR A LOAN UNDER THE PROGRAM.

23 (C) “FUND” MEANS THE GREEN AND RENEWABLE ENERGY EFFICIENCY
24 FOR NONPROFITS LOAN FUND.

25 (D) “NONPROFIT ORGANIZATION” MEANS AN ORGANIZATION THAT IS
26 EXEMPT FROM FEDERAL INCOME TAX UNDER § 501(C)(3) OF THE INTERNAL
27 REVENUE CODE.

28 (E) “PROGRAM” MEANS THE GREEN AND RENEWABLE ENERGY
29 EFFICIENCY FOR NONPROFITS LOAN PROGRAM.

1 **(F) “QUALIFYING ENERGY SYSTEM” MEANS A SYSTEM THAT:**

2 **(1) GENERATES ELECTRICITY OR USABLE THERMAL ENERGY THAT IS**
3 **USED TO MEET ON-SITE DEMAND; AND**

4 **(2) ASSISTS THE STATE IN MEETING THE ENVIRONMENTAL AND**
5 **GREENHOUSE GAS REDUCTION GOALS UNDER TITLE 2, SUBTITLE 12 OF THE**
6 **ENVIRONMENT ARTICLE.**

7 **10-863.**

8 **THERE IS A GREEN AND RENEWABLE ENERGY EFFICIENCY FOR NONPROFITS**
9 **LOAN PROGRAM IN THE CENTER.**

10 **10-864.**

11 **THE PURPOSE OF THE PROGRAM IS TO PROVIDE FINANCIAL ASSISTANCE IN**
12 **THE FORM OF NO-INTEREST LOANS TO NONPROFIT ORGANIZATIONS FOR:**

13 **(1) THE PLANNING, PURCHASE, AND INSTALLATION OF QUALIFYING**
14 **ENERGY SYSTEMS IN THE STATE; AND**

15 **(2) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS**
16 **REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATION, AND**
17 **AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.**

18 **10-865.**

19 **THE CENTER SHALL:**

20 **(1) MANAGE, SUPERVISE, AND ADMINISTER THE PROGRAM;**

21 **(2) ADOPT REGULATIONS TO ENSURE THAT LOANS PROVIDED TO**
22 **NONPROFIT ORGANIZATIONS CARRY OUT THE PURPOSE OF THE PROGRAM; AND**

23 **(3) ATTACH TO ANY LOAN SPECIFIC TERMS THAT ARE CONSIDERED**
24 **NECESSARY TO ENSURE THAT THE PURPOSE OF THE PROGRAM IS FULFILLED.**

25 **10-866.**

26 **(A) (1) A BORROWER MUST FILE AN APPLICATION WITH THE CENTER TO**
27 **RECEIVE A LOAN UNDER THE PROGRAM.**

28 **(2) THE APPLICATION MUST BE SIGNED BY THE CHIEF OPERATING**
29 **OFFICER OR AN AUTHORIZED OFFICER OF THE NONPROFIT ORGANIZATION.**

1 **(B) THE APPLICATION MUST CONTAIN ANY INFORMATION THE CENTER**
2 **DETERMINES IS NECESSARY, INCLUDING:**

3 **(1) THE PROJECTED COST OF THE QUALIFYING ENERGY SYSTEM,**
4 **ENERGY EFFICIENCY ACTION, OR TECHNICAL ASSISTANCE BEING FINANCED**
5 **THROUGH THE LOAN;**

6 **(2) THE LOCATION OF THE PROPERTY WHERE THE QUALIFYING**
7 **ENERGY SYSTEM WILL BE INSTALLED OR AN ENERGY EFFICIENCY ACTION WILL**
8 **OCCUR AND WHETHER THE PROPERTY IS OWNED OR LEASED BY THE APPLICANT;**
9 **AND**

10 **(3) ANY ADDITIONAL INFORMATION RELATING TO THE BORROWER OR**
11 **THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION**
12 **BEING FINANCED THROUGH THE LOAN THAT MAY BE REQUIRED BY THE CENTER TO**
13 **ADMINISTER THE PROGRAM.**

14 **(C) THE CENTER MAY APPROVE AN APPLICATION FOR A LOAN SPECIFIED IN**
15 **§ 10-867(A)(1) OF THIS SUBTITLE ONLY IF THE APPLICATION DEMONSTRATES THAT**
16 **THE PROPOSED QUALIFYING ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION IS**
17 **ESTIMATED, BASED ON PROJECTED ENERGY COSTS, TO GENERATE ENERGY COST**
18 **SAVINGS OVER THE USEFUL LIFE OF THE SYSTEM OR ENERGY EFFICIENCY ACTION**
19 **THAT EQUAL OR EXCEED THE TOTAL AMORTIZED COST OF THE LOAN.**

20 **(D) IN APPROVING AN APPLICATION, THE CENTER SHALL CONSIDER AND**
21 **GIVE PRIORITY TO AN APPLICANT THAT HAS AN ANNUAL BUDGET OF \$1,000,000 OR**
22 **LESS.**

23 **10-867.**

24 **(A) LOANS FROM THE FUND MAY BE USED FOR:**

25 **(1) THE PURCHASE AND INSTALLATION OF A QUALIFYING ENERGY**
26 **SYSTEM, INCLUDING ANY NECESSARY ANCILLARY MACHINERY, EQUIPMENT, OR**
27 **FURNISHINGS;**

28 **(2) TECHNICAL ASSISTANCE FOR THE PLANNING AND INSTALLATION**
29 **OF A QUALIFYING ENERGY SYSTEM; AND**

30 **(3) ACTIONS THAT IMPROVE ENERGY EFFICIENCY, SUCH AS**
31 **REPAIRING OR REPLACING WINDOWS, DOORS, AND HEATING, VENTILATION, AND**
32 **AIR-CONDITIONING SYSTEMS AND OTHER SIMILAR IMPROVEMENTS.**

1 (B) EACH BORROWER FOR A LOAN UNDER SUBSECTION (A)(1) OF THIS
2 SECTION SHALL CONTRIBUTE AT LEAST 10% OF THE COST OF THE QUALIFYING
3 ENERGY SYSTEM OR ENERGY EFFICIENCY ACTION.

4 (C) (1) LOANS MADE UNDER THE PROGRAM SHALL BE REPAYABLE BY
5 THE BORROWER IN ACCORDANCE WITH A SCHEDULE SET BY THE CENTER.

6 (2) THE SCHEDULE SET BY THE CENTER MAY BE ON A DEFERRED
7 PAYMENT BASIS.

8 (D) (1) A BORROWER SHALL PROVIDE ASSURANCES FOR THE
9 REPAYMENT OF A LOAN.

10 (2) THE ASSURANCES:

11 (I) SHALL INCLUDE A PROMISSORY NOTE; AND

12 (II) MAY INCLUDE A PLAN FOR REPAYMENT.

13 (E) LOANS MAY BE MADE IN CONJUNCTION WITH OR IN ADDITION TO
14 FINANCIAL ASSISTANCE PROVIDED THROUGH OTHER STATE OR FEDERAL
15 PROGRAMS.

16 10-868.

17 (A) THERE IS A GREEN AND RENEWABLE ENERGY EFFICIENCY FOR
18 NONPROFITS LOAN FUND.

19 (B) THE CENTER SHALL ADMINISTER THE FUND.

20 (C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
21 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

22 (2) THE CENTER SHALL HOLD THE FUND SEPARATELY AND ACCOUNT
23 FOR THE FUND.

24 (D) THE FUND CONSISTS OF:

25 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

26 (2) MONEY TRANSFERRED FROM THE STRATEGIC ENERGY
27 INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE GOVERNMENT
28 ARTICLE;

29 (3) MONEY RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE;

1 (B) ON OR BEFORE DECEMBER 31, 2027, AND EACH DECEMBER 31
 2 THEREAFTER, THE DEPARTMENT SHALL SUBMIT THE REPORT REQUIRED UNDER
 3 SUBSECTION (A) OF THIS SECTION, IN ACCORDANCE WITH § 2-1257 OF THE STATE
 4 GOVERNMENT ARTICLE, TO THE SENATE COMMITTEE ON EDUCATION, ENERGY,
 5 AND THE ENVIRONMENT AND THE HOUSE ENVIRONMENT AND TRANSPORTATION
 6 COMMITTEE.

7 2-1601.

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

9 (b) (1) “Agricultural building” means a structure that is used primarily to
 10 cultivate, manufacture, process, or produce agricultural crops, raw materials, products, or
 11 commodities.

12 (2) “Agricultural building” includes a greenhouse.

13 (c) “BASELINE EMISSIONS” MEANS THE AMOUNT OF CARBON DIOXIDE
 14 CALCULATED AS THE AVERAGE AMOUNT OF CARBON DIOXIDE EMITTED PER
 15 KILOWATT-HOUR FOR THE PJM REGION IN WHICH THE BUILDING IS LOCATED
 16 MULTIPLIED BY THE AMOUNT OF ENERGY CONSUMED BY A COVERED BUILDING.

17 [(c)] (D) “Building” has the meaning stated in the International Building Code.

18 [(d)] (E) “Commercial building” means a building that is subject to the
 19 commercial provisions of the International Energy Conservation Code.

20 [(e)] (F) (1) “Covered building” means a building that:

21 (i) 1. Is a commercial or multifamily residential building in the
 22 State; or

23 2. Is owned by the State; and

24 (ii) Has a gross floor area of 35,000 square feet or more, excluding
 25 the parking garage area.

26 (2) “Covered building” does not include:

27 (i) A building designated as a historic property under federal, State,
 28 or local law;

29 (ii) A public or nonpublic elementary or secondary school building;

30 (iii) A hospital;

1 (iv) A manufacturing building; or

2 (v) An agricultural building.

3 **[(f)] (G)** “Critical infrastructure” has the meaning stated in § 1–101 of the Public
4 Utilities Article.

5 **[(g)] (H)** “Direct greenhouse gas emissions” means greenhouse gas emissions
6 produced on–site by covered buildings.

7 **[(h)] (I)** “District energy” means thermal energy generated at one or more
8 central facilities that produce hot water, steam, or chilled water that then flows through a
9 network of insulated underground pipes to provide hot water, space heating, air
10 conditioning, or chilled water to nearby buildings.

11 **(J)** “EXCESS EMISSIONS” MEANS A BUILDING’S BASELINE EMISSIONS
12 SUBTRACTED FROM THE BUILDING’S ON–SITE EMISSIONS.

13 **[(i)] (K)** “Manufacturing building” means a facility in which manufacturing, as
14 defined in § 2–1202 of this article, takes place.

15 **(L)** “ON–SITE EMISSIONS” MEANS THE AMOUNT OF CARBON DIOXIDE
16 EMITTED BY AN ON–SITE GENERATOR.

17 2–1602.

18 (a) The Department shall develop building energy performance standards for
19 covered buildings that achieve:

20 (1) A 20% reduction in net direct greenhouse gas emissions on or before
21 January 1, 2030, as compared with 2025 levels for average buildings of similar construction;
22 and

23 (2) Net–zero direct greenhouse gas emissions on or before January 1, 2040.

24 (b) To facilitate the development of building energy performance standards under
25 this section, the Department shall require the owners of covered buildings to measure and
26 report direct emissions data to the Department annually beginning in 2025.

27 (c) (1) On or before June 1, 2023, the Department shall adopt regulations to
28 implement this section.

29 (2) Regulations adopted under this section shall:

30 (i) Subject to items (ii), (iii), (iv), and (v) of this paragraph, include
31 energy use intensity targets by building type;

- 1 (ii) As necessary, include special provisions or exceptions to account
2 for:
- 3 1. Building age;
- 4 2. Regional differences;
- 5 3. The unique needs of particular building or occupancy
6 types, including health care facilities, laboratories, assisted living and nursing facilities,
7 military buildings, critical infrastructure, and buildings used in life sciences as defined in
8 § 3–201 of the Economic Development Article;
- 9 4. The use of district energy systems and biofuels by covered
10 buildings;
- 11 5. Crediting the generation of on–site renewable energy by
12 covered buildings toward their energy use intensity targets;
- 13 6. Crediting the greenhouse gas reduction impact of the
14 on–site use of biomethane;
- 15 7. Excluding the energy use and greenhouse gas emissions
16 related to the production of steam for sterilization in a health care facility, laboratory,
17 assisted living and nursing facility, military building, or building used in life sciences; and
- 18 8. Excluding the energy use and greenhouse gas emissions
19 related to the generation of emergency backup power at a health care facility, laboratory,
20 assisted living and nursing facility, military building, critical infrastructure, or building
21 used in life sciences;
- 22 (iii) Consider the needs of the owners of covered buildings who:
- 23 1. Are not responsible for the design, modification, fixtures,
24 or equipment of commercial tenants;
- 25 2. Do not have access to or control over building energy
26 systems that are used or controlled by commercial tenants; or
- 27 3. Own buildings occupied by commercial tenants who are
28 responsible for all maintenance of and repairs to the buildings;
- 29 (iv) Subject to paragraph [(3)] (3)(I) of this subsection, exempt from
30 energy use intensity targets a covered building that contains an area designed, built, and
31 operated as a permanent sensitive compartmented information facility and is operated by
32 an agency or contractor of:

1 1. The U.S. General Services Administration;

2 2. A. The U.S. Department of Defense;

3 B. The National Security Agency;

4 C. The U.S. Department of Homeland Security; or

5 D. Any other U.S. intelligence agency; or

6 3. The State;

7 (v) Exempt an owner of a covered building from energy use intensity
8 reporting requirements if:

9 1. The covered building meets the criteria under item (iv) of
10 this paragraph; and

11 2. In circumstances where tenant authorization is required,
12 the tenant or occupant does not provide energy use information to the owner of the covered
13 building due to concerns about the confidentiality of the building's secure area;

14 (vi) Provide maximum flexibility to the owners of covered buildings
15 to comply with building energy performance standards;

16 (vii) Subject to paragraph (3) of this subsection, include an alternative
17 compliance pathway allowing the owner of a covered building to pay a fee for greenhouse
18 gas emissions attributable to the building's failure to meet direct greenhouse gas emissions
19 reduction targets;

20 (viii) To the extent authorized by law, include financial incentives
21 recommended by the Building Energy Transition Implementation Task Force; and

22 (ix) Include an annual reporting fee of \$100 per covered building,
23 adjusted for inflation, to cover the administrative costs of the program.

24 (3) (I) The Department may not set an alternative compliance fee that
25 is less than the social cost of greenhouse gases adopted by the Department or the U.S.
26 Environmental Protection Agency.

27 (II) **FOR A COVERED BUILDING THAT USES ONLY ELECTRICITY**
28 **THAT IS GENERATED ON-SITE AND IS NOT INTERCONNECTED WITH THE ELECTRIC**
29 **SYSTEM:**

30 **1. THE ALTERNATIVE COMPLIANCE FEE FOR THE**
31 **BUILDING'S BASELINE EMISSIONS IS THE AVERAGE OF THE REGIONAL**

1 GREENHOUSE GAS INITIATIVE CLEARING PRICE FOR THE IMMEDIATELY
2 PRECEDING YEAR; AND

3 2. THE ALTERNATIVE COMPLIANCE FEE FOR EXCESS
4 EMISSIONS, IF THE BUILDING'S EXCESS EMISSIONS ARE GREATER THAN ZERO, IS
5 THE ALTERNATIVE COMPLIANCE FEE SET BY THE DEPARTMENT UNDER
6 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

7 (4) (i) Subject to subparagraph (ii) of this paragraph, the Department
8 shall certify a building energy performance standards program adopted by a county
9 administering a building energy performance standards program on or before March 1,
10 2025, and waive the requirement for covered buildings in the county to comply with the
11 statewide program adopted under this section.

12 (ii) A county administering a building energy performance
13 standards program certified by the Department under subparagraph (i) of this paragraph
14 may take appropriate actions to enforce the standards, including:

15 1. Establishing alternative compliance pathways for
16 complying with energy use intensity and direct greenhouse gas emissions requirements
17 established in the standards;

18 2. Imposing and collecting alternative compliance fees up to
19 the same amount and in the same manner allowed by the Department under this section;
20 and

21 3. Imposing and collecting penalties up to the same amount
22 and in the same manner allowed by the Department under § 2-610 of this title.

23 (5) Nothing in this section shall preclude a county administering a building
24 energy performance standards program certified by the Department under paragraph (4)(i)
25 of this subsection from:

26 (i) Adopting building energy performance standards for buildings
27 that are not covered buildings under the statewide program adopted under this section; or

28 (ii) Modifying an adopted building performance standards program.

29 (d) Electric companies and gas companies shall provide energy data, including
30 whole-building and aggregate data, to the owners of covered buildings for benchmarking
31 purposes.

32 (e) In calculating the statewide standards developed by the Department under
33 this section, an owner of a covered building may not consider greenhouse gas emissions or
34 energy use by a commercial tenant of the covered building that:

1 [(c)] (D) "Fuel vendor" means a person that distributes, transports, produces, or
2 offers for sale coal products, fuel oil, kerosene, bottled gas, propane, or wood for fuel use or
3 consumption in the State.

4 [(d)] (E) "Office" means the Office of Home Energy Programs.

5 [(e)] (F) "Program" means the Energy Assistance Program.

6 [(f)] (G) "Utility vendor" means a person that distributes, transports, or
7 produces natural gas or electricity for use or consumption in the State.

8 5-5A-02.

9 There is an Office of Home Energy Programs in the Administration.

10 5-5A-03.

11 The purpose of the Office is to carry out this subtitle.

12 5-5A-08.

13 (a) (1) (I) [The Commission shall establish] **THERE IS** an electric
14 universal service program [to assist electric customers with annual incomes at or below
15 200% of the federal poverty level] **IN THE OFFICE.**

16 (II) **THE OFFICE SHALL IMPLEMENT AND ADMINISTER THE**
17 **ELECTRIC UNIVERSAL SERVICE PROGRAM.**

18 (III) **THE PURPOSE OF THE ELECTRIC UNIVERSAL SERVICE**
19 **PROGRAM IS TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR**
20 **BELOW 200% OF THE FEDERAL POVERTY LEVEL.**

21 (2) The components of the electric universal service program shall include:

22 (i) bill assistance;

23 (ii) low-income residential weatherization; and

24 (iii) the retirement of arrearages for electric customers who have not
25 received assistance in retiring arrearages under the **ELECTRIC** universal service program
26 within the preceding 5 fiscal years.

27 (3) The Department of Housing and Community Development is
28 responsible for administering the low-income residential weatherization component of the
29 electric universal service program.

1 (4) [(i) The Department of Human Services, through the Office of Home
2 Energy Programs, is responsible for administering the bill assistance and the arrearage
3 retirement components of the electric universal service program.

4 (ii)] (I) The [Department of Human Services] OFFICE may:

5 1. establish minimum and maximum benefits available to an
6 electric customer under the bill assistance and arrearage retirement components; and

7 2. coordinate benefits under the electric universal service
8 program with benefits under the Maryland Energy Assistance Program and other available
9 energy assistance programs.

10 (II) THE OFFICE SHALL AUTHORIZE BENEFITS UNDER THE
11 ELECTRIC UNIVERSAL SERVICE PROGRAM FOR AN ELECTRIC CUSTOMER WHO DOES
12 NOT MEET THE ELIGIBILITY REQUIREMENTS FOR THE FEDERAL LOW INCOME HOME
13 ENERGY ASSISTANCE PROGRAM.

14 (5) The [Department of Human Services] OFFICE may, with input from a
15 panel or roundtable of interested parties, contract to assist in administering the bill
16 assistance and the arrearage retirement components of the electric universal service
17 program.

18 (6) The Commission has oversight responsibility for the bill assistance and
19 the arrearage retirement components of the electric universal service program and any
20 other funds expended under this section.

21 (7) In a specific case, the electric universal service program may waive the
22 income eligibility limitation under paragraph (1) of this subsection in order to provide
23 assistance to an electric customer who would qualify for a similar waiver under [the
24 Maryland Energy Assistance Program established under Title 5, Subtitle 5A of the Human
25 Services Article] ANOTHER PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

26 (8) (i) If an applicant for bill assistance or arrearage retirement is to be
27 denied due to deficient documentation, the [Department of Human Services] OFFICE shall:

28 1. promptly provide notice of the deficiency to the applicant;
29 and

30 2. afford the applicant ample opportunity of not less than 3
31 months to cure the deficiency.

32 (ii) An electric company may not begin the process to terminate
33 service to an applicant while the applicant is curing a deficiency under this paragraph.

1 (9) Notwithstanding paragraph (2)(iii) of this subsection, any assistance
2 received for arrearage retirement by a customer in calendar years 2020 and 2021 may not
3 be counted toward the limitation on the number of times the customer may receive
4 assistance for arrearage retirement.

5 (b) (1) All customers shall contribute to the funding of the electric universal
6 service program through a charge collected by each electric company.

7 (2) The Commission shall determine a fair and equitable allocation for
8 collecting the charges among all customer classes pursuant to subsection (e) of this section.

9 (3) Except as provided in paragraph (4) of this subsection, in accordance
10 with subsection (f)(6) of this section, any unexpended bill assistance and arrearage
11 retirement funds returned to customers under subsection (f) of this section shall be
12 returned to each customer class as a credit in the same proportion that the customer class
13 contributed charges to the fund.

14 (4) The Department [of Human Services] shall expend any unexpended bill
15 assistance and arrearage funds that were collected in fiscal years 2010 through 2017, in
16 excess of the total amount authorized under subsection (e) of this section, for one or more
17 of the following purposes:

18 (i) bill assistance and the retirement of arrearages for customers
19 who are eligible to receive assistance at the time services are provided;

20 (ii) targeted and enhanced low-income residential weatherization
21 designed to remediate households that are considered ineligible to participate in other
22 State energy efficiency programs due to significant health and safety hazards;

23 (iii) an arrearage management program for low-income customers in
24 arrears, including providing credits or matching payments for customers who make timely
25 payments on current bills; or

26 (iv) an arrearage prevention program for low-income customers.

27 (5) An electric company shall recover electric universal service program
28 costs in accordance with § 7-512 of [this subtitle] **THE PUBLIC UTILITIES ARTICLE.**

29 (6) As determined by the Office [of Home Energy Programs], bill assistance
30 payments to an electric company may be on a monthly basis for each customer.

31 (7) The Commission shall determine the allocation of the electric universal
32 service charge among the generation, transmission, and distribution rate components of all
33 classes.

34 (8) The Commission may not assess the electric universal service
35 surcharge on a per kilowatt-hour basis.

1 (c) (1) On or before January 1 of each year, the Commission shall report,
2 subject to § 2-1257 of the State Government Article, to the General Assembly on the electric
3 universal service program, including:

4 (i) subject to subsection (e) of this section, a recommendation on the
5 total amount of funds for the ELECTRIC UNIVERSAL SERVICE program for the following
6 fiscal year based on:

7 1. the level of participation in and the amounts expended on
8 bill assistance and arrearage retirement during the preceding fiscal year;

9 2. how bill assistance and arrearage retirement payments
10 were calculated during the preceding fiscal year;

11 3. the projected needs for the bill assistance and the
12 arrearage retirement components for the next fiscal year; and

13 4. the amount of any bill assistance or arrearage retirement
14 surplus carried over in the electric universal service program fund under subsection (f)(6)(i)
15 of this section;

16 (ii) for bill assistance, the total amount of need, as determined by the
17 Commission, for electric customers with annual incomes at or below 175% of the federal
18 poverty level and the basis for this determination;

19 (iii) the amount of funds needed, as determined by the Commission,
20 to retire arrearages for electric customers who have not received assistance in retiring
21 arrearages under the electric universal service program within the preceding 7 fiscal years,
22 and the basis for this determination;

23 (iv) the amount of funds needed, as determined by the Commission,
24 for bill assistance and arrearage retirement, respectively, for customers for whom income
25 limitations may be waived under subsection (a)(7) of this section, and the basis for each
26 determination;

27 (v) the impact on customers' rates, including the allocation among
28 customer classes, from collecting the total amount recommended by the Commission under
29 item (i) of this paragraph; and

30 (vi) the impact of using other federal poverty level benchmarks on
31 costs and the effectiveness of the electric universal service program.

32 (2) (i) To assist the Commission in preparing its recommendations
33 under paragraph (1) of this subsection, the Office [of Home Energy Programs] shall report
34 to the Commission each year on:

1 1. the number of customers and the amount of distributions
2 made to fuel customers under the Maryland Energy Assistance Program established under
3 [Title 5, Subtitle 5A of the Human Services Article] THIS SUBTITLE, identified by funding
4 source and fuel source;

5 2. the cost of outreach and education materials provided by
6 the Office [of Home Energy Programs] for the electric universal service program; and

7 3. the amount of money that the Department [of Human
8 Services] receives, and is projected to receive, for low-income energy assistance from:

9 A. the Maryland Strategic Energy Investment Fund under §
10 9-20B-05 of the State Government Article;

11 B. with respect to electric customers only, the Maryland
12 Energy Assistance Program; and

13 C. any other federal, State, local, or private source.

14 (ii) The Office [of Home Energy Programs] may satisfy the reporting
15 requirement of subparagraph (i)1 of this paragraph by providing the Commission with a
16 copy of material that contains the required information and that the Office [of Home
17 Energy Programs] submits to the federal government.

18 (iii) The Commission shall include the information provided by the
19 Office [of Home Energy Programs] under subparagraph (i) of this paragraph in its report
20 to the General Assembly under paragraph (1) of this subsection.

21 (3) Subject to subsection (d)(2) of this section, the Commission shall include
22 the information provided by the Department of Housing and Community Development
23 under subsection (d)(1) of this section in its report to the General Assembly under
24 paragraph (1) of this subsection.

25 (4) The electric universal service program shall be subject to audit by the
26 Office of Legislative Audits in accordance with §§ 2-1220 through 2-1227 of the State
27 Government Article.

28 (d) (1) On or before January 1 of each year, the Department of Housing and
29 Community Development shall report, in accordance with § 2-1257 of the State
30 Government Article, to the General Assembly on the low-income residential
31 weatherization component of the electric universal service program, including:

32 (i) the amount of funds expended during the preceding fiscal year;

33 (ii) the level of participation during the preceding fiscal year,
34 including the number of households served in each area of the State; and

1 (iii) the types of projects, including the average cost per unit,
2 provided to households during the preceding fiscal year.

3 (2) The Department of Housing and Community Development may satisfy
4 the reporting requirement under paragraph (1) of this subsection by requesting the
5 Commission to include the information in the Commission's report required under
6 subsection (c) of this section and providing the information to the Commission by the date
7 specified by the Commission.

8 (e) The total amount of funds to be collected for the electric universal service
9 program each year shall be \$37 million, allocated in the following manner:

10 (1) \$27.4 million shall be collected from the industrial and commercial
11 classes; and

12 (2) \$9.6 million shall be collected from the residential class.

13 (f) (1) In this subsection, "fund" means the electric universal service program
14 fund.

15 (2) There is an electric universal service program fund.

16 (3) (i) 1. The Comptroller shall collect the revenue collected by
17 electric companies under subsection (b) of this section and place the revenue into the fund.

18 2. The General Assembly may appropriate funds
19 supplemental to the funds collected under subsubparagraph 1 of this subparagraph.

20 (ii) The fund is a continuing, nonlapsing fund that is not subject to §
21 7-302 of the State Finance and Procurement Article.

22 (iii) The purpose of the fund is to assist electric customers as provided
23 in subsection (a)(1) of this section.

24 (4) The Department [of Human Services], with oversight by the
25 Commission, shall disburse the bill assistance and arrearage retirement funds in
26 accordance with the provisions of this section.

27 (5) The Comptroller annually shall disburse up to \$1,000,000 of
28 low-income residential weatherization funds to the Department of Housing and
29 Community Development, as provided in the State budget.

30 (6) (i) At the end of a given fiscal year, any unexpended bill assistance
31 and arrearage retirement funds that were collected for that fiscal year shall be retained in
32 the fund and shall be made available for disbursement through the first 6 months of the
33 next fiscal year to customers who:

1 1. qualify for assistance from the fund during the given fiscal
2 year;

3 2. apply for assistance from the fund before the end of the
4 given fiscal year; and

5 3. remain eligible for assistance at the time services are
6 provided.

7 (ii) If the Commission determines that an extension is needed, the
8 Commission may extend up to an additional 6 months the period in which unexpended bill
9 assistance and arrearage retirement funds may be made available for disbursement under
10 subparagraph (i) of this paragraph.

11 (iii) 1. Any bill assistance and arrearage retirement funds
12 collected for a given fiscal year that are retained under subparagraph (i) of this paragraph
13 and that remain unexpended at the end of the period allowed under subparagraphs (i) and
14 (ii) of this paragraph shall be returned to each customer class in the proportion that the
15 customer class contributed charges to the fund for the given fiscal year in the form of a
16 credit toward the charge assessed in the following fiscal year.

17 2. If the Commission determines that it is impractical to
18 establish a rate credit for the amount to be returned for a given fiscal year to customers
19 under subsubparagraph 1 of this subparagraph, the Commission:

20 A. may defer the return for not more than 2 additional fiscal
21 years; and

22 B. shall combine the returned amount for that fiscal year
23 with amounts to be returned for the following fiscal years when calculating the rate credit
24 for the final fiscal year of the period.

25 (g) (1) If a party to a merger or acquisition of an electric company or an affiliate
26 of an electric company is required to distribute a credit to the customers in the electric
27 company's service territory under an agreement with the Commission in connection with
28 the merger or acquisition, the Commission shall consider the adequacy of the current
29 funding of the electric universal service program in providing assistance to customers who
30 qualify under this section.

31 (2) Any funds deposited into the electric universal service program fund as
32 a result of an agreement with the Commission in connection with a merger or acquisition
33 of an electric company or an affiliate of an electric company are in addition to, and may not
34 substitute for, funds collected under subsection (e) of this section.

1 (h) (1) An arrearage prevention program under subsection (b)(4)(iv) of this
2 section is intended to prevent or reduce arrearages for low-income customers who have
3 participated in a low-income residential weatherization program.

4 (2) (i) The ARREARAGE PREVENTION program is intended as a
5 one-time grant of money to establish ongoing arrearage prevention activities in the State.

6 (ii) The Department [of Human Services], in consultation with the
7 Commission, will select for the ARREARAGE PREVENTION program up to two public or
8 private entities as program recipients to administer the program.

9 (iii) At least one ARREARAGE PREVENTION program recipient must
10 primarily serve customers in a major urban area of the State.

11 (3) [A] AN ARREARAGE PREVENTION program recipient must
12 demonstrate significant efforts to:

13 (i) secure additional private investment in rooftop solar
14 installation, including the use of ARREARAGE PREVENTION program money for credit
15 enhancement, direct project support, or support for program recipients and customers; and

16 (ii) provide employment in solar installation to unemployed and
17 underemployed individuals, with preference for those who reside in the local jurisdiction
18 where the installations will occur.

19 (4) The ARREARAGE PREVENTION program may include the installation
20 of rooftop solar electricity generation equipment after energy efficiency measures at the
21 residential property have been completed.

22 Article – Local Government

23 1–1320.

24 (a) (1) In this section the following words have the meanings indicated.

25 (2) “Administration” means the Maryland Energy Administration.

26 (3) “Residential energy storage system” means a system, on a residential
27 customer’s side of the meter, used to store electrical energy, or mechanical, chemical, or
28 thermal energy that was once electrical energy, for use as electrical energy at a later date
29 or in a process that offsets electricity use at peak times.

30 (4) “Residential solar energy system” means any configuration of solar
31 energy devices that collects and distributes solar energy for the purpose of generating
32 electricity and that has a single residential interconnection with the electrical grid.

1 **(5) “SOLAR PERMITTING FEE” MEANS A FEE EQUAL TO THE SUM OF**
2 **ALL CHARGES IMPOSED BY A COUNTY OR MUNICIPALITY, INCLUDING CHARGES**
3 **IMPOSED BY A PROVIDER OF SOLAR PERMITTING SOFTWARE, IN CONNECTION WITH**
4 **AN APPLICATION FOR A RESIDENTIAL SOLAR ENERGY SYSTEM.**

5 **(6) “Solar permitting software” means[:**

6 **(i) the most recent version of a web-based platform, developed by**
7 **the National Renewable Energy Laboratory, that provides a standard portal for receiving**
8 **and processing residential solar energy system and residential energy storage system**
9 **permit information; or**

10 **(ii) automated software that functions to support the tracking and**
11 **approval of residential building permits for residential solar energy systems, residential**
12 **energy storage systems, main electrical panel upgrades, and main electrical panel devices]**
13 **SOFTWARE OR A COMBINATION OF SOFTWARE THAT:**

14 **(I) AUTOMATES PLAN REVIEW FOR RESIDENTIAL SOLAR**
15 **ENERGY SYSTEMS TO THE MOST RECENT VERSION OF, AS APPLICABLE:**

16 **1. THE MARYLAND BUILDING PERFORMANCE**
17 **STANDARDS;**

18 **2. THE NATIONAL ELECTRICAL CODE, INCLUDING**
19 **LEGALLY ADOPTED LOCAL AMENDMENTS; AND**

20 **3. THE STATE FIRE PREVENTION CODE;**

21 **(II) PRODUCES CODE-COMPLIANT APPROVALS;**

22 **(III) ISSUES A CODE-COMPLIANT PERMIT;**

23 **(IV) ACCEPTS ONLINE PAYMENTS FOR ANY PERMITTING FEES**
24 **IMPOSED; AND**

25 **(V) ISSUES PERMITS OR PERMIT REVISIONS IMMEDIATELY ON**
26 **RECEIPT OF ONLINE SUBMISSION OF PERMITTING FEE PAYMENTS, IF APPLICABLE.**

27 **(b) This section applies to all counties and municipalities.**

28 **(c) (1) Subject to subsection (d) of this section and except as provided in**
29 **subsection (e) of this section, on or before August 1, [2025] 2027, each county and**
30 **municipality shall implement solar permitting software for features supporting the**

1 [tracking] APPLICATION SUBMISSION, TRACKING, and approval of residential building
 2 permits for:

3 [(1)] (I) residential solar energy systems;

4 [(2)] (II) residential energy storage systems;

5 [(3)] (III) main electrical panel upgrades; and

6 [(4)] (IV) main electrical panel derates.

7 (2) (I) A COUNTY OR MUNICIPALITY SHALL:

8 1. SUBJECT TO PARAGRAPH (7) OF THIS SUBSECTION,
 9 COMPLETE A REMOTE OR IN-PERSON INSPECTION REQUIRED FOR A PROJECT
 10 PERMITTED BY SOLAR PERMITTING SOFTWARE WITHIN 5 BUSINESS DAYS AFTER
 11 RECEIPT OF A COMPLETE PERMIT APPLICATION, AS DETERMINED BY THE COUNTY
 12 OR MUNICIPALITY; AND

13 2. MAKE PUBLICLY AVAILABLE FOR THE MOST RECENT
 14 PREVIOUS QUARTER FOR WHICH DATA IS AVAILABLE THE AVERAGE INSPECTION
 15 TIME FOR PROJECTS PERMITTED BY SOLAR PERMITTING SOFTWARE.

16 (II) BEGINNING JULY 1, 2028, IF A COUNTY OR MUNICIPALITY
 17 HAS HAD AN AVERAGE IN-PERSON INSPECTION TIME THAT IS GREATER THAN 5
 18 BUSINESS DAYS, BASED ON THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, THE
 19 COUNTY OR MUNICIPALITY SHALL MAKE AVAILABLE AN OPTION FOR REMOTE
 20 INSPECTION THAT IS CAPABLE OF PROVIDING INSPECTION, SUBJECT TO
 21 PARAGRAPH (7) OF THIS SUBSECTION, WITHIN 5 BUSINESS DAYS AFTER RECEIPT OF
 22 A COMPLETE PERMIT APPLICATION.

23 (3) A COUNTY OR MUNICIPALITY SHALL REQUIRE AS PART OF A
 24 COMPLETE PERMIT APPLICATION:

25 (I) THIRD-PARTY CERTIFICATION THAT THE PROJECT HAS
 26 BEEN INSTALLED IN ACCORDANCE WITH ALL APPLICABLE NATIONAL ELECTRICAL
 27 CODE STANDARDS AND STATE AND LOCAL CODE AND SAFETY REQUIREMENTS; AND

28 (II) PLANS DEMONSTRATING:

29 1. ADEQUATE ROOF ACCESS AND SETBACK
 30 REQUIREMENTS;

1 (II) MANUAL REVIEW OF SOFTWARE-APPROVED PERMITS
2 SHALL BE COMPLETED WITHIN 5 BUSINESS DAYS AFTER THE PERMIT IS APPROVED.

3 (7) (I) A COUNTY OR MUNICIPALITY MAY EXTEND THE DEADLINES
4 ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION IF THE COUNTY OR
5 MUNICIPALITY DETERMINES THAT AN EXTENSION IS NECESSARY TO ADDRESS
6 DOCUMENTED SAFETY CONCERNS.

7 (II) ON REQUEST BY A COUNTY OR MUNICIPALITY, A FIRE
8 MARSHAL OR DESIGNATED SAFETY COORDINATOR MAY REVIEW A PROJECT
9 PERMITTED BY SOLAR PERMITTING SOFTWARE DURING AN EXTENSION UNDER
10 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

11 (8) (I) THIS PARAGRAPH APPLIES ONLY TO A RESIDENTIAL SOLAR
12 ENERGY SYSTEM:

13 1. THAT IS OR WILL BE INSTALLED ON A RESIDENTIAL
14 ROOFTOP; AND

15 2. WITH A GENERATING CAPACITY OF LESS THAN 30
16 KILOWATTS, AS MEASURED BY THE ALTERNATING CURRENT RATING OF THE
17 SYSTEM'S INVERTER.

18 (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
19 PARAGRAPH, BEGINNING AUGUST 1, 2027, A COUNTY OR MUNICIPALITY MAY NOT
20 SET A PERMITTING FEE FOR PERMITS ISSUED BY SOLAR PERMITTING SOFTWARE
21 THAT EXCEEDS \$500 FOR RESIDENTIAL SOLAR ENERGY SYSTEMS.

22 (III) A THIRD-PARTY PAYMENT PROCESSING CHARGE MAY BE
23 ASSESSED FOR PERMITS ISSUED BY SOLAR PERMITTING SOFTWARE IN ADDITION TO
24 THE MAXIMUM PERMITTING FEE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

25 (9) AN INSPECTOR MAY REVIEW CONSTRUCTION DOCUMENTS THAT
26 ARE PRODUCED BY THE SOLAR PERMITTING SOFTWARE.

27 (10) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
28 SUBSECTION, A RESIDENTIAL SOLAR ENERGY SYSTEM OR RESIDENTIAL ENERGY
29 STORAGE SYSTEM MAY NOT BE PUT INTO OPERATION UNTIL THE COUNTY OR
30 MUNICIPALITY PERFORMS A FINAL SAFETY INSPECTION TO CONFIRM THAT THE
31 SYSTEM IS IN COMPLIANCE WITH ALL APPLICABLE NATIONAL ELECTRICAL CODE
32 STANDARDS AND STATE AND LOCAL CODE, HEALTH, AND SAFETY REQUIREMENTS.

1 (d) A county or municipality may not be required to comply with the requirements
2 of subsection (c) of this section if:

3 (1) the county or municipality does not require a permit for:

4 (i) residential solar energy systems; or

5 (ii) residential solar energy systems paired with a residential solar
6 energy storage system; or

7 (2) as determined by the Administration, the automated software is no
8 longer updated or maintained.

9 (e) The Administration shall delay the initial implementation or suspend the
10 requirements of subsection (c) of this section if there are insufficient State or federal funds
11 available to the Administration to provide financial support to a county or municipality
12 implementing solar permitting software as defined in subsection (a)(5)(i) of this section.

13 **(F) AN ELECTRIC COMPANY, OTHER THAN A MUNICIPAL ELECTRIC UTILITY**
14 **OR A THIRD-PARTY CONTRACTOR FOR THE ELECTRIC COMPANY, SHALL PERFORM**
15 **ANY METER DISCONNECTION AND RECONNECTION NECESSARY FOR THE**
16 **INTERCONNECTION OF A RESIDENTIAL SOLAR ENERGY SYSTEM, RESIDENTIAL**
17 **ENERGY STORAGE SYSTEM, OR BOTH, WITHIN 5 BUSINESS DAYS AFTER RECEIVING A**
18 **PROPERLY COMPLETED REQUEST FROM THE OWNER OR INSTALLER OF THE SYSTEM.**

19 **(G) (1) ON OR BEFORE JANUARY 31, 2028, AND EACH JANUARY 31**
20 **THEREAFTER, EACH COUNTY AND MUNICIPALITY SHALL SUBMIT AN ANNUAL**
21 **REPORT TO THE ADMINISTRATION DETAILING THE TOTAL NUMBER OF PERMITS**
22 **ISSUED BY THE COUNTY OR MUNICIPALITY FOR RESIDENTIAL SOLAR ENERGY**
23 **SYSTEMS FOR THE IMMEDIATELY PRECEDING YEAR.**

24 **(2) THE ADMINISTRATION, IN CONSULTATION WITH EACH COUNTY**
25 **OR MUNICIPALITY THAT SUBMITS A REPORT UNDER PARAGRAPH (1) OF THIS**
26 **SUBSECTION, SHALL USE THE INFORMATION PROVIDED UNDER PARAGRAPH (1) OF**
27 **THIS SUBSECTION TO PREPARE AN ANNUAL REPORT DETAILING THE TOTAL NUMBER**
28 **OF PERMITS ISSUED FOR RESIDENTIAL SOLAR ENERGY SYSTEMS IN THE STATE FOR**
29 **THE IMMEDIATELY PRECEDING YEAR.**

30 **(3) ON OR BEFORE MARCH 31, 2028, AND EACH MARCH 31**
31 **THEREAFTER, THE ADMINISTRATION SHALL SUBMIT THE REPORT PREPARED**
32 **UNDER PARAGRAPH (2) OF THIS SUBSECTION TO THE GENERAL ASSEMBLY AND THE**
33 **SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT IN**
34 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

1 (i) that is mutually agreed to by an electric company and a large
2 load customer for each month remaining in a contract term after the load ramp period has
3 ended; and

4 (ii) for which:

5 1. the electric company agrees to provide all of the
6 components of retail electric service subject to the terms and conditions in its tariffs; and

7 2. the large load customer agrees to purchase service at that
8 load level for the stated term of the contract and under the same terms and conditions as
9 those stated in the contract.

10 (3) “Large load customer” [means a commercial or industrial customer for
11 retail electric service that:

12 (i) has or is projected to have an aggregate monthly demand of at
13 least 100 megawatts; and

14 (ii) has or is projected to have a load factor of over 80%] HAS THE
15 MEANING STATED IN § 7-232 OF THIS ARTICLE.

16 (4) “Load ramp period” means the period of time from commencement of
17 service until a large load customer’s billing calculation is based on the full contract capacity.

18 (b) It is the intent of the General Assembly that residential retail electric
19 customers in the State should not bear the financial risks associated with large load
20 customers interconnecting to the electric system serving the State.

21 (c) (1) (i) On or before September 1, 2026, each investor-owned electric
22 company and each electric cooperative shall submit to the Commission for approval a
23 specific rate schedule for large load customers that accomplishes the intent of subsection
24 (b) of this section.

25 (ii) Each municipal electric utility that receives an application for
26 retail electric service from a large load customer shall submit to the Commission for
27 approval a specific rate schedule for large load customers.

28 (2) (i) Service under a specific rate schedule shall be available to large
29 load customers that will use, within the initial contract term:

30 1. a monthly maximum demand of more than [100] 25
31 megawatts at a single location; or

32 2. an aggregated contract capacity in the electric company’s
33 service territory of more than [100] 25 megawatts.

1 (ii) Except as provided in subparagraph (iii) of this paragraph, large
2 load customers that qualify for a specific rate schedule after the effective date of that
3 schedule:

4 1. shall take service under the specific rate schedule; and

5 2. may not be allowed to take service under any other
6 existing schedule.

7 (iii) A specific rate schedule does not apply to:

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

10 [1.] A. the large load customer's existing load does not
11 expand by more than 25 megawatts at that facility under the existing service agreement;
12 or

13 [2.] B. the large load customer does not sign a new service
14 agreement to expand the facility's load by more than 25 megawatts above the contract
15 capacity of the existing service agreement; OR

16 2. **ELECTRIFIED THERMAL ENERGY GENERATION**
17 **ASSETS INTERCONNECTED WITH A DISTRICT ENERGY SYSTEM IF, AS DETERMINED**
18 **BY THE COMMISSION, THE OPERATIONAL CHARACTERISTICS OF THE GENERATION**
19 **ASSETS DO NOT POSE A MATERIAL RELIABILITY RISK.**

20 (d) In making a determination on whether to approve a specific rate schedule
21 submitted under subsection (c) of this section, the Commission shall consider whether the
22 rate schedule:

23 (1) requires a large load customer to cover the just and reasonable costs
24 associated with any electric transmission or distribution system buildout required to:

25 (i) interconnect the large load customer to the electric system
26 serving the State; or

27 (ii) serve the large load customer;

28 (2) protects residential retail electric customers from the financial risks
29 associated with large load customers through the use of:

30 (i) load ramp periods;

31 (ii) minimum billing demand for electric distribution and
32 transmission service that is a high percentage of a large load customer's contract capacity;

1 (iii) long-term contractual commitments and exit fees;

2 (iv) guarantee or collateral requirements; and

3 (v) penalties and reimbursement requirements for the large load
4 customer if the large load customer delays or cancels a project after the electric company
5 has begun buildout to accommodate the large load customer; [and]

6 **(3) ALLOCATES TO THE LARGE LOAD CUSTOMER:**

7 **(I) ANY INCREASED OR AVOIDED COSTS THAT THE**
8 **COMMISSION DETERMINES HAVE BEEN CAUSED BY A LARGE LOAD CUSTOMER,**
9 **INCLUDING ANY INCREASED OR AVOIDED WHOLESALE COSTS SUCH AS:**

10 **1. TRANSMISSION COSTS; AND**

11 **2. CAPACITY COSTS; AND**

12 **(II) NOTWITHSTANDING § 4-503(B) OF THIS TITLE AND AS**
13 **AUTHORIZED UNDER FEDERAL LAW, ANY DIRECT OR INDIRECT COSTS, FEES, AND**
14 **OBLIGATIONS THAT ARE NORMALLY APPLIED TO RETAIL ELECTRIC CUSTOMERS IN**
15 **THE SERVICE TERRITORY IN WHICH THE LARGE LOAD CUSTOMER IS LOCATED OR**
16 **INTERCONNECTED IF THE COMMISSION DETERMINES THAT THE DIRECT OR**
17 **INDIRECT COSTS, FEES, AND OBLIGATIONS SHOULD BE ATTRIBUTABLE TO THE**
18 **LARGE LOAD CUSTOMER; AND**

19 **[(3)] (4) sufficiently ensures that the allocation of costs to large load**
20 **customers under the schedule does not result in customers that are not large load**
21 **customers unreasonably subsidizing the costs of large load customers under the schedule.**

22 **(e) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE COSTS**
23 **ALLOCATED TO A LARGE LOAD CUSTOMER IN ACCORDANCE WITH SUBSECTION**
24 **(D)(3) OF THIS SECTION INCLUDE COSTS THAT ARE INCURRED BY A LARGE LOAD**
25 **CUSTOMER THAT IS NOT PROVIDING 100% OF ITS CAPACITY AND ARE ASSOCIATED**
26 **WITH:**

27 **(1) CAPACITY PROCUREMENT, INCLUDING BACKSTOP RELIABILITY**
28 **PROCUREMENT; AND**

29 **(2) COSTS ASSOCIATED WITH THE INTERCONNECTION PROCESS.**

1 (F) Before signing a contract for service under a specific rate schedule submitted
2 under subsection (c) of this section, a large load customer under the schedule is required
3 to:

4 (1) submit a request for a load study to determine the necessary contract
5 capacity for the large load customer and pay any applicable fees associated with the study;

6 (2) designate a specific site where the large load customer's project will be
7 constructed and served by the electric company;

8 (3) own or have the exclusive right to use the land designated in item (2) of
9 this subsection for the project; and

10 (4) meet any other requirements specified under the rate schedule.

11 [(f)] (G) (1) On or before June 1, 2026, the Commission shall adopt
12 regulations to carry out this section.

13 (2) The regulations shall:

14 (i) establish minimum notice requirements and deadlines related to
15 load study requests and contract terminations and adjustments;

16 (ii) if considered necessary by the Commission, specify common
17 forms of acceptable collateral to satisfy the requirements of this section; and

18 (iii) establish deadlines related to completion of load studies and
19 payment of fees.

20 4-213.

21 (a) This section applies only to a public service company that is an electric
22 company, gas company, or combination gas and electric company.

23 (b) Unless otherwise authorized by law, the Commission may approve the use of
24 a multiyear rate plan for distribution base rates only if the plan:

25 (1) demonstrates the customer benefits of the investment; and

26 (2) does not allow for:

27 (I) the public service company to file for reconciliation of cost or
28 revenue variances of the approved revenue component used by the Commission to establish
29 just and reasonable rates IF THE RECONCILIATION WOULD RESULT IN ADDITIONAL
30 CHARGES TO CUSTOMERS; OR

1 (4) “Payment plan” means an agreement between an eligible
2 limited-income customer and a utility company to pay an arrearage balance over a specific
3 period of time to avoid disconnection of a utility service.

4 (5) (i) “Utility company” means an electric company, a gas and electric
5 company, or a gas company.

6 (ii) “Utility company” does not include a small rural electric
7 cooperative.

8 (b) The General Assembly finds and declares that the societal benefits of a
9 well-constructed limited-income mechanism to benefit Maryland’s eligible limited-income
10 customers are in the public interest.

11 (c) (1) Subject to the approval of the Commission, a utility company shall
12 adopt a limited-income mechanism to benefit an eligible limited-income customer.

13 (2) Notwithstanding § 4-503(b) of this title, the mechanism may take the
14 form of a program, tariff provision, credit, rate, rider, or other means to assist an eligible
15 limited-income customer to afford a utility service.

16 (3) A municipal electric utility may adopt a limited-income mechanism
17 subject to the approval of the Commission in the same manner as a utility company in
18 accordance with this section.

19 (d) (1) A utility company that proposes a limited-income mechanism for
20 Commission approval under subsection (c) of this section shall include the proposal in:

21 (i) a separate application for approval of the mechanism; or

22 (ii) only with the prior approval of the Commission, an application
23 for a base rate proceeding, including an alternative rate proceeding, or any other proceeding
24 to alter the utility company’s base rates under the authority of the Commission.

25 (2) A proposal submitted under this section shall allocate the prudently
26 incurred costs of the limited-income mechanism across rate classes.

27 (3) The proposal shall include:

28 (i) a detailed description of the proposed mechanism;

29 (ii) the proposed method for allocating the mechanism’s costs across
30 customer classes;

31 (iii) the rationale supporting the utility company’s proposal for a
32 mechanism to benefit the eligible limited-income customers in the utility company’s service
33 territory;

1 (iv) a time frame and process for the Commission to review the
2 effectiveness of the mechanism after implementation; and

3 (v) any other information the Commission considers necessary or
4 useful to evaluate the proposal.

5 (e) In evaluating a limited-income mechanism, the Commission shall consider:

6 (1) the degree to which the mechanism promotes affordability of electricity
7 or natural gas for limited-income customers;

8 (2) the public interest in allocating the costs of the mechanism between the
9 utility company's shareholders and rate payers;

10 (3) the impact on rates, utility operating costs, customer arrearages,
11 customer disconnections, uncollectible costs, and successful completion of payment plans;

12 (4) the ability of a limited-income customer to continue to receive benefits
13 when relocating within the same service territory;

14 (5) coordination of benefits under the mechanism with any other public or
15 private assistance that may be available to the customer;

16 (6) a minimum level of support or assistance structure to provide equitable
17 availability of limited-income assistance across the State; and

18 (7) any other information the Commission considers appropriate.

19 (f) **(1) THE COMMISSION SHALL TAKE FINAL ACTION ON A PROPOSAL**
20 **SUBMITTED UNDER THIS SECTION AS SOON AS PRACTICABLE.**

21 **(2) THE COMMISSION SHALL REQUIRE EACH UTILITY COMPANY TO**
22 **IMPLEMENT AN APPROVED LIMITED-INCOME MECHANISM AS SOON AS**
23 **PRACTICABLE.**

24 (G) If an approved limited-income mechanism requires that the Office of Home
25 Energy Programs must certify an eligible limited-income customer's qualifications to
26 participate in a limited-income mechanism, the Office shall certify an eligible
27 limited-income customer's qualifications before the customer may participate in the
28 mechanism.

29 [(g)] (H) An eligible limited-income customer who participates in a mechanism
30 under this section may also be eligible for other assistance programs offered in the State,
31 including those offered by a utility company or the Office of Home Energy Programs, the
32 Department of Housing and Community Development, or any other public or private

1 source.

2 4-504.

3 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
4 **INDICATED.**

5 **(2) (I) "BONUS" MEANS A FORM OF DIRECT OR INDIRECT**
6 **PAYMENT, CONSIDERATION, OR COMPENSATION THAT IS PAID OR CONVEYED TO AN**
7 **EMPLOYEE EXECUTIVE OFFICER OF A PUBLIC SERVICE COMPANY IN ADDITION TO**
8 **THE EMPLOYEE'S EXECUTIVE OFFICER'S BASE PAY.**

9 **(II) "BONUS" INCLUDES:**

10 **1. COMPENSATION THAT THE PUBLIC SERVICE**
11 **COMPANY DOES NOT FORMALLY LABEL AS A BONUS PAYMENT;**

12 **2. ANY FORM OF INCENTIVE COMPENSATION THE FACT**
13 **AND AMOUNT OF WHICH IS UNDER THE DISCRETION OF THE PUBLIC SERVICE**
14 **COMPANY UNTIL A TIME CLOSE TO THE END OF THE PERIOD FOR WHICH THE**
15 **INCENTIVE PAYMENT IS PAID; AND**

16 **3. PAYMENTS GIVEN IN ADDITION TO BASE PAY THAT**
17 **ARE CONTINGENT ON THE OCCURRENCE OF ONE OR MORE EVENTS OR CONDITIONS.**

18 **(3) (I) "COMPENSATION" MEANS A FORM OF PAYMENT OR**
19 **CONSIDERATION CONVEYED TO OR FOR THE BENEFIT OF AN EMPLOYEE EXECUTIVE**
20 **OFFICER OF A PUBLIC SERVICE COMPANY, THE PARENT COMPANY OF A PUBLIC**
21 **SERVICE COMPANY, OR ANY OTHER AFFILIATE OF A PUBLIC SERVICE COMPANY IN**
22 **CONNECTION WITH THE EMPLOYEE'S EXECUTIVE OFFICER'S WORK FOR A PUBLIC**
23 **SERVICE COMPANY.**

24 **(II) "COMPENSATION" INCLUDES:**

25 **1. DIRECT AND INDIRECT METHODS OF CONFERRING**
26 **BENEFITS;**

27 **2. CASH AND NONCASH BENEFITS;**

28 **3. SALARY, BONUSSES, PERIOD PAYMENTS, AND**
29 **SEVERANCE PAY; AND**

1 4. THE VALUE OF A PERQUISITE, COMPENSATORY OR
 2 PAID LEAVE, OR OTHER BENEFIT NOT EXCLUDED UNDER SUBPARAGRAPH (III) OF
 3 THIS PARAGRAPH.

4 (III) “COMPENSATION” DOES NOT INCLUDE ANY EXPENDITURE
 5 OF A PUBLIC SERVICE COMPANY FOR HEALTH, MEDICAL, DENTAL, VISION, OR LIFE
 6 INSURANCE OR DISABILITY PAY.

7 ~~(4) “OFFICER” MEANS AN EMPLOYEE OF A PUBLIC SERVICE~~
 8 ~~COMPANY, THE PARENT COMPANY OF A PUBLIC SERVICE COMPANY, OR ANY OTHER~~
 9 ~~AFFILIATE OF A PUBLIC SERVICE COMPANY WHO:~~

10 ~~(I) USING THE EMPLOYEE’S INDEPENDENT JUDGMENT:~~

11 ~~1. IS AUTHORIZED BY THE EMPLOYEE’S EMPLOYER TO~~
 12 ~~HIRE, TRANSFER, SUSPEND, LAY OFF, RECALL, PROMOTE, DISCHARGE, ASSIGN,~~
 13 ~~REWARD, OR DISCIPLINE OTHER EMPLOYEES;~~

14 ~~2. IS RESPONSIBLE FOR DIRECTING THE WORK~~
 15 ~~PERFORMANCE OF OTHER EMPLOYEES; AND~~

16 ~~3. IS RESPONSIBLE FOR RESPONDING TO EMPLOYEE~~
 17 ~~COMPLAINTS; OR~~

18 ~~(II) IS EMPLOYED IN A BONA FIDE EXECUTIVE CAPACITY UNDER~~
 19 ~~THE FEDERAL FAIR LABOR STANDARDS ACT.~~

20 (4) “EXECUTIVE OFFICER” HAS THE MEANING STATED IN § 12-401 OF
 21 THE FINANCIAL INSTITUTIONS ARTICLE.

22 [(a)] (B) This section applies only to a public service company that is an
 23 investor-owned electric company, gas company, or combination gas and electric company.

24 [(b)] (C) A public service company may not recover through rates any costs
 25 associated with:

26 (1) membership, dues, sponsorships, or contributions to an industry trade
 27 association, group, or related entity exempt from taxation under § 501(c)(6) of the Internal
 28 Revenue Code; [or]

29 (2) the acquisition, use, or allocation of costs associated with a private
 30 plane that is owned or leased by the public service company or its holding company; OR

1 **(3) COMPENSATION FOR AN EXECUTIVE OFFICER THAT EXCEEDS**
2 **110% OF THE MAXIMUM ANNUAL SALARY PAYABLE TO THE CHAIR OF THE**
3 **COMMISSION FOR THE SAME CALENDAR YEAR.**

4 **(D) (1) THE BOARD OF DIRECTORS OF EACH PUBLIC SERVICE COMPANY**
5 **SHALL ADOPT A COMPANY-WIDE POLICY PLACING REASONABLE COST LIMITATIONS,**
6 **IN ACCORDANCE WITH GUIDANCE PUBLISHED BY THE COMMISSION UNDER**
7 **PARAGRAPH (2) OF THIS SUBSECTION, ON EXPENDITURES THAT THE PUBLIC**
8 **SERVICE COMPANY INTENDS TO RECOVER THROUGH RATES FOR:**

9 **(I) ENTERTAINMENT AND EVENTS;**

10 **(II) OFFICE AND FACILITY RENOVATIONS;**

11 **(III) TRANSPORTATION SERVICES, INCLUDING AVIATION;**

12 **(IV) STAFF DEVELOPMENT ACTIVITIES OR EVENTS;**

13 **(V) PERFORMANCE INCENTIVES; AND**

14 **(VI) OTHER ACTIVITIES OUTSIDE THE SCOPE OF THE NORMAL**
15 **COURSE OF BUSINESS OPERATIONS.**

16 **(2) THE COMMISSION SHALL PUBLISH GUIDANCE DEFINING**
17 **“REASONABLE COST LIMITATIONS” FOR EXPENDITURES UNDER THIS SUBSECTION.**

18 **(3) EACH PUBLIC SERVICE COMPANY SHALL SEND A COPY OF THE**
19 **POLICY ADOPTED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE**
20 **COMMISSION:**

21 **(I) AS SOON AS PRACTICABLE; AND**

22 **(II) EACH TIME THE POLICY IS UPDATED, BUT NOT LESS OFTEN**
23 **THAN EVERY 5 YEARS.**

24 7-103.

25 **(a) An electric company incorporated in Maryland may:**

26 **(1) manufacture, sell, and furnish electric power in any municipal**
27 **corporation or county of the State;**

28 **(2) construct a power line to transmit power under, along, on, or over the**
29 **roadways or public ways of any municipal corporation or county of the State; and**

1 (3) connect the power line from the place of supply to any other structure
2 or object.

3 (b) (1) An electric company must have the consent of the governing body of the
4 municipal corporation or county before laying or constructing any power line in accordance
5 with subsection (a) of this section.

6 (2) The governing body of the municipal corporation or county may adopt
7 reasonable regulations and conditions for the laying of a power line, including regulations
8 requiring the electric company to refill and repave any roadway or public way under which
9 the power line is laid.

10 (c) A PERSON THAT OWNS OR OPERATES A TRANSMISSION LINE THAT IS
11 DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000 VOLTS AND IS LOCATED IN
12 THE STATE SHALL PARTICIPATE AS A MEMBER IN A REGIONAL TRANSMISSION
13 ORGANIZATION.

14 7-204.

15 (a) IN THIS SECTION, "CONSTRUCTION" HAS THE MEANING STATED IN §
16 7-207 OF THIS SUBTITLE.

17 (b) (1) Notwithstanding any other provision of this division, at least 30 days
18 before a hearing, a public service company shall provide to each owner of land and each
19 owner of adjacent land, by certified mail, written notice of intent to run a line or similar
20 transmission device over, on, or under the land.

21 (2) AT THE SAME TIME A PERSON APPLIES FOR A CERTIFICATE OF
22 PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF A
23 TRANSMISSION LINE UNDER § 7-207 OR § 7-208 OF THIS SUBTITLE, THE
24 COMMISSION SHALL PROVIDE, OR DIRECT THE PERSON APPLYING FOR A
25 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE, BY CERTIFIED
26 MAIL, NOTICE OF INTENT TO RUN A LINE OR SIMILAR TRANSMISSION DEVICE OVER,
27 ON, OR UNDER THE LAND TO:

28 (I) EACH OWNER OF LAND THAT ABUTS THE PROPERTY WHERE
29 THE CONSTRUCTION IS PLANNED; AND

30 (II) FOR CONSTRUCTION OF AN OVERHEAD TRANSMISSION
31 LINE, EACH OWNER OF LAND AND EACH OWNER OF ADJACENT LAND.

32 (3) NOTICE PROVIDED UNDER THIS SUBSECTION SHALL ADVISE THE
33 RECIPIENT OF:

1 **(I) ANY APPLICABLE RIGHT TO FILE AS AN INTERVENOR IN THE**
2 **PROCEEDING IN ACCORDANCE WITH § 3-106 OF THIS ARTICLE;**

3 **(II) THE PROCESS FOR FILING AS AN INTERVENOR IN THE**
4 **PROCEEDING, INCLUDING THE METHOD FOR FILING AND THE LOCATION WHERE THE**
5 **FILING IS REQUIRED TO BE SUBMITTED;**

6 **(III) THE DATE AND TIME BY WHICH THE RECIPIENT IS**
7 **REQUIRED TO FILE AS AN INTERVENOR IN ORDER TO BE CONSIDERED TIMELY; AND**

8 **(IV) CONTACT INFORMATION FOR THE COMMISSION AND THE**
9 **WEBSITE WHERE THE RECIPIENT MAY OBTAIN ADDITIONAL INFORMATION**
10 **REGARDING INTERVENTION RIGHTS AND PROCEDURES.**

11 **[(2)] (C) The public service company shall determine the property owners**
12 **from the current tax assessment records of the political subdivision in which the property**
13 **is located.**

14 **[(b) Unless the failure is willful or deliberate, the failure of a public service**
15 **company to provide notice does not invalidate a public hearing or require that another**
16 **hearing take place.]**

17 **(D) IF THE COMMISSION FINDS THAT A PERSON DIRECTED TO PROVIDE**
18 **NOTICE UNDER SUBSECTION (B)(2) OF THIS SECTION FAILS TO PROVIDE NOTICE IN**
19 **ACCORDANCE WITH THIS SECTION:**

20 **(1) THE PUBLIC HEARING IS INVALIDATED AND ANOTHER HEARING**
21 **MUST TAKE PLACE IF THE FAILURE IS WILLFUL OR DELIBERATE; OR**

22 **(2) THE COMMISSION MAY, WITHIN ITS DISCRETION, REQUIRE**
23 **ANOTHER HEARING TO TAKE PLACE IF THE FAILURE IS NOT WILLFUL OR**
24 **DELIBERATE.**

25 7-207.

26 (a) (1) In this section the following words have the meanings indicated.

27 (2) **“ADVANCED TRANSMISSION TECHNOLOGIES” MEANS:**

28 **(I) GRID-ENHANCING TECHNOLOGIES;**

29 **(II) HIGH PERFORMANCE CONDUCTORS; OR**

30 **(III) ENERGY STORAGE USED AS TRANSMISSION.**

1 **(3)** “Brownfields site” means:

2 (i) a former industrial or commercial site identified by federal or
3 State laws or regulation as contaminated or polluted;

4 (ii) a closed landfill regulated by the Department of the
5 Environment; or

6 (iii) mined land.

7 **[(3)] (4)** (i) “Construction” means:

8 1. any physical change at a site, including fabrication,
9 erection, installation, or demolition; or

10 2. the entry into a binding agreement or contractual
11 obligation to purchase equipment exclusively for use in construction in the State or to
12 undertake a program of actual construction in the State which cannot be canceled or
13 modified without substantial loss to the owner or operator of the proposed generating
14 station.

15 (ii) “Construction” does not include a change that is needed for the
16 temporary use of a site or route for nonutility purposes or for use in securing geological
17 data, including any boring that is necessary to ascertain foundation conditions.

18 **[(4)] (5)** “Generating station” does not include:

19 (i) a generating unit or facility that:

20 1. is used for the production of electricity;

21 2. has the capacity to produce not more than 2 megawatts of
22 alternating current; and

23 3. is installed with equipment that prevents the flow of
24 electricity to the electric grid during time periods when the electric grid is out of service;

25 (ii) a combination of two or more generating units or facilities that:

26 1. are used for the production of electricity from a solar
27 photovoltaic system or an eligible customer-generator that is subject to the provisions of §
28 7-306 of this title;

29 2. are located on the same property or adjacent properties;

1 3. have the capacity to produce, when calculated
2 cumulatively for all generating units or facilities on the property or adjacent property, more
3 than 2 megawatts but not more than 14 megawatts of alternating current; and

4 4. for each individual generating unit or facility:

5 A. has the capacity to produce not more than 2 megawatts of
6 alternating current;

7 B. is separately metered by the electric company; and

8 C. does not export electricity for sale on the wholesale market
9 under an agreement with PJM Interconnection, LLC;

10 (iii) a generating unit or facility that:

11 1. is used for the production of electricity for the purpose of:

12 A. onsite emergency backup at a facility when service from
13 the electric company is interrupted due to electric distribution or transmission system
14 failure or when there is equipment failure at a site where critical infrastructure is located;
15 and

16 B. test and maintenance operations necessary to ensure
17 functionality of the generating unit or facility in the event of a service interruption from
18 the electric company due to electric distribution or transmission system failure or when
19 there is equipment failure at a site where critical infrastructure is located;

20 2. is installed with equipment that prevents the flow of
21 electricity to the electric grid;

22 3. is subject to a permit to construct issued by the
23 Department of the Environment; and

24 4. is installed at a facility that is part of critical
25 infrastructure if the facility complies with all applicable regulations regarding noise level
26 and testing hours; or

27 (iv) a combination of two or more generating units or facilities that
28 satisfy item (iii) of this paragraph.

29 **(6) (I) “GRID-ENHANCING TECHNOLOGY” MEANS HARDWARE OR**
30 **SOFTWARE THAT INCREASES THE CAPACITY, EFFICIENCY, OR RELIABILITY OF**
31 **EXISTING TRANSMISSION SYSTEMS.**

32 **(II) “GRID-ENHANCING TECHNOLOGY” INCLUDES:**

1 **1. A SYSTEM THAT USES REAL-TIME OR FORECAST**
2 **WEATHER AND OPERATING CONDITIONS TO DETERMINE THE TRANSFER CAPACITY**
3 **OF TRANSMISSION SYSTEMS;**

4 **2. TECHNOLOGY THAT MODULATES CIRCUIT**
5 **IMPEDANCE OR OTHER ELECTRICAL PROPERTIES TO REROUTE POWER FLOWS AND**
6 **RELIEVE CONGESTION; AND**

7 **3. SOFTWARE THAT IDENTIFIES SWITCHING**
8 **CONFIGURATIONS TO REROUTE ELECTRICITY AND ALLEVIATE TRANSMISSION**
9 **CONSTRAINTS.**

10 **(7) "HIGH PERFORMANCE CONDUCTORS" MEANS CONDUCTORS,**
11 **INCLUDING CARBON FIBER CONDUCTORS, COMPOSITE CORE CONDUCTORS, OR**
12 **SUPERCONDUCTORS, THAT:**

13 **(I) HAVE A SIMILAR DIAMETER AND WEIGHT AS TRADITIONAL**
14 **ACSR CONDUCTORS;**

15 **(II) HAVE A DIRECT CURRENT ELECTRICAL RESISTANCE AT**
16 **LEAST 10% LESS THAN TRADITIONAL ACSR CONDUCTORS;**

17 **(III) INCREASE THE POTENTIAL ENERGY CARRYING CAPACITY**
18 **BY AT LEAST 75% COMPARED TO TRADITIONAL ACSR CONDUCTORS; AND**

19 **(IV) HAVE A COEFFICIENT OF THERMAL EXPANSION OF AT LEAST**
20 **30% LESS THAN TRADITIONAL ACSR CONDUCTORS.**

21 **[(5)] (8) (i) "Mined land" means the surface or subsurface of an area**
22 **in which surface mining operations will be, are being, or have been conducted.**

23 **(ii) "Mined land" includes:**

24 **1. private ways and roads used for mining appurtenant to**
25 **any surface mining area;**

26 **2. land excavations;**

27 **3. workings; and**

28 **4. overburden.**

1 [(6)] (9) “Qualified generator lead line” means [an overhead] A
 2 transmission line [that is] AND ANY ASSOCIATED ADVANCED TRANSMISSION
 3 TECHNOLOGY designed to carry OR SUPPORT THE CARRYING OF a voltage in excess of
 4 69,000 volts and would allow an out-of-state Tier 1 or Tier 2 renewable source to
 5 interconnect with a portion of the electric system in Maryland that is owned by an electric
 6 company.

7 (10) “TRADITIONAL ACSR CONDUCTORS” MEANS ELECTRICAL
 8 CABLES USED IN TRANSMISSION SYSTEMS THAT CONSIST OF A CENTRAL CORE OF
 9 GALVANIZED STEEL WIRES SURROUNDED BY STRANDS OF ALUMINUM.

10 (b) (3) (i) Except as provided in paragraph (4) of this subsection, unless a
 11 certificate of public convenience and necessity for the construction is first obtained from the
 12 Commission, a person may not begin construction of [an overhead] A transmission line that
 13 is designed to carry a voltage in excess of 69,000 volts or exercise a right of condemnation
 14 with the construction.

15 (ii) [For] SUBJECT TO SUBPARAGRAPH (III) OF THIS
 16 PARAGRAPH, FOR construction related to an existing [overhead] transmission line, the
 17 Commission may waive the requirement in subparagraph (i) of this paragraph for good
 18 cause.

19 (III) THE COMMISSION SHALL ADOPT REGULATIONS TO
 20 ESTABLISH SPECIFIC CRITERIA FOR MAKING THE DETERMINATION TO WAIVE THE
 21 REQUIREMENT IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR GOOD CAUSE,
 22 INCLUDING:

- 23 1. THE COST OF THE CONSTRUCTION ON RATEPAYERS;
 24 2. THE IMPACT OF THE CONSTRUCTION ON THE
 25 ENVIRONMENT; AND
 26 3. ANY OTHER MATTER THE COMMISSION CONSIDERS
 27 APPROPRIATE.

28 (IV) AN APPLICANT FOR A CERTIFICATE OF PUBLIC
 29 CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF A TRANSMISSION LINE
 30 SHALL INCLUDE IN ITS APPLICATION:

- 31 1. EVIDENCE THAT THE APPLICANT CONSIDERED, AS
 32 PART OF THE APPLICANT’S INTERNAL PLANNING PROCESS, ANY LOCAL, STATE, OR
 33 FEDERAL GOVERNMENT TRANSMISSION PLANNING PROCESSES AND ANY
 34 TRANSMISSION PLANNING PROCESSES REQUIRED BY PJM INTERCONNECTION,
 35 INCLUDING:

1 **A. AN ANALYSIS OF ADVANCED TRANSMISSION**
2 **TECHNOLOGIES AND WHETHER THE USE OF THE TECHNOLOGIES WILL ENHANCE**
3 **THE VALUE OF THE NEW LEAD LINE, LEADING TO INCREASED RATEPAYER VALUE**
4 **THROUGH EFFICIENCY AND AVOIDED COSTS;**

5 **B. ALTERNATIVE ROUTINGS;**

6 **C. TECHNOLOGIES OR MODIFICATIONS TO ONE OR MORE**
7 **ELECTRIC DISTRIBUTION SYSTEMS IN THE STATE THAT COULD AVOID THE NEED**
8 **FOR THE TRANSMISSION LINE;**

9 **D. THE COST TO RATEPAYERS;**

10 **E. RESOURCE ADEQUACY; AND**

11 **F. ANY OTHER INFORMATION THE COMMISSION**
12 **CONSIDERS APPROPRIATE; AND**

13 **2. AN ANALYSIS OF THE TRANSMISSION LINE ROUTE**
14 **SELECTION, INCLUDING:**

15 **A. RISKS ASSOCIATED WITH THE COSTS ESTIMATES;**

16 **B. COST CONTAINMENT EFFORTS;**

17 **C. CONSTRUCTION SCHEDULE;**

18 **D. ACQUISITION OF LAND AND RIGHTS-OF-WAY;**

19 **E. OUTAGE COORDINATION; AND**

20 **F. THE APPLICANT'S PLAN TO WORK WITH COMMUNITIES**
21 **AND STAKEHOLDERS ON PROPOSED ROUTES.**

22 **[(iii)] (V) Notwithstanding subparagraph (i) of this paragraph and**
23 **subject to subparagraph [(iv)] (VI) of this paragraph, the Commission may issue a**
24 **certificate of public convenience and necessity for the construction of [an overhead] A**
25 **transmission line only if the applicant for the certificate of public convenience and**
26 **necessity:**

27 **1. is an electric company; or**

1 2. is or, on the start of commercial operation of the
2 [overhead] transmission line, will be subject to regulation as a public utility by an officer
3 or an agency of the United States.

4 [(iv)] (VI) The Commission may not issue a certificate of public
5 convenience and necessity for the construction of [an overhead] A transmission line in the
6 electric distribution service territory of an electric company to an applicant other than an
7 electric company if:

8 1. the [overhead] transmission line is to be located solely
9 within the electric distribution service territory of that electric company; and

10 2. the cost of the [overhead] transmission line is to be paid
11 solely by that electric company and its ratepayers.

12 [(v)] (VII) 1. This subparagraph applies to the construction of
13 [an overhead] A transmission line for which a certificate of public convenience and
14 necessity is required under this section.

15 2. On issuance of a certificate of public convenience and
16 necessity for the construction of [an overhead] A transmission line, a person may acquire
17 by condemnation, in accordance with Title 12 of the Real Property Article, any property or
18 right necessary for the construction or maintenance of the transmission line.

19 (4) (i) [Except as provided in subparagraph (ii) of this paragraph, for
20 construction related to an existing overhead transmission line designed to carry a voltage
21 in excess of 69,000 volts, the Commission shall waive the requirement to obtain a certificate
22 of public convenience and necessity if the Commission finds that the construction does not:

23 1. require the person to obtain new real property or
24 additional rights-of-way through eminent domain; or

25 2. require larger or higher structures to accommodate:

26 A. increased voltage; or

27 B. larger conductors.

28 (ii) 1. For construction related to an existing overhead
29 transmission line, including repairs, that is necessary to avoid an imminent safety hazard
30 or reliability risk, a person may undertake the necessary construction] **A PERSON MAY**
31 **COMPLETE CONSTRUCTION RELATED TO AN EXISTING TRANSMISSION LINE,**
32 **INCLUDING REPAIRS, IF THE CONSTRUCTION IS NECESSARY TO AVOID AN IMMINENT**
33 **SAFETY HAZARD OR RELIABILITY RISK.**

1 [2.] (II) Within 30 days after construction is completed
2 under [subsubparagraph 1 of this subparagraph] SUBPARAGRAPH (I) OF THIS
3 PARAGRAPH, a person shall file a report with the Commission describing the work that
4 was completed.

5 (c) (1) On receipt of an application for a certificate of public convenience and
6 necessity under this section, the Commission shall provide notice immediately or require
7 the applicant to provide notice immediately of the application to:

8 (i) the Department of Planning;

9 (ii) the governing body, and if applicable the executive, of each
10 county or municipal corporation in which any portion of the generating station, [overhead]
11 transmission line, or qualified generator lead line is proposed to be constructed;

12 (iii) the governing body, and if applicable the executive, of each
13 county or municipal corporation within 1 mile of the proposed location of the generating
14 station, [overhead] transmission line, or qualified generator lead line;

15 (iv) each member of the General Assembly representing any part of
16 a county in which any portion of the generating station, [overhead] transmission line, or
17 qualified generator lead line is proposed to be constructed;

18 (v) each member of the General Assembly representing any part of
19 each county within 1 mile of the proposed location of the generating station, [overhead]
20 transmission line, or qualified generator lead line;

21 (vi) for a proposed [overhead] transmission line, each owner of land
22 and each owner of adjacent land; and

23 (vii) all other interested persons.

24 (2) The Commission, when sending the notice required under paragraph
25 (1) of this subsection, shall forward a copy of the application to:

26 (i) each appropriate State unit and unit of local government for
27 review, evaluation, and comment regarding the significance of the proposal to State,
28 area-wide, and local plans or programs; and

29 (ii) each member of the General Assembly included under paragraph
30 (1)(iv) and (v) of this subsection who requests a copy of the application.

31 (3) On receipt of an application for a certificate of public convenience and
32 necessity under this section, the Commission shall provide notice of the application on the
33 Commission's social media platforms and website.

1 (d) (1) (i) The Commission shall provide an opportunity for public
2 comment and hold a public hearing on the application for a certificate of public convenience
3 and necessity in each county and municipal corporation in which any portion of the
4 construction of a generating station, [an overhead] A transmission line designed to carry a
5 voltage in excess of 69,000 volts, or a qualified generator lead line is proposed to be located.

6 (ii) The Commission may hold the public hearing virtually rather
7 than in person if the Commission provides a comparable opportunity for public comment
8 and participation in the hearing.

9 (2) The Commission shall hold the public hearing jointly with the
10 governing body of the county or municipal corporation in which any portion of the
11 construction of the generating station, [overhead] transmission line, or qualified generator
12 lead line is proposed to be located, unless the governing body declines to participate in the
13 hearing.

14 (3) (i) Once in each of the 4 successive weeks immediately before the
15 hearing date, the Commission shall provide weekly notice of the public hearing and an
16 opportunity for public comment:

17 1. by advertisement in a newspaper of general circulation in
18 the county or municipal corporation affected by the application;

19 2. on two types of social media; and

20 3. on the Commission's website.

21 (ii) Before a public hearing, the Commission shall coordinate with
22 the governing body of the county or municipal corporation in which any portion of the
23 construction of the generating station, [overhead] transmission line, or qualified generator
24 lead line is proposed to be located to identify additional options for providing, in an efficient
25 and cost-effective manner, notice of the public hearing through other types of media that
26 are familiar to the residents of the county or municipal corporation.

27 (4) (i) On the day of a public hearing, an informational sign shall be
28 posted prominently at or near each public entrance of the building in which the public
29 hearing will be held.

30 (ii) The informational sign required under subparagraph (i) of this
31 paragraph shall:

32 1. state the time, room number, and subject of the public
33 hearing; and

34 2. be at least 17 by 22 inches in size.

1 (iii) If the public hearing is conducted virtually rather than in person,
2 the Commission shall provide information on the hearing prominently on the Commission's
3 website.

4 (5) (i) The Commission shall ensure presentation and
5 recommendations from each interested State unit, and shall allow representatives of each
6 State unit to sit during hearing of all parties.

7 (ii) The Commission shall allow each State unit 15 days after the
8 conclusion of the hearing to modify the State unit's initial recommendations.

9 (e) [The] SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE Commission
10 shall take final action on an application for a certificate of public convenience and necessity
11 only after due consideration of:

12 (1) the recommendation of the governing body of each county or municipal
13 corporation in which any portion of the construction of the generating station, [overhead]
14 transmission line, or qualified generator lead line is proposed to be located;

15 (2) the effect of the generating station, [overhead] transmission line, or
16 qualified generator lead line on:

17 (i) the stability and reliability of the electric system;

18 (ii) economics;

19 (iii) esthetics;

20 (iv) historic sites;

21 (v) WHEN APPLICABLE, aviation safety as determined by the
22 Maryland Aviation Administration and the administrator of the Federal Aviation
23 Administration;

24 (vi) when applicable, air quality and water pollution; and

25 (vii) the availability of means for the required timely disposal of
26 wastes produced by any generating station;

27 (3) the effect of climate change on the generating station, [overhead]
28 transmission line, or qualified generator lead line based on the best available scientific
29 information recognized by the Intergovernmental Panel on Climate Change;

30 (4) for a generating station:

1 (i) the consistency of the application with the comprehensive plan
2 and zoning of each county or municipal corporation where any portion of the generating
3 station is proposed to be located;

4 (ii) the efforts to resolve any issues presented by a county or
5 municipal corporation where any portion of the generating station is proposed to be located;

6 (iii) the impact of the generating station on the quantity of annual
7 and long-term statewide greenhouse gas emissions, measured in the manner specified in §
8 2-1202 of the Environment Article and based on the best available scientific information
9 recognized by the Intergovernmental Panel on Climate Change; and

10 (iv) the consistency of the application with the State's climate
11 commitments for reducing statewide greenhouse gas emissions, including those specified
12 in Title 2, Subtitle 12 of the Environment Article; and

13 (5) for a solar energy generating station specified under § 7-218 of this
14 subtitle, whether the owner of a proposed solar energy generating station complies with
15 the site requirements under § 7-218(f) of this subtitle.

16 **(F) THE COMMISSION SHALL TAKE FINAL ACTION ON AN APPLICATION FOR**
17 **A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR AN UNDERGROUND**
18 **TRANSMISSION LINE WITHIN 180 DAYS AFTER RECEIVING A COMPLETE**
19 **APPLICATION.**

20 **[(f)] (G) For the construction of [an overhead] A transmission line, in addition**
21 **to the considerations listed in subsection (e) of this section, the Commission shall:**

22 (1) take final action on an application for a certificate of public convenience
23 and necessity only after due consideration of:

24 (i) the need to meet existing and future demand for electric service;
25 **[and]**

26 (ii) **EVIDENCE THAT ALTERNATIVES HAVE BEEN CONSIDERED**
27 **BY THE APPLICANT IN ACCORDANCE WITH SUBSECTION (B)(3)(IV) OF THIS SECTION;**
28 **AND**

29 **(III) for construction related to a new [overhead] transmission line,**
30 **the alternative routes that the applicant considered, including the estimated capital and**
31 **operating costs of each alternative route and a statement of the reason why the alternative**
32 **route was rejected;**

33 (2) require as an ongoing condition of the certificate of public convenience
34 and necessity that an applicant comply with:

1 (i) all relevant agreements with PJM Interconnection, L.L.C., or its
2 successors, related to the ongoing operation and maintenance of the [overhead]
3 transmission line; and

4 (ii) all obligations imposed by the North America Electric Reliability
5 Council and the Federal Energy Regulatory Commission related to the ongoing operation
6 and maintenance of the [overhead] transmission line; and

7 (3) require the applicant to identify whether the [overhead] transmission
8 line is proposed to be constructed on:

9 (i) an existing brownfields site;

10 (ii) property that is subject to an existing easement; or

11 (iii) a site where a tower structure or components of a tower structure
12 used to support an overhead transmission line exist.

13 **[(g)] (H)** (1) The Commission may not authorize, and a person may not
14 undertake, the construction of an overhead transmission line that is aligned with and
15 within 1 mile of either end of a public airport runway, unless:

16 (i) the Federal Aviation Administration determines that the
17 construction of an overhead transmission line will not constitute a hazard to air navigation;
18 and

19 (ii) the Maryland Aviation Administration concurs in that
20 determination.

21 (2) A privately owned airport runway shall qualify as a public airport
22 runway under this subsection only if the runway has been on file with the Federal Aviation
23 Administration for at least 2 years as being open to the public without restriction.

24 **[(h)] (I)** (1) A county or municipal corporation has the authority to approve
25 or deny any local permit required under a certificate of public convenience and necessity
26 issued under this section or a distributed generation certificate of public convenience and
27 necessity issued under § 7–207.4 of this subtitle.

28 (2) A county or municipal corporation shall approve or deny any local
29 permits required under a certificate of public convenience and necessity issued under this
30 section or a distributed generation certificate of public convenience and necessity issued
31 under § 7–207.4 of this subtitle:

32 (i) within a reasonable time; and

33 (ii) to the extent local laws are not preempted by State law, in
34 accordance with local laws.

1 (3) A county or municipal corporation may not condition the approval of a
2 local permit required under a certificate of public convenience and necessity issued under
3 this section or a distributed generation certificate of public convenience and necessity
4 issued under § 7-207.4 of this subtitle on receipt of any of the following approvals for any
5 aspect of a generating station, [an overhead] A transmission line, or a qualified lead line
6 proposed to be constructed under the certificate:

7 (i) a conditional use approval;

8 (ii) a special exception approval; or

9 (iii) a floating zone approval.

10 **7-207.6.**

11 **(A) A PERSON THAT SUBMITS AN APPLICATION FOR APPROVAL OF THE**
12 **CONSTRUCTION OF A SOLAR ENERGY GENERATING STATION IN ACCORDANCE WITH**
13 **§ 7-207, § 7-207.1, OR § 7-207.4 OF THIS SUBTITLE SHALL:**

14 **(1) REQUEST, WITHIN 90 DAYS BEFORE BEGINNING CONSTRUCTION,**
15 **THE COMMISSIONER OF LABOR AND INDUSTRY TO DETERMINE THE PREVAILING**
16 **WAGE RATE FOR EACH CLASSIFICATION OF WORKER REQUIRED TO PERFORM WORK**
17 **ON THE PROJECT;**

18 **(2) REQUIRE THAT ANY CONTRACTOR OR SUBCONTRACTOR ON THE**
19 **PROJECT PAY ITS EMPLOYEES NOT LESS THAN THE PREVAILING WAGE RATE AS**
20 **DETERMINED BY THE COMMISSIONER OF LABOR AND INDUSTRY UNDER ITEM (1) OF**
21 **THIS SUBSECTION AND TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND**
22 **PROCUREMENT ARTICLE; AND**

23 **(3) INCLUDE IN THE APPLICATION AN ATTESTATION THAT THE**
24 **PERSON SHALL COMPLY WITH THE PROVISIONS OF THIS SECTION AND ANY**
25 **ADDITIONAL REQUIREMENTS IMPOSED BY THE COMMISSIONER OF LABOR AND**
26 **INDUSTRY.**

27 **(B) IN ACCORDANCE WITH TITLE 3, SUBTITLE 5 OF THE LABOR AND**
28 **EMPLOYMENT ARTICLE, THE MARYLAND DEPARTMENT OF LABOR SHALL ENFORCE**
29 **THE REQUIREMENT UNDER SUBSECTION (A)(2) OF THIS SECTION FOR**
30 **CONTRACTORS AND SUBCONTRACTORS TO PAY EMPLOYEES NOT LESS THAN THE**
31 **PREVAILING WAGE RATE DETERMINED BY THE COMMISSIONER OF LABOR AND**
32 **INDUSTRY.**

33 **7-207.7.**

1 **(A) IN THIS SECTION, “ADVANCED TRANSMISSION TECHNOLOGIES” HAS**
2 **THE MEANING STATED IN § 7–207 OF THIS SUBTITLE.**

3 **(B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON OR**
4 **BEFORE DECEMBER 1, 2026, AND EVERY 4 YEARS THEREAFTER, EACH OWNER OR**
5 **OPERATOR OF A TRANSMISSION LINE SHALL SUBMIT TO THE COMMISSION A REPORT**
6 **THAT:**

7 **(I) IDENTIFIES AREAS OF TRANSMISSION CONGESTION FOR**
8 **THE IMMEDIATELY PRECEDING 3 YEARS AND ANY REASONABLY FORESEEABLE**
9 **TRANSMISSION CONGESTION ISSUES FOR THE 5 YEARS IMMEDIATELY FOLLOWING**
10 **THE DATE OF THE REPORT;**

11 **(II) IDENTIFIES THE PROJECTED OR ACTUAL COST TO**
12 **RATEPAYERS AS A RESULT OF PAST AND PROJECTED FUTURE TRANSMISSION**
13 **CONGESTION;**

14 **(III) IDENTIFIES THE FEASIBILITY AND COST OF USING**
15 **ALTERNATIVE MEANS OF ADDRESSING TRANSMISSION CONGESTION, INCLUDING**
16 **THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES;**

17 **(IV) IDENTIFIES THE ECONOMIC, ENVIRONMENTAL, AND SOCIAL**
18 **ISSUES POSED BY THE USE OF EACH ALTERNATIVE MEANS IDENTIFIED UNDER ITEM**
19 **(III) OF THIS PARAGRAPH; AND**

20 **(V) IF FEASIBLE, PROPOSES AN ADVANCED TRANSMISSION**
21 **TECHNOLOGY IMPLEMENTATION PLAN TO ADDRESS AREAS OF TRANSMISSION**
22 **CONGESTION IDENTIFIED UNDER ITEM (I) OF THIS PARAGRAPH.**

23 **(2) THE COMMISSION MAY MODIFY THE REPORTING SCHEDULE**
24 **SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION.**

25 **(C) AN OWNER OR OPERATOR OF A TRANSMISSION LINE MAY USE ANY**
26 **AVAILABLE DATA FROM PJM, OR OTHER SOURCES IN COMPLETING THE REPORT**
27 **REQUIRED UNDER THIS SECTION.**

28 7–208.

29 **(a) (1) In this section the following words have the meanings indicated.**

30 **(2) “Construction” has the meaning stated in § 7–207 of this subtitle.**

31 **(3) “Generating station” does not include:**

1 (i) a generating unit or facility that:

2 1. is used for the production of electricity for the purpose of:

3 A. onsite emergency backup at a facility when service from
4 the electric company is interrupted due to electric distribution or transmission system
5 failure or when there is equipment failure at a site where critical infrastructure is located;
6 and

7 B. test and maintenance operations necessary to ensure
8 functionality of the generating unit or facility in the event of an interruption of service from
9 the electric company due to electric distribution or transmission system failure or when
10 there is equipment failure at a site where critical infrastructure is located;

11 2. is installed with equipment that prevents the flow of
12 electricity to the electric grid;

13 3. is subject to a permit to construct issued by the
14 Department of the Environment; and

15 4. is installed at a facility that is part of critical
16 infrastructure if the facility complies with all applicable regulations regarding noise level
17 and testing hours; or

18 (ii) a combination of two or more generating units or facilities that
19 satisfy item (i) of this paragraph.

20 (4) “Qualified offshore wind project” has the meaning stated in § 7–701 of
21 this title.

22 (5) “Qualified submerged renewable energy line” means:

23 (i) a line carrying electricity supply and connecting a qualified
24 offshore wind project to the transmission system; and

25 (ii) a line in which the portions of the line crossing any submerged
26 lands or any part of a beach erosion control district are buried or submerged.

27 (b) This section applies to any person:

28 (1) constructing a generating station and its associated [overhead]
29 transmission lines designed to carry a voltage in excess of 69,000 volts;

30 (2) exercising the right of condemnation in connection with the
31 construction; or

32 (3) constructing a qualified submerged renewable energy line.

1 (c) (1) To obtain the certificate of public convenience and necessity required
2 under § 7-207 of this subtitle for construction under this section, a person shall file an
3 application with the Commission at least 2 years before construction of the facility will
4 commence.

5 (2) The Commission may waive the 2-year requirement on a showing of
6 good cause.

7 (d) The applicant shall:

8 (1) include in an application under this section the information that the
9 Commission requests initially; and

10 (2) furnish any additional information that the Commission requests
11 subsequently.

12 (e) (1) On the receipt of an application under this section, together with any
13 additional information requested under subsection (d)(2) of this section, the Commission
14 shall provide notice to:

15 (i) for a proposed [overhead] transmission line, each owner of land
16 and each owner of adjacent land;

17 (ii) all interested persons;

18 (iii) the Department of Agriculture;

19 (iv) the Department of Commerce;

20 (v) the Department of the Environment;

21 (vi) the Department of Natural Resources;

22 (vii) the Department of Transportation;

23 (viii) the Department of Planning; and

24 (ix) the Maryland Energy Administration.

25 (2) On receipt of an application under this section, and whenever
26 additional information is received under subsection (d)(2) of this section, the Commission
27 shall provide notice immediately or require the applicant to provide notice immediately to:

28 (i) the governing body of each county or municipal corporation in
29 which any portion of the generating station or the associated [overhead] transmission lines
30 is proposed to be constructed;

1 (ii) the governing body of each county or municipal corporation
2 within 1 mile of the proposed location of the generating station or the associated [overhead]
3 transmission lines;

4 (iii) each member of the General Assembly representing any part of
5 a county in which any portion of the generating station or the associated [overhead]
6 transmission lines is proposed to be constructed; and

7 (iv) each member of the General Assembly representing any part of
8 each county within 1 mile of the proposed location of the generating station or the
9 associated [overhead] transmission lines.

10 (3) The Commission shall hold a public hearing on the application as
11 required by § 7-207 of this subtitle after:

12 (i) the receipt of any additional information requested under
13 subsection (d)(2) of this section that the Commission considers necessary; and

14 (ii) any publication of notice the Commission considers to be proper.

15 (4) (i) At the public hearing, the Commission shall ensure presentation
16 of the information and recommendations of the State units specified in paragraph (1) of
17 this subsection and shall allow the official representative of each unit to sit during hearing
18 of all parties.

19 (ii) Based on the evidence relating to the unit's areas of concern, the
20 Commission shall allow each unit 15 days after the conclusion of the hearing to modify or
21 affirm the unit's initial recommendations.

22 (f) Within 90 days after the conclusion of the hearing on an application under
23 this section, the Commission shall:

24 (1) (i) grant a certificate of public convenience and necessity
25 unconditionally;

26 (ii) grant the certificate, subject to conditions the Commission
27 determines to be appropriate; or

28 (iii) deny the certificate; and

29 (2) notify all interested parties of its decision.

30 (g) (1) The Commission shall include in each certificate it issues under
31 subsection (f) of this section:

1 (i) the requirements of the federal and State environmental laws
2 and standards that are identified by the Department of the Environment; and

3 (ii) the methods and conditions that the Commission determines are
4 appropriate to comply with those environmental laws and standards.

5 (2) The Commission may not adopt any method or condition under
6 paragraph (1)(ii) of this subsection that the Department of the Environment determines is
7 inconsistent with federal and State environmental laws and standards.

8 (h) (1) A decision of the Commission regarding the issuance of a certificate
9 requires the vote of a majority of the members of the Commission.

10 (2) If a majority of the members of the Commission fails to reach agreement
11 on the conditions to be attached to a conditional certificate, the certificate shall be denied.

12 (i) The grant of a certificate by the Commission to any person under subsection
13 (f) of this section constitutes:

14 (1) authority for the person to dredge and construct bulkheads in the
15 waters or private wetlands of the State and to appropriate or use the waters; and

16 (2) registration and a permit to construct, as required under Title 2,
17 Subtitle 4 of the Environment Article.

18 (j) (1) A county or municipal corporation has the authority to approve or deny
19 any local permit required under a certificate of public convenience and necessity issued
20 under this section.

21 (2) A county or municipal corporation shall approve or deny any local
22 permits required under a certificate of public convenience and necessity issued under this
23 section:

24 (i) within a reasonable time; and

25 (ii) to the extent local laws are not preempted by State law, in
26 accordance with local laws.

27 (3) A county or municipal corporation may not condition the approval of a
28 local permit required under a certificate of public convenience and necessity issued under
29 this section on receipt of any of the following approvals for any aspect of a generating
30 station, [an overhead] A transmission line, or a qualified lead line proposed to be
31 constructed under the certificate:

32 (i) a conditional use approval;

33 (ii) a special exception approval; or

1 (iii) a floating zone approval.

2 7-216.1.

3 (a) (1) In this section the following words have the meanings indicated.

4 (5) “Program” means the Maryland Energy Storage Program.

5 (c) (1) The Commission shall establish the Maryland Energy Storage
6 Program.

7 (2) The Program shall be implemented no later than July 1, 2025.

8 (3) The Program shall include competitive procurement mechanisms to
9 reach a minimum of 3,000 megawatts of energy storage, or the maximum cost-effective
10 amount of energy storage that can be deployed, by the end of delivery year 2033.

11 (4) The Program may include:

12 (i) a system of energy storage credits and market-based incentives
13 designed to:

14 1. develop a robust energy storage market in the State; and

15 2. deploy energy storage devices in a cost-effective manner;

16 (ii) a requirement that investor-owned electric companies:

17 1. install or contract for energy storage devices; or

18 2. contract for credits from an energy storage project under §
19 7-216 of this subtitle;

20 (iii) a requirement that Program participants make reasonable
21 efforts to apply for all applicable State and federal grants, rebates, tax credits, loan
22 guarantees, and other similar benefits as the benefits become available; or

23 (iv) any other mechanism or policy that the Commission determines
24 is appropriate to achieve the goal of a robust, cost-effective energy storage system in the
25 State.

26 **(D) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE COMMISSION SHALL**
27 **REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE**
28 **STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE PROGRAM, INCLUDING:**

1 **(1) THE CAPACITY OF OPERATIONAL ENERGY STORAGE DEVICES IN**
2 **THE STATE THAT IS BEING COUNTED TOWARD THE CAPACITY GOAL ESTABLISHED**
3 **UNDER SUBSECTION (C)(3) OF THIS SECTION, DISAGGREGATED BY:**

4 **(I) ELECTRIC COMPANY SERVICE TERRITORY;**

5 **(II) ENERGY STORAGE DEVICE CAPACITY;**

6 **(III) FRONT-OF-METER TRANSMISSION-LEVEL STORAGE;**

7 **(IV) FRONT-OF-METER DISTRIBUTION-LEVEL STORAGE;**

8 **(V) BEHIND-THE-METER STORAGE; AND**

9 **(VI) ANY OTHER RELEVANT CATEGORY, AS DETERMINED BY THE**
10 **COMMISSION;**

11 **(2) WHETHER THE CAPACITY GOAL ESTABLISHED UNDER**
12 **SUBSECTION (C)(3) OF THIS SECTION SHOULD BE ALTERED BASED ON CURRENT**
13 **TECHNOLOGY COSTS, ENERGY STORAGE DEPLOYMENT TRENDS, ELECTRIC SYSTEM**
14 **RELIABILITY, AND RATEPAYER IMPACTS;**

15 **(3) BARRIERS TO ACHIEVING THE GOALS IDENTIFIED UNDER THIS**
16 **SECTION; AND**

17 **(4) ANY OTHER INFORMATION THE COMMISSION CONSIDERS**
18 **PERTINENT.**

19 **7-219.1.**

20 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
21 **INDICATED.**

22 **(2) “METRICS” MEANS MEASURES USED TO ASSESS THE EFFICIENCY**
23 **AND PERFORMANCE OF ELECTRIC SYSTEM INFRASTRUCTURE.**

24 **(3) “THROUGHPUT” MEANS THE TOTAL AMOUNT OF ELECTRICITY,**
25 **MEASURED IN KILOWATT-HOURS, THAT PASSES THROUGH THE ELECTRIC**
26 **DISTRIBUTION SYSTEM AND ELECTRIC TRANSMISSION SYSTEM OVER A SPECIFIED**
27 **PERIOD OF TIME.**

1 **(4) "UTILIZATION" MEANS THE EXTENT TO WHICH ELECTRIC SYSTEM**
2 **INFRASTRUCTURE IS BEING USED TO MEET THE NEEDS OF RATEPAYERS**
3 **THROUGHOUT THE YEAR.**

4 **(B) ON OR BEFORE JANUARY 1, 2027, THE PUBLIC SERVICE COMMISSION,**
5 **BY ORDER OR REGULATION, SHALL ESTABLISH ELECTRIC SYSTEM UTILIZATION**
6 **METRICS THAT PROVIDE SUFFICIENTLY DETAILED AND TRANSPARENT**
7 **INFORMATION TO ENABLE THE COMMISSION TO ASSESS THE EFFICIENCY AND**
8 **PERFORMANCE OF EACH ELECTRIC COMPANY'S ELECTRIC SYSTEM**
9 **INFRASTRUCTURE.**

10 **(C) THE COMMISSION SHALL DETERMINE HOW METRICS SHALL BE**
11 **CALCULATED AND REPORTED TO ENSURE THE SECURITY OF THE ELECTRIC**
12 **DISTRIBUTION AND TRANSMISSION SYSTEMS, INCLUDING THROUGH THE**
13 **AGGREGATION AND ANONYMIZATION OF DATA AND THE USE OF CONFIDENTIALITY**
14 **DESIGNATIONS.**

15 **(D) METRICS ESTABLISHED UNDER THIS SECTION SHALL:**

16 **(1) INCLUDE:**

17 **(I) TOTAL THROUGHPUT IN RELATION TO TOTAL POTENTIAL**
18 **THROUGHPUT;**

19 **(II) PEAK LOAD IN RELATION TO LOAD LIMITS;**

20 **(III) THE DURATION OF PEAK LOAD PERIODS; AND**

21 **(IV) ANY OTHER INFORMATION THE COMMISSION CONSIDERS**
22 **NECESSARY; AND**

23 **(2) BE CALCULATED WITH SUFFICIENT TIME AND LOCATION DETAIL**
24 **TO ASSESS ELECTRIC SYSTEM UTILIZATION AT LEAST:**

25 **(I) SEASONALLY;**

26 **(II) SYSTEM-WIDE; AND**

27 **(III) AT THE FEEDER, SUBSTATION, AND TRANSMISSION LINE**
28 **LEVEL.**

29 **(E) ON OR BEFORE APRIL 1, 2027, AND ON OR BEFORE APRIL 1 EACH YEAR**
30 **THEREAFTER, THE PUBLIC SERVICE COMMISSION SHALL:**

1 (1) REVIEW AND ASSESS EACH ELECTRIC COMPANY'S ELECTRIC
2 SYSTEM UTILIZATION METRICS; AND

3 (2) ESTABLISH TARGETED IMPROVEMENTS IN UTILIZATION THAT
4 IMPROVE RATEPAYER AFFORDABILITY WHILE CONSIDERING LOAD GROWTH, RATE
5 IMPACTS, AND OTHER STATE POLICY GOALS.

6 (F) (1) ON OR BEFORE OCTOBER 1, 2027, AND ON OR BEFORE OCTOBER
7 1 EVERY 3 YEARS THEREAFTER, EACH ELECTRIC COMPANY SHALL SUBMIT TO THE
8 COMMISSION AN ELECTRIC SYSTEM UTILIZATION IMPROVEMENT PLAN DESIGNED
9 TO:

10 (I) ACHIEVE THE TARGET IMPROVEMENTS IN ELECTRIC
11 SYSTEM UTILIZATION ESTABLISHED BY THE COMMISSION; AND

12 (II) GENERATE BENEFITS THROUGH THE REALIZATION OF
13 ADDITIONAL VALUE FROM EXISTING ASSETS FOR PARTICIPATING CUSTOMERS,
14 UTILITIES, AND ALL RATEPAYERS.

15 (2) EACH ELECTRIC SYSTEM UTILIZATION IMPROVEMENT PLAN
16 SHALL INCLUDE COMMERCIALY AVAILABLE TECHNOLOGIES THAT ADDRESS
17 ELECTRIC SYSTEM NEEDS, IMPROVE ELECTRIC SYSTEM UTILIZATION AND
18 RATEPAYER AFFORDABILITY, AND MAY INCLUDE:

19 (I) FRONT-OF-THE-METER RESOURCES;

20 (II) BEHIND-THE-METER RESOURCES; AND

21 (III) ENABLING TECHNOLOGY INVESTMENTS.

22 7-221.

23 The General Assembly finds and declares that energy efficiency is:

24 (1) among the least expensive ways to meet the energy demands of the
25 State;

26 (2) a means of affordable, reliable, and clean energy for consumers of
27 Maryland; and

28 (3) one method to achieve Maryland's climate commitments for reducing
29 statewide greenhouse gas emissions, including those required under Title 2, Subtitle 12 of
30 the Environment Article.

1 7-221.1.

2 ON AND AFTER JULY 1, 2026, THIS PART DOES NOT APPLY TO ANY GAS
3 COMPANY THAT HAS NOT, BEFORE JANUARY 1, 2026, IMPLEMENTED A PROGRAM OR
4 SERVICE IN ACCORDANCE WITH THIS PART.

5 7-222.

6 (a) Subject to review and approval by the Commission, each electric company,
7 each gas company [other than a gas company subject to § 4-207(a) of this article], the
8 Department, and, if required in accordance with subsection (c) of this section, each midsize
9 electric cooperative shall develop and implement programs and services in accordance with
10 §§ 7-223, 7-224, and 7-225 of this subtitle to encourage and promote the efficient use and
11 conservation of energy, demand response, and beneficial electrification by consumers,
12 electric companies, gas companies, and the Department in support of the greenhouse gas
13 emissions reduction goals and targets required under Title 2, Subtitle 12 of the
14 Environment Article.

15 (b) As directed by the Commission, [each gas company subject to § 4-207(a) of
16 this article,] each municipal electric or gas utility, each small rural electric cooperative,
17 and, if required in accordance with subsection (c) of this section, each midsize electric
18 cooperative shall include energy efficiency and conservation, demand response, and
19 beneficial electrification programs or services as part of their service to their customers.

20 (c) (1) In accordance with this subsection, each midsize electric cooperative
21 shall be subject to either subsection (a) or subsection (b) of this section.

22 (2) Each midsize electric cooperative shall offer programs and services to
23 customers in accordance with:

24 (i) subsection (b) of this section through December 31, 2026; and

25 (ii) on or after January 1, 2027, and as the Commission directs,
26 either subsection (a) or subsection (b) of this section.

27 (3) Not later than October 1, 2025, the Commission shall determine if it is
28 in the public interest for a midsize electric cooperative to offer programs and services to
29 customers in accordance with subsection (a) or subsection (b) of this section starting
30 January 1, 2027, and for all subsequent years.

31 (4) Each midsize electric cooperative shall provide the following
32 information to the Commission to assist in making a determination under paragraph (3) of
33 this subsection:

34 (i) anticipated costs and bill impacts;

1 (ii) a description of the anticipated program offerings;

2 (iii) the anticipated cost-effectiveness of the residential, commercial,
3 and industrial sector subportfolios based on the cost-effectiveness tests in § 7-225(d)(3)(i)
4 of this subtitle;

5 (iv) the anticipated electricity savings and greenhouse gas emissions
6 reductions; and

7 (v) any other information the Commission requires.

8 (5) The information provided to the Commission under paragraph (4) of
9 this subsection shall be based on a plan to offer programs and services to customers that
10 complies with the requirements of an electric company subject to subsection (a) of this
11 section for the [3-year] 2-YEAR program cycle starting January 1, 2027.

12 (6) When making a public interest determination under paragraph (3) of
13 this subsection the Commission, at a minimum, shall consider the requirements under §
14 7-225(d)(3) of this subtitle that are considered when approving a plan of an electric
15 company that is subject to subsection (a) of this section.

16 (7) Starting October 1, 2025, if the Commission determines that it is in the
17 public interest for a midsize electric cooperative to be subject to subsection (a) of this
18 section, the midsize electric cooperative shall comply with all requirements of an electric
19 company subject to subsection (a) of this section for program cycles starting on and after
20 January 1, 2027.

21 (8) On or before March 1 each year, starting in 2026, each midsize electric
22 cooperative directed by the Commission to include programs or services under subsection
23 (b) of this section shall submit to the Commission a report quantifying the gains in energy
24 efficiency and reductions in greenhouse gas emissions achieved during the previous year.

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

30 (1) requiring each electric company and gas company to establish any
31 program or service that the Commission determines to be appropriate and cost-effective;

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

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

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

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

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

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

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

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

15 (3) ensuring that adoption of electric customer choice under Subtitle 5 of
16 this title and gas customer choice under Subtitle 6 of this title does not adversely impact
17 these goals and targets.

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

23 (1) that the surcharge imposed in accordance with subsection (d) of this
24 section includes the cost of paying down the unpaid costs and unamortized costs that were
25 accrued over time by programs and services required by the Commission dating back to
26 2008; and

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

29 7-223.

30 (a) On or before January 1, 2025, [and] on or before January 1, 2027, ON OR
31 BEFORE JANUARY 1, 2029, AND ON OR BEFORE JANUARY 1 every 3 years, starting in
32 [2027] 2029, the Commission shall, by regulation or order, require each electric company
33 and each gas company subject to § 7-222(a) of this subtitle to develop and implement a plan
34 that:

1 (1) covers appropriate ratepayer classes;

2 (2) starting in [2027] **2029**, covers a 3-year program cycle; and

3 (3) achieves the greenhouse gas emissions reduction target established for
4 the electric company or gas company under subsection (b) of this section through
5 cost-effective energy efficiency and conservation programs and services, demand response
6 programs and services, and beneficial electrification programs and services.

7 (b) (1) For [2025 and 2026.] **2025, 2026, 2027, AND 2028**, and for each
8 3-year program cycle starting in [2027] **2029**, the Commission shall establish a greenhouse
9 gas emissions reduction target for each electric company and each gas company subject to
10 § 7-222(a) of this subtitle as provided in this subsection.

11 (2) When establishing greenhouse gas emissions reduction targets under
12 this subsection, the Commission shall measure the greenhouse gas emissions from
13 electricity and gas, and the intensities of those emissions, using current data and
14 projections from the Department of the Environment.

15 (3) The greenhouse gas emissions reduction targets established under this
16 subsection shall be measured:

17 (i) in metric tons; and

18 (ii) relative to the greenhouse gas emissions associated with the
19 electric company's or gas company's weather-normalized gross retail sales and losses in a
20 baseline year, as determined by the Commission.

21 (4) By the dates specified in § 7-225(a) of this subtitle, the Commission
22 shall establish greenhouse gas emissions reduction targets for each electric company plan
23 that will achieve at least the greenhouse gas emissions reduction equivalent, measured on
24 a lifecycle basis using the emission intensities under paragraph (2) of this subsection, of
25 the following annual electricity savings percentages, calculated as a percentage of the
26 electric company's 2016 weather-normalized gross retail sales and electricity losses:

27 (i) 2.0% in 2024;

28 (ii) 2.25% [each year] in 2025 [and 2026; and];

29 (III) **1.75% EACH YEAR IN 2026 THROUGH 2029;**

30 (IV) **2.0% EACH YEAR IN 2030 THROUGH 2032;**

31 (V) **2.25% EACH YEAR IN 2033 THROUGH 2035; AND**

32 [(iii)] (VI) 2.5% each year in [2027] **2036** and after.

1 (5) On or before January 1, 2025, and on or before January 1 every 3 years,
2 starting in 2027, the Commission shall establish greenhouse gas emissions reduction
3 targets for each gas company plan that will achieve at least the greenhouse gas emissions
4 reduction equivalent, measured on a lifecycle basis using the emission intensities under
5 paragraph (2) of this subsection, of the gas savings achieved by the gas company for the
6 2021–2023 program cycle.

7 (6) The Commission shall take into consideration the most recent final plan
8 adopted under § 2–1205 of the Environment Article when establishing the greenhouse gas
9 emissions reduction targets under this subsection.

10 (7) For 2025 and 2026:

11 (i) the Commission shall, after making appropriate findings,
12 determine whether existing electric company and gas company plans must be modified to
13 comply with § 7–225(d) of this subtitle; and

14 (ii) electric companies and gas companies:

15 1. shall provide information as required by the Commission
16 to assist in making the determination under item (i) of this paragraph; and

17 2. are only required to file new plans in accordance with this
18 section if directed by the Commission.

19 (c) The Commission may give priority to long–lived greenhouse gas emissions
20 reduction measures in the plans by establishing a minimum weighted average measure life
21 for the plan of each electric company and gas company.

22 (d) Contributions to greenhouse gas emissions reduction goals and targets in a
23 plan of an electric company or a gas company:

24 (1) may, notwithstanding § 7–222(d)(2) of this subtitle, include recovery of
25 the reasonable and prudent costs from programs that are not behind–the–meter programs
26 in a base rate proceeding, subject to Commission approval; and

27 (2) may [not] include the increased adoption of electric vehicles.

28 (e) (1) [Beginning] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
29 BEGINNING January 1, [2025,] 2027:

30 (I) at least 80% of the greenhouse gas emissions reductions counted
31 toward each electric company’s and each gas company’s greenhouse gas emissions reduction
32 targets established under this section shall come from behind–the–meter programs, which
33 may include deployment of energy storage facilities; AND

1 (II) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, FOR
2 2027 THROUGH 2029, NOT MORE THAN 20% OF THE GREENHOUSE GAS EMISSIONS
3 REDUCTIONS COUNTED TOWARD EACH ELECTRIC COMPANY'S GREENHOUSE GAS
4 EMISSIONS REDUCTION TARGETS ESTABLISHED UNDER THIS SECTION SHALL
5 INCLUDE:

6 1. NEW COMMUNITY SOLAR ENERGY GENERATION THAT
7 IS INTERCONNECTED TO THE ELECTRIC COMPANY'S DISTRIBUTION SYSTEM; AND

8 2. SOLAR ENERGY GENERATION FACILITIES THAT ARE
9 INTERCONNECTED TO THE ELECTRIC COMPANY'S DISTRIBUTION SYSTEM.

10 (2) PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE CONSTRUED
11 TO AUTHORIZE AN ELECTRIC COMPANY TO BUILD, OWN, OR OPERATE ELECTRIC
12 GENERATING FACILITIES OR ENERGY STORAGE FACILITIES TO MEET THE
13 REQUIREMENTS OF THIS SECTION.

14 (3) GREENHOUSE GAS EMISSIONS REDUCTIONS FROM SOURCES
15 SPECIFIED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION MAY NOT BE USED TO
16 MEET THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS UNDER PARAGRAPH
17 (1)(I) OF THIS SUBSECTION.

18 7-224.

19 (a) (1) Beginning January 1, 2025, [and] on or before January 1, 2027, ON OR
20 BEFORE JANUARY 1, 2029, AND ON OR BEFORE JANUARY 1 every 3 years, starting in
21 [2027] 2029, the Department shall procure or provide to low-income individuals energy
22 efficiency and conservation programs and services, demand response programs and
23 services, and beneficial electrification programs and services that achieve the greenhouse
24 gas emissions reduction targets established for the Department under paragraph (2) of this
25 subsection.

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

31 7-225.

32 (a) As soon as possible in 2024, and at least 8 months before the filing deadline
33 for plans after 2024, the Commission shall issue an order that determines the greenhouse
34 gas emissions reduction targets required under § 7-223(b) of this subtitle and the
35 greenhouse gas emissions reductions required under § 7-224(a)(2) of this subtitle.

- 1 1. include:
- 2 A. a description of the proposed programs and services;
- 3 B. anticipated costs;
- 4 C. projected benefits, including greenhouse gas emissions
5 reductions, electricity savings, and gas savings; and
- 6 D. any other information requested by the Commission; and
- 7 2. address residential, commercial, and industrial sectors as
8 appropriate, including low-income communities.

9 (ii) A plan of the Department shall include:

- 10 1. a definition of “low-income individual” to be used in the
11 procurement or provision of energy efficiency, conservation, and greenhouse gas emissions
12 reduction programs and services;
- 13 2. a description of the steps proposed to ensure insulation
14 materials meet the requirements under § 7-224 of this subtitle; and
- 15 3. a proposed average lifetime measure threshold that:
- 16 A. encourages the delivery of insulation and weatherization
17 measures; and
- 18 B. is developed through a stakeholder engagement process.

19 (iii) A plan of an electric company shall include the provision or
20 procurement of programs and services for residential beneficial electrification.

21 (d) (1) The Commission shall review the plan of each electric company, each
22 gas company, and the Department to determine whether the plan is adequate and
23 cost-effective in achieving the greenhouse gas emissions reduction targets established by
24 the Commission under §§ 7-223(b) and 7-224(a)(2) of this subtitle.

25 (2) The Commission shall consider any written findings provided by the
26 Maryland Energy Administration, the Department of the Environment, and the Office of
27 People’s Counsel regarding the design and adequacy of the plan.

28 (3) Subject to paragraph (4) of this subsection, in approving, modifying, or
29 denying the plan of an electric company or a gas company, the Commission shall consider:

30 (i) the cost-effectiveness of the residential, commercial, and

1 industrial sector subportfolios by using:

2 1. the primary State jurisdiction–specific test, as developed,
3 updated, or approved by the Commission, to determine the cost–effectiveness of a program
4 or service prospectively, including consideration of:

5 A. participant nonenergy benefits;

6 B. utility nonenergy benefits; and

7 C. societal nonenergy benefits; and

8 2. a total resource cost test to compare the electricity savings
9 and demand reduction targets of the program or service with the results of similar
10 programs or services implemented in other jurisdictions, including:

11 A. participant nonenergy benefits; and

12 B. utility nonenergy benefits;

13 (ii) **THE COST–EFFECTIVENESS OF THE RESIDENTIAL SECTOR**
14 **SUBPROGRAMS BY DETERMINING WHETHER THE COST–EFFECTIVENESS OF A**
15 **SUBPROGRAM CAN BE IMPROVED THROUGH:**

16 1. **CONSOLIDATION;**

17 2. **A REDUCTION IN ADMINISTRATIVE COSTS; OR**

18 3. **STREAMLINING DELIVERY OF SERVICES;**

19 (III) the impact on rates of each ratepayer class;

20 [(iii)] (IV) the impact on jobs;

21 [(iv)] (V) the impact on the environment; and

22 [(v)] (VI) the impact on the greenhouse gas emissions reduction
23 targets specified in Title 2, Subtitle 12 of the Environment Article, established by the
24 Commission under §§ 7–223(b) and 7–224(a)(2) of this subtitle.

25 (4) Nonenergy benefits considered under paragraph (3) of this subsection
26 shall be quantifiable and directly related to a program or service.

27 (5) (i) In approving, modifying, or denying the plan of the Department,
28 the Commission shall consider:

1 1. subject to subparagraph (ii) of this paragraph, the
2 cost-effectiveness of the plan by using the primary State jurisdiction-specific test, as
3 developed, updated, or approved by the Commission;

4 2. the impact on rates of each ratepayer class;

5 3. the impact on jobs;

6 4. the impact on the environment; and

7 5. the impact on the greenhouse gas emissions targets
8 specified in Title 2, Subtitle 12 of the Environment Article, established by the Commission
9 under § 7-223(b) of this subtitle, and specified in § 7-224(a)(2) of this subtitle.

10 (ii) The programs and services offered by the Department are not
11 required to be cost-effective.

12 (e) The Department of the Environment shall prepare and submit to the
13 Commission an analysis regarding the adequacy of the plan in supporting the State's
14 greenhouse gas emissions reduction goals specified in Title 2, Subtitle 12 of the
15 Environment Article, established by the Commission under § 7-223(b) of this subtitle, and
16 required under § 7-224(a)(2) of this subtitle.

17 7-226.

18 (a) (1) Each electric company, each gas company, and the Department shall
19 provide to the Commission every 6 months an update on plan implementation and progress
20 made toward achieving the greenhouse gas emissions reduction targets established by the
21 Commission under § 7-223(b) of this subtitle and required under § 7-224(a)(2) of this
22 subtitle.

23 (2) The Commission shall monitor and analyze the impact of each program
24 and service to ensure that the outcome of each program and service provides the best
25 possible results.

26 (3) In monitoring and analyzing the impact of a program or service under
27 paragraph (2) of this subsection, if the Commission finds that the outcome of the program
28 or service may not be providing the best possible results, the Commission shall direct the
29 electric company, the gas company, or the Department to include in its next update under
30 paragraph (1) of this subsection specific measures to address the findings.

31 (b) (1) At least once each year, each electric company and each gas company
32 shall notify affected customers of the energy efficiency and conservation and greenhouse
33 gas reduction charges imposed and benefits conferred.

34 (2) The notice shall be provided by publication on the company's website
35 and inclusion with billing information such as a bill insert or bill message.

1 (c) On or before May 1 each year, the Commission shall report, in accordance with
2 § 2–1257 of the State Government Article, to the General Assembly on:

3 (1) the status of programs and services approved under this subtitle,
4 including an evaluation of the impact of the programs and services that are directed to
5 low-income communities and other particular classes of ratepayers;

6 (2) a recommendation for the appropriate funding level to adequately fund
7 these programs and services;

8 (3) the per capita electricity consumption and the winter and summer peak
9 demand for the previous calendar year; and

10 (4) beginning in 2026, progress made toward reducing greenhouse gas
11 emissions in accordance with §§ 7–223 and 7–224 of this subtitle.

12 7–227.

13 (a) Notwithstanding any other law, the Commission may not require or allow an
14 electric company or a gas company to require a customer to authorize the electric company
15 or gas company to control the amount of the customer’s electricity usage or gas usage.

16 (b) A customer may provide consent to participate in a program of an electric
17 company or a gas company that provides direct load control or other utility manipulation
18 of a customer’s electricity or gas usage.

19 7–228.

20 (a) Each electric company and each gas company shall promote the availability of
21 federal and State rebates, tax credits, and incentives that can be used to support energy
22 efficiency investments, energy efficient and non-fossil-fuel-powered appliances and
23 cooking equipment, breaker box upgrades, and portable heating and cooling equipment.

24 (b) The Commission shall adopt regulations to carry out this section.

25 7–229.

26 **NOTHING IN THIS PART PROHIBITS THE COMMISSION FROM APPROVING A**
27 **DEMAND RESPONSE PROGRAM PROPOSED BY AN ELECTRIC COMPANY IF THE**
28 **DEMAND RESPONSE PROGRAM IS DETERMINED TO BE COST-EFFECTIVE AND**
29 **IMPROVE SYSTEM RELIABILITY.**

30 **7–230. RESERVED.**

31 **7–231. RESERVED.**

1 PART III. LARGE LOAD CUSTOMERS.

2 7-232.

3 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (B) "DISTRICT ENERGY SYSTEM" MEANS AN UNDERGROUND
6 INFRASTRUCTURE ASSET WHOSE PRIMARY PURPOSE IS TO PROVIDE THERMAL
7 ENERGY TO MULTIPLE BUILDINGS FROM A CENTRAL ENERGY PLANT OR PLANTS.

8 (C) "DUPLICATIVE INTERCONNECTION REQUEST" MEANS AN
9 INTERCONNECTION REQUEST THAT:

10 (1) IS SUBSTANTIALLY SIMILAR TO ANOTHER INTERCONNECTION
11 REQUEST SUBMITTED BY THE LARGE LOAD CUSTOMER OR THE CUSTOMER'S PARENT
12 COMPANY OR AFFILIATE;

13 (2) IS SUBMITTED TO AN ELECTRIC COMPANY IN THE STATE OR IN
14 ANOTHER STATE IN THE PJM REGION; AND

15 (3) IF PROGRESSED FURTHER THROUGH THE INTERCONNECTION
16 PROCESS, WOULD CAUSE THE LARGE LOAD CUSTOMER TO MATERIALLY CHANGE,
17 DELAY, OR WITHDRAW THE APPLICABLE INTERCONNECTION REQUEST.

18 (D) "HOSPITAL" MEANS AN INSTITUTION THAT:

19 (1) HAS A GROUP OF AT LEAST 5 PHYSICIANS WHO ARE ORGANIZED AS
20 A MEDICAL STAFF FOR THE INSTITUTION;

21 (2) MAINTAINS FACILITIES TO PROVIDE, UNDER THE SUPERVISION OF
22 THE MEDICAL STAFF, DIAGNOSTIC AND TREATMENT SERVICES FOR TWO OR MORE
23 UNRELATED INDIVIDUALS; AND

24 (3) MEETS OR RETAINS THE INDIVIDUALS FOR OVERNIGHT CARE.

25 (E) "INCREMENTAL RESOURCES" INCLUDES ONE OR A COMBINATION OF
26 THE FOLLOWING FACILITIES AND RESOURCES, LOCATED WITHIN THE APPLICABLE
27 LOCATIONAL DELIVERABILITY AREA:

28 (1) BEHIND-THE-METER ENERGY STORAGE FACILITIES;

1 **(2) NEWLY INTERCONNECTED ENERGY STORAGE FACILITIES; AND**

2 **(3) PURCHASING OR ESTABLISHING NONEMITTING RESOURCES**
3 **WITHIN THE LOCATIONAL DELIVERABILITY AREA, INCLUDING:**

4 **(I) NEW CLEAN ENERGY GENERATION ASSETS;**

5 **(II) NEW VIRTUAL POWER PLANT AGGREGATIONS; AND**

6 **(III) A DEMAND RESPONSE PROGRAM THAT THE COMMISSION**
7 **DETERMINES MEETS THE GOALS OF THIS SECTION, INCLUDING PROGRAMS**
8 **ADMINISTERED BY PJM.**

9 **(F) (1) "LARGE LOAD CUSTOMER" MEANS A COMMERCIAL OR**
10 **INDUSTRIAL CUSTOMER FOR RETAIL ELECTRIC SERVICE THAT:**

11 **(I) HAS OR IS PROJECTED TO HAVE AN AGGREGATE MONTHLY**
12 **DEMAND OF AT LEAST 25 MEGAWATTS; AND**

13 **(II) HAS OR IS PROJECTED TO HAVE A LOAD FACTOR OF MORE**
14 **THAN 60%.**

15 **(2) "LARGE LOAD CUSTOMER" DOES NOT INCLUDE A COMMERCIAL**
16 **OR INDUSTRIAL CUSTOMER FOR RETAIL ELECTRIC SERVICE WHOSE PRIMARY**
17 **PURPOSE IS TO OPERATE AS OR SUPPORT THE OPERATION OF:**

18 **(I) A WATER COMPANY OR SEWAGE DISPOSAL COMPANY;**

19 **(II) A MANUFACTURING FACILITY;**

20 **(III) A HOSPITAL;**

21 **(IV) A DISTRICT ENERGY SYSTEM;**

22 **(V) AN AGRICULTURAL FACILITY; OR**

23 **(VI) AT THE DISCRETION OF THE COMMISSION, ANOTHER**
24 **INDUSTRIAL FACILITY.**

25 **(G) "MANUFACTURING FACILITY" MEANS A FACILITY WHERE THE PROCESS**
26 **OF SUBSTANTIALLY TRANSFORMING, OR A SUBSTANTIAL STEP IN THE PROCESS OF**
27 **SUBSTANTIALLY TRANSFORMING, TANGIBLE PERSONAL PROPERTY INTO A NEW AND**

1 DIFFERENT ARTICLE OF TANGIBLE PERSONAL PROPERTY BY THE USE OF LABOR OR
2 MACHINERY OCCURS.

3 (H) "ON-SITE BACKUP GENERATING FACILITY" MEANS A GENERATING
4 FACILITY THAT IS NOT CONNECTED TO THE ELECTRIC SYSTEM.

5 (I) "VIRTUAL POWER PLANT" MEANS AN AGGREGATION OF DISTRIBUTED
6 CLEAN ENERGY RESOURCES AND ENERGY STORAGE OWNED BY A CUSTOMER OR A
7 THIRD PARTY THAT:

8 (1) PROVIDES ELECTRIC SYSTEM SERVICES; AND

9 (2) MAY BE USED BY THE CUSTOMER OR THE THIRD PARTY FOR
10 OTHER APPLICATIONS WHEN NOT PROVIDING ELECTRIC SYSTEM SERVICES.

11 (J) "VOLUNTARY CLEAN CAPACITY RATING PROGRAM" MEANS THE
12 PROGRAM DEVELOPED BY THE COMMISSION UNDER § 7-234 OF THIS SUBTITLE.

13 7-233.

14 (A) ON OR BEFORE JANUARY 1, 2027, THE COMMISSION, BY ORDER OR
15 REGULATION, SHALL ESTABLISH A LARGE LOAD CUSTOMER REGISTRY TO:

16 (1) PROVIDE INFORMATION RELEVANT TO PLANNING AT THE
17 ELECTRIC DISTRIBUTION, STATE, AND PJM LEVELS; AND

18 (2) ASSIST IN ENSURING ACCURATE LOAD FORECASTS AT THE
19 ELECTRIC DISTRIBUTION, STATE, AND PJM LEVELS.

20 (B) (1) THE COMMISSION SHALL DEVELOP A PROCESS FOR
21 REGISTRATION UNDER THIS SECTION.

22 (2) THE PROCESS SHALL:

23 (I) APPLY TO NEW OR EXPANDED INTERCONNECTION OF LARGE
24 LOAD CUSTOMERS;

25 (II) REQUIRE A LARGE LOAD CUSTOMER TO:

26 1. DISCLOSE ALL INFORMATION ABOUT THE LARGE
27 LOAD CUSTOMER AS SPECIFIED IN THIS SECTION;

1 **2. DISCLOSE EACH OF THE LARGE LOAD CUSTOMER'S**
2 **DUPLICATIVE INTERCONNECTION REQUESTS AND ANY ASSOCIATED INFORMATION,**
3 **AS DESCRIBED IN THIS SECTION;**

4 **3. EXPLAIN HOW THE LARGE LOAD CUSTOMER'S ENERGY**
5 **AND CAPACITY NEEDS WILL BE SERVED AND DESCRIBE ANY ANTICIPATED**
6 **ARRANGEMENTS, INCLUDING ARRANGEMENTS:**

7 **A. WITH THIRD PARTIES; AND**

8 **B. FOR NEW OR EXISTING GENERATION AND ENERGY**
9 **STORAGE, WHETHER ON-SITE OR OFF-SITE;**

10 **4. DISCLOSE INFORMATION ABOUT THE ANTICIPATED**
11 **TYPE OF ON-SITE BACKUP GENERATING FACILITY THAT WOULD BE USED IN THE**
12 **EVENT OF A SYSTEM OUTAGE;**

13 **5. DISCLOSE INFORMATION ABOUT:**

14 **A. THE AMOUNT OF WATER THAT THE LARGE LOAD**
15 **CUSTOMER WILL USE EACH MONTH;**

16 **B. THE SOURCE OF THE WATER THAT WILL BE USED; AND**

17 **C. THE STATUS OF AN APPLICATION FOR A WATER**
18 **APPROPRIATION OR USE PERMIT SUBMITTED TO THE DEPARTMENT OF THE**
19 **ENVIRONMENT OR A WATER UTILITY;**

20 **6. DISCLOSE THE STATUS AND TYPE OF SITE CONTROL**
21 **FOR THE PROPOSED LOCATION OF THE LARGE LOAD CUSTOMER'S FACILITY,**
22 **INCLUDING OWNERSHIP OR LEASE CONTROL;**

23 **7. DISCLOSE ENERGY CHARACTERISTICS OF THE**
24 **CUSTOMER, INCLUDING:**

25 **A. PEAK LOAD;**

26 **B. ANTICIPATED LOAD FACTOR;**

27 **C. TIMING OF REQUESTED SERVICE;**

28 **D. LOAD RAMP PERIOD;**

1 E. ANNUAL ENERGY USAGE; AND

2 F. LOAD PROFILE OR, IF UNAVAILABLE, A DESCRIPTION
3 OF THE LARGE LOAD CUSTOMER'S AVERAGE HOURLY USE;

4 8. PROVIDE A DESCRIPTION OF THE LARGE LOAD
5 CUSTOMER'S OPERATION;

6 9. DISCLOSE THE POINT OF INTERCONNECTION AND
7 ADDRESS OR COORDINATES OF THE LARGE LOAD CUSTOMER; AND

8 10. PROVIDE ANY OTHER INFORMATION THE
9 COMMISSION CONSIDERS NECESSARY FOR THE PURPOSES IDENTIFIED IN
10 SUBSECTION (A) OF THIS SECTION; AND

11 (III) ESTABLISH ANY OTHER STANDARDS THAT THE
12 COMMISSION CONSIDERS NECESSARY.

13 (C) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, A
14 LARGE LOAD CUSTOMER SHALL REGISTER WITH THE COMMISSION IN ACCORDANCE
15 WITH THIS SECTION:

16 (I) WITHIN 30 DAYS AFTER SIGNING A FEDERAL ENERGY
17 REGULATORY COMMISSION–JURISDICTIONAL AGREEMENT WITH AN ELECTRIC
18 COMPANY; OR

19 (II) WITHIN 30 DAYS AFTER AN ELECTRIC COMPANY PROVIDES
20 TO THE COMMISSION AND THE LARGE LOAD CUSTOMER THE INFORMATION
21 REQUIRED IN PARAGRAPH (2) OF THIS SUBSECTION.

22 (2) AN ELECTRIC COMPANY SHALL PROVIDE WRITTEN NOTICE TO
23 THE COMMISSION AND A LARGE LOAD CUSTOMER WHEN THE ELECTRIC COMPANY
24 PROVIDES TO PJM INFORMATION RELATED TO THE LARGE LOAD CUSTOMER THAT
25 MAY IMPACT PJM FORECASTS OR MARKETS.

26 (D) ELECTRIC COMPANIES AND LARGE LOAD CUSTOMERS SHALL PROVIDE
27 TO THE COMMISSION WITHIN THE TIMELINES SET BY THE COMMISSION:

28 (1) UPDATED INFORMATION REGARDING A REGISTERED LARGE LOAD
29 CUSTOMER, INCLUDING IF:

30 (I) A NEW DUPLICATIVE INTERCONNECTION REQUEST
31 BECOMES KNOWN; OR

1 (II) THERE IS A CHANGE IN THE STATUS OF A DUPLICATIVE
2 INTERCONNECTION REQUEST; AND

3 (2) ANY OTHER INFORMATION THAT THE COMMISSION CONSIDERS
4 RELEVANT.

5 (E) (1) WITHIN 60 DAYS AFTER RECEIVING AN APPLICATION FOR
6 REGISTRATION UNDER THIS SECTION, INCLUDING ALL INFORMATION REQUIRED
7 UNDER SUBSECTION (B) OF THIS SECTION, THE COMMISSION SHALL CERTIFY
8 WHETHER A REGISTRATION UNDER THIS SECTION IS COMPLETE.

9 (2) IF THE COMMISSION DETERMINES THAT THE REGISTRATION
10 INFORMATION IS INCOMPLETE, THE COMMISSION MAY EXTEND ANY TIME FRAME
11 PROVIDED IN AN ORDER OR REGULATION ADOPTED IN ACCORDANCE WITH THIS
12 SECTION.

13 (F) THE COMMISSION MAY CHARGE A REASONABLE FEE TO ADMINISTER
14 THE LARGE LOAD CUSTOMER REGISTRY UNDER THIS SECTION.

15 (G) (1) THE COMMISSION SHALL IMPOSE PENALTIES AGAINST A LARGE
16 LOAD CUSTOMER IF THE LARGE LOAD CUSTOMER:

17 (I) FAILS TO REGISTER IN ACCORDANCE WITH THIS SECTION;
18 OR

19 (II) INTENTIONALLY MISLEADS THE COMMISSION IN ITS
20 REGISTRATION.

21 (2) THE COMMISSION MAY DIRECT PROCEEDS COLLECTED FROM A
22 PENALTY IMPOSED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO BE PROVIDED
23 TO EXISTING ELECTRIC CUSTOMERS IN THE SAME SERVICE TERRITORY AS THE
24 LARGE LOAD CUSTOMER.

25 (H) (1) NOTWITHSTANDING § 4-335 OF THE GENERAL PROVISIONS
26 ARTICLE, CONFIDENTIAL COMMERCIAL OR FINANCIAL INFORMATION DISCLOSED
27 TO THE COMMISSION BY A LARGE LOAD CUSTOMER IN ACCORDANCE WITH
28 SUBSECTION (B)(2)(II) OF THIS SECTION:

29 (I) MAY NOT BE DISCLOSED BY THE COMMISSION BEFORE THE
30 LARGE LOAD CUSTOMER IS OPERATIONAL; AND

1 (II) MAY BE DISCLOSED BY THE COMMISSION IN ACCORDANCE
2 WITH PARAGRAPH (2) OF THIS SUBSECTION:

3 1. WHEN THE LARGE LOAD CUSTOMER BECOMES
4 OPERATIONAL; OR

5 2. NOTWITHSTANDING ITEM (I) OF THIS PARAGRAPH:

6 A. IF THE INFORMATION HAS BEEN MADE PUBLIC BY ANY
7 PERSON; OR

8 B. IF THE INFORMATION IS AGGREGATED AND
9 ANONYMIZED AS DESCRIBED IN SUBSECTION (J)(2) OF THIS SECTION.

10 (2) THE COMMISSION SHALL ESTABLISH A PROCEDURE FOR THE
11 DISCLOSURE OF CONFIDENTIAL COMMERCIAL AND FINANCIAL INFORMATION
12 UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION TO A UNIT OF STATE GOVERNMENT,
13 PJM, OR ANOTHER PERSON IF CONSIDERED APPROPRIATE BY THE COMMISSION
14 AND ONLY FOR THE PURPOSE OF ACCURATE LOAD FORECASTING, TRANSMISSION
15 PLANNING, OR OTHER REASONS THE COMMISSION CONSIDERS NECESSARY.

16 (3) A PERSON AUTHORIZED TO ACCESS CONFIDENTIAL INFORMATION
17 UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL KEEP THE INFORMATION
18 ACCESSED CONFIDENTIAL.

19 (I) BEGINNING JANUARY 1, 2027, AN ELECTRIC COMPANY MAY NOT SUBMIT
20 A LARGE LOAD ADJUSTMENT REQUEST TO PJM UNLESS THE LARGE LOAD
21 CUSTOMER HAS COMPLETED THE REGISTRATION PROCESS UNDER THIS SECTION.

22 (J) (1) ON OR BEFORE JANUARY 1, 2028, AND EACH JANUARY 1
23 THEREAFTER, THE COMMISSION SHALL REPORT TO THE SENATE COMMITTEE ON
24 EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ENVIRONMENT
25 AND TRANSPORTATION COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE
26 GOVERNMENT ARTICLE, ON THE LARGE LOAD CUSTOMER REGISTRY REQUIRED
27 UNDER THIS SECTION.

28 (2) THE REPORT:

29 (I) SHALL INCLUDE INFORMATION DISCLOSED IN SUBSECTION
30 (B)(2)(II) OF THIS SECTION AGGREGATED BY EACH ELECTRIC COMPANY SERVICE
31 TERRITORY;

1 (II) MAY NOT DISCLOSE CONFIDENTIAL COMMERCIAL OR
2 FINANCIAL INFORMATION AS DESCRIBED IN SUBSECTION (B)(2)(II) OF THIS
3 SECTION, UNLESS THE INFORMATION:

4 1. CONSISTS OF ENERGY CHARACTERISTICS IDENTIFIED
5 IN SUBSECTION (B)(2)(II)7A, C, AND D OF THIS SECTION, PROVIDED THAT THE
6 INFORMATION HAS BEEN ANONYMIZED AND PROJECTS ARE ONLY IDENTIFIED BY
7 ELECTRIC COMPANY SERVICE TERRITORY;

8 2. IS:

9 A. USED BY AN ELECTRIC COMPANY FOR THE
10 IDENTIFICATION OF DUPLICATIVE INTERCONNECTION REQUESTS BOTH IN AND OUT
11 OF STATE; AND

12 B. ANONYMIZED AND PROJECTS ARE ONLY IDENTIFIED
13 BY ELECTRIC COMPANY SERVICE TERRITORY; OR

14 3. HAS BEEN PREVIOUSLY DISCLOSED TO THE PUBLIC;
15 AND

16 (III) SHALL INCLUDE ANY OTHER INFORMATION REGARDING
17 LARGE LOAD CUSTOMERS AS A WHOLE IN AN ELECTRIC COMPANY'S SERVICE
18 TERRITORY THAT THE COMMISSION CONSIDERS APPROPRIATE.

19 (3) IF THERE IS ONLY ONE LARGE LOAD CUSTOMER IDENTIFIED
20 WITHIN AN ELECTRIC COMPANY SERVICE TERRITORY THAT IS NOT THE SUBJECT OF
21 A DUPLICATIVE INTERCONNECTION REQUEST, THE COMMISSION MAY REPORT THAT
22 LARGE LOAD CUSTOMER'S INFORMATION IN AN AGGREGATED MANNER IN
23 CONJUNCTION WITH DATA FROM AN ADJACENT ELECTRIC COMPANY'S SERVICE
24 TERRITORY IN ORDER TO PRESERVE ANONYMITY.

25 (4) ALL INFORMATION PROVIDED IN THE REPORT SUBMITTED UNDER
26 THIS SUBSECTION MAY BE USED PUBLICLY BY THE COMMISSION.

27 7-234.

28 (A) (1) ON OR BEFORE DECEMBER 15, 2026, THE COMMISSION SHALL
29 DEVELOP A VOLUNTARY CLEAN CAPACITY RATING PROGRAM THAT ESTABLISHES
30 CLEAN CAPACITY RATINGS FOR LARGE LOAD CUSTOMERS THAT ELECT TO
31 PARTICIPATE IN THE PROGRAM, INCLUDING PLATINUM AND GOLD RATING
32 DESIGNATIONS.

1 **(2) THE RATING SYSTEM SHALL:**

2 **(I) ACCOUNT FOR A LARGE LOAD CUSTOMER'S VOLUNTARY**
3 **ADOPTION OF DEMAND RESPONSE AND INCREMENTAL RESOURCES; AND**

4 **(II) EVALUATE THE EXTENT TO WHICH THE LARGE LOAD**
5 **CUSTOMER PROVIDES ADEQUATE INCREMENTAL RESOURCES TO MEET A**
6 **PERCENTAGE OF ITS PEAK LOAD AS ASSIGNED BY PJM AND GROSSED UP BY THE**
7 **APPROPRIATE RESERVE MARGIN.**

8 **(B) (1) A LARGE LOAD CUSTOMER MAY BE ELIGIBLE FOR A GOLD OR**
9 **PLATINUM RATING UNDER THIS SECTION ONLY IF THE LARGE LOAD CUSTOMER:**

10 **(I) ENSURES THAT WORKERS CONSTRUCTING THE LARGE LOAD**
11 **CUSTOMER'S FACILITY ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE**
12 **DETERMINED BY THE COMMISSIONER OF LABOR AND INDUSTRY UNDER TITLE 17,**
13 **SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND**

14 **(II) ENTERS INTO A MEMORANDUM OF UNDERSTANDING WITH**
15 **THE COMMISSION THAT:**

16 **1. CONFIRMS THE LARGE LOAD CUSTOMER'S**
17 **COMMITMENT TO PROVIDE AND MAINTAIN THE CAPACITY REFERENCED IN**
18 **SUBSECTIONS (C) AND (D) OF THIS SECTION FOR THE LIFE OF THE FACILITY; AND**

19 **2. PROVIDES THAT THE LARGE LOAD CUSTOMER**
20 **CONSENTS TO THE COMMISSION'S JURISDICTION FOR ENFORCEMENT OF PENALTY**
21 **PROVISIONS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

22 **(2) (I) THE COMMISSION SHALL ESTABLISH PENALTIES FOR A**
23 **LARGE LOAD CUSTOMER THAT VIOLATES A MEMORANDUM OF UNDERSTANDING**
24 **ENTERED INTO UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION.**

25 **(II) THE PENALTIES SHALL ACCOUNT FOR BOTH THE BENEFITS**
26 **RECEIVED BY THE LARGE LOAD CUSTOMER AND THE HARM DONE TO THE STATE AND**
27 **RATEPAYERS BY THE VIOLATION.**

28 **(III) CONSENT UNDER PARAGRAPH (1)(II)2 OF THIS SUBSECTION**
29 **TO THE ENFORCEMENT OF PENALTIES ESTABLISHED IN THIS PARAGRAPH SHALL**
30 **CONTINUE UNTIL THE COMMISSION PROVIDES WRITTEN NOTICE TO THE LARGE**
31 **LOAD CUSTOMER THAT RELIEVES THE CUSTOMER FROM THE OBLIGATION.**

1 **(C) A LARGE LOAD CUSTOMER MAY RECEIVE A GOLD RATING ONLY IF THE**
2 **CUSTOMER DEMONSTRATES THAT IT HAS ADEQUATE INCREMENTAL RESOURCES**
3 **SUFFICIENT TO COVER THE CUSTOMER'S CAPACITY FOR AT LEAST 80% OF THE**
4 **CUSTOMER'S PEAK LOAD AS ASSIGNED BY PJM AND GROSSED UP BY THE**
5 **APPROPRIATE RESERVE MARGIN THROUGH A COMBINATION OF INCREMENTAL**
6 **RESOURCES.**

7 **(D) A LARGE LOAD CUSTOMER MAY RECEIVE A PLATINUM RATING ONLY IF**
8 **THE CUSTOMER DEMONSTRATES THAT IT HAS ADEQUATE INCREMENTAL**
9 **RESOURCES SUFFICIENT TO COVER THE CUSTOMER'S CAPACITY FOR 100% OF THE**
10 **CUSTOMER'S PEAK LOAD AS ASSIGNED BY PJM AND GROSSED UP BY THE**
11 **APPROPRIATE RESERVE MARGIN THROUGH A COMBINATION OF INCREMENTAL**
12 **RESOURCES.**

13 **(E) BENEFITS OF RECEIVING A GOLD OR PLATINUM RATING INCLUDE:**

14 **(1) FOR A LARGE LOAD CUSTOMER THAT HAS RECEIVED A GOLD**
15 **RATING, PRIORITIZATION FOR LOAD STUDIES AND INTERCONNECTION OVER LARGE**
16 **LOAD CUSTOMERS THAT DO NOT HAVE A GOLD OR PLATINUM RATING; AND**

17 **(2) FOR A LARGE LOAD CUSTOMER THAT HAS RECEIVED A PLATINUM**
18 **RATING:**

19 **(I) PRIORITIZATION FOR LOAD STUDIES AND**
20 **INTERCONNECTION OVER OTHER LARGE LOAD CUSTOMERS THAT DO NOT HAVE A**
21 **PLATINUM RATING;**

22 **(II) A GUARANTEE THAT PERMIT APPLICATIONS SUBMITTED TO**
23 **THE DEPARTMENT OF THE ENVIRONMENT SHALL BE PROCESSED WITHIN 12**
24 **MONTHS AFTER SUBMISSION, PENDING COMPLIANCE WITH APPLICABLE STATE AND**
25 **FEDERAL LAWS, INCLUDING EXISTING ENVIRONMENTAL JUSTICE REQUIREMENTS;**
26 **AND**

27 **(III) THE OPPORTUNITY TO PROCURE AND PROVIDE, BEFORE**
28 **PERMITS ARE ISSUED, EQUIPMENT FOR ANY SUBSTATION NEEDED TO**
29 **INTERCONNECT THE LARGE LOAD CUSTOMER TO THE ELECTRIC SYSTEM.**

30 **(F) A LARGE LOAD CUSTOMER THAT DOES NOT HAVE A GOLD OR PLATINUM**
31 **RATING IS NOT ENTITLED TO THE BENEFITS LISTED IN SUBSECTION (E) OF THIS**
32 **SECTION.**

1 **(G) (1) IF A LARGE LOAD CUSTOMER WITH A PLATINUM RATING ELECTS**
2 **TO PROCURE AND PROVIDE EQUIPMENT FOR A SUBSTATION IN ACCORDANCE WITH**
3 **SUBSECTION (E)(2)(III) OF THIS SECTION, THE LARGE LOAD CUSTOMER:**

4 **(I) SHALL PROVIDE ALL THE NECESSARY EQUIPMENT FOR**
5 **CONSTRUCTING THE SUBSTATION INFRASTRUCTURE;**

6 **(II) MAY PROCURE THE EQUIPMENT BEFORE THE ELECTRIC**
7 **COMPANY IN WHOSE SERVICE TERRITORY THE LARGE LOAD CUSTOMER IS OR WILL**
8 **BE LOCATED HAS ISSUED FINAL PERMITTING APPROVALS; AND**

9 **(III) MAY ENTER INTO AN AGREEMENT WITH THE ELECTRIC**
10 **COMPANY THAT DETAILS WHAT EQUIPMENT THE ELECTRIC COMPANY MAY**
11 **PURCHASE FOR THE CONSTRUCTION OF THE SUBSTATION, BUT THE ENTIRETY OF**
12 **THE EQUIPMENT SHALL BE FUNDED OR PROVIDED BY THE LARGE LOAD CUSTOMER.**

13 **(2) ANY EQUIPMENT PROCURED BY THE LARGE LOAD CUSTOMER FOR**
14 **THE CONSTRUCTION OF A SUBSTATION UNDER THIS SUBSECTION SHALL MEET THE**
15 **NECESSARY INTERCONNECTION REQUIREMENTS OF THE ELECTRIC COMPANY IN**
16 **WHOSE SERVICE TERRITORY THE SUBSTATION WILL BE LOCATED.**

17 **(3) COSTS INCURRED AS A RESULT OF CONSTRUCTING A SUBSTATION**
18 **UNDER THIS SUBSECTION MAY NOT BE PASSED ON TO OTHER CUSTOMERS, EITHER**
19 **THROUGH AN ELECTRIC COMPANY'S RATES OR OTHERWISE, AND SHALL BE FULLY**
20 **BORNE BY THE LARGE LOAD CUSTOMER.**

21 **(4) EACH ELECTRIC COMPANY SHALL DEVELOP PROCESSES AND**
22 **TARIFFS FOR REVIEW AND APPROVAL BY THE COMMISSION TO ALLOW FOR THE**
23 **LARGE LOAD CUSTOMER TO PROCURE AND PROVIDE EQUIPMENT UNDER THIS**
24 **SUBSECTION.**

25 **(5) NOTHING IN THIS SUBSECTION SHALL RELIEVE A LARGE LOAD**
26 **CUSTOMER THAT DOES NOT HAVE A VOLUNTARY CLEAN CAPACITY RATING FROM**
27 **ANY REQUIREMENT TO PAY THE COST OF CONSTRUCTING A SUBSTATION**
28 **COMPLETED THROUGH THE STANDARD PERMITTING AND INTERCONNECTION**
29 **PROCESSES.**

30 **(H) (1) SUBJECT TO COMMISSION APPROVAL, EACH ELECTRIC COMPANY**
31 **SHALL ESTABLISH AN INTERCONNECTION PROCESS FOR LARGE LOAD CUSTOMERS**
32 **THAT PARTICIPATE IN THE VOLUNTARY CLEAN CAPACITY RATING PROGRAM.**

33 **(2) THE INTERCONNECTION PROCESS ESTABLISHED UNDER THIS**
34 **SECTION MAY NOT UNDULY IMPACT THE TIME FRAME OR ABILITY OF CUSTOMERS**

1 THAT ARE NOT LARGE LOAD CUSTOMERS TO INTERCONNECT WITH THE ELECTRIC
2 SYSTEM.

3 **(3) THE INTERCONNECTION PROCESS SHALL INCLUDE:**

4 **(I) A STANDARD TIMELINE FOR LARGE LOAD CUSTOMERS THAT**
5 **PARTICIPATE IN THE VOLUNTARY CLEAN CAPACITY RATING PROGRAM BUT DO NOT**
6 **HAVE A GOLD OR PLATINUM RATING; AND**

7 **(II) A PRIORITIZATION PROCESS FOR LARGE LOAD CUSTOMERS**
8 **WITH A GOLD OR PLATINUM RATING.**

9 **(I) (1) BEFORE ENTERING INTO A CONTRACT FOR ELECTRIC SERVICE, A**
10 **LARGE LOAD CUSTOMER THAT PARTICIPATES IN THE VOLUNTARY CLEAN CAPACITY**
11 **RATING PROGRAM SHALL:**

12 **(I) SUBMIT A REQUEST FOR A LOAD STUDY UNDER § 4-212 OF**
13 **THIS ARTICLE TO DETERMINE THE NECESSARY CONTRACT CAPACITY FOR THE**
14 **LARGE LOAD CUSTOMER; AND**

15 **(II) PAY:**

16 **1. A FEE IN AN AMOUNT TO BE SET BY THE COMMISSION**
17 **BUT NOT LESS THAN \$1,000 PER MEGAWATT OF THE LOAD TO BE SERVED; AND**

18 **2. ANY OTHER APPLICABLE FEES ASSOCIATED WITH THE**
19 **STUDY.**

20 **(2) THE FEES REQUIRED UNDER PARAGRAPH (1)(II) OF THIS**
21 **SUBSECTION SHALL BE USED ONLY AS FOLLOWS:**

22 **(I) 50% OF THE FEES COLLECTED SHALL BE USED FOR THE**
23 **ELECTRIC UNIVERSAL SERVICE PROGRAM ESTABLISHED UNDER § 5-5A-08 OF THE**
24 **HUMAN SERVICES ARTICLE; AND**

25 **(II) 50% OF THE FEES COLLECTED SHALL BE USED FOR THE**
26 **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S EMPOWER**
27 **MARYLAND LIMITED INCOME ENERGY EFFICIENCY PROGRAM.**

28 7-306.

29 (a) (1) In this section the following words have the meanings indicated.

1 (4) “Eligible customer-generator” means a customer that owns and
2 operates, leases and operates, or contracts with a third party that owns and operates a
3 biomass, micro combined heat and power, solar, fuel cell, wind, or closed conduit hydro
4 electric generating facility that:

5 (i) is located on the customer’s premises or contiguous property;

6 (ii) is interconnected and operated in parallel with an electric
7 company’s transmission and distribution facilities; and

8 (iii) is intended primarily to offset all or part of the customer’s own
9 electricity requirements.

10 (7) “Net energy metering” means measurement of the difference between
11 the electricity that is supplied by an electric company and the electricity that is generated
12 by an eligible customer-generator and fed back to the electric grid over the eligible
13 customer-generator’s billing period.

14 (d) **(1)** The Commission shall require electric utilities to develop a standard
15 contract or tariff for net energy metering and make it available to eligible
16 customer-generators THAT APPLY FOR NET ENERGY METERING on a first-come,
17 first-served basis until THE EARLIER OF:

18 **(I)** THE DATE ON WHICH the rated generating capacity owned and
19 operated by eligible customer-generators in the State reaches 3,000 megawatts; OR

20 **(II)** JULY 1, 2027.

21 **(2)** NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION
22 AND EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, IF THE 3,000
23 MEGAWATT LIMIT IN PARAGRAPH (1)(I) OF THIS SUBSECTION HAS NOT BEEN MET, A
24 COMMUNITY SOLAR ENERGY GENERATING SYSTEM UNDER § 7-306.2 OF THIS
25 SUBTITLE THAT IS PLACED IN SERVICE AFTER JULY 1, 2027, SHALL BE ELIGIBLE
26 FOR NET ENERGY METERING UNDER THIS SECTION IF:

27 **(I)** THE SYSTEM:

28 **1.** EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS
29 SUBSECTION, ON OR BEFORE JANUARY 1, 2028, RECEIVED A QUEUE POSITION
30 UNDER § 7-306.2 OF THIS SUBTITLE AND PAID AN INITIAL INTERCONNECTION
31 DEPOSIT; AND

32 **2.** EXCEPT AS PROVIDED IN PARAGRAPHS (5) AND (6) OF
33 THIS SUBSECTION, IS PLACED IN SERVICE BY THE OPERATIONAL DEADLINES
34 ESTABLISHED BY THE COMMISSION UNDER COMAR 20.62.03.04C; AND

1 (II) AT THE TIME THE SYSTEM MET THE REQUIREMENTS OF
2 ITEM (I)(1) OF THIS PARAGRAPH, THE ELECTRIC COMPANY IN WHOSE SERVICE
3 TERRITORY THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS LOCATED
4 HAD NOT MET THE NET ENERGY METERING CAPACITY LIMIT UNDER PARAGRAPH (3)
5 OF THIS SUBSECTION.

6 (3) AN ELECTRIC COMPANY MAY NOT OFFER NET ENERGY METERING
7 UNDER THIS SECTION TO A COMMUNITY SOLAR ENERGY GENERATING SYSTEM IF:

8 (I) THE ELECTRIC COMPANY HAD A 2025 ANNUAL PEAK
9 DEMAND OF 2,500 MEGAWATTS OR LESS; AND

10 (II) THE TOTAL COMBINED RATED GENERATING CAPACITY OF
11 COMMUNITY SOLAR ENERGY GENERATING SYSTEMS HOLDING QUEUE POSITIONS IN
12 A COMMUNITY SOLAR ENERGY GENERATING SYSTEM PROGRAM IN THE ELECTRIC
13 COMPANY'S SERVICE TERRITORY UNDER § 7-306.2 OF THIS SUBTITLE BUT NOT YET
14 OPERATING EXCEEDS 150% OF THE TOTAL COMBINED RATED GENERATING
15 CAPACITY OF COMMUNITY SOLAR ENERGY GENERATING SYSTEMS HOLDING QUEUE
16 POSITIONS IN THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM PROGRAM BUT
17 NOT YET OPERATING AS OF APRIL 1, 2026.

18 (4) THE COMMISSION MAY GRANT AN EXTENSION TO THE DATE
19 SPECIFIED IN PARAGRAPH (2)(I)1 OF THIS SUBSECTION IF, DUE TO A FAILURE OF AN
20 ELECTRIC COMPANY TO COMPLY WITH A COMMISSION ORDER, REGULATION,
21 STATUTE, OR TARIFF, A COMMUNITY SOLAR ENERGY GENERATING SYSTEM WAS
22 UNABLE TO RECEIVE A QUEUE POSITION UNDER § 7-306.2 OF THIS SUBTITLE OR PAY
23 AN INITIAL INTERCONNECTION DEPOSIT.

24 (5) THE COMMISSION MAY GRANT AN EXTENSION TO AN
25 OPERATIONAL DEADLINE UNDER COMAR 20.62.03.04C IF:

26 (I) OPERATION OF A COMMUNITY SOLAR ENERGY GENERATING
27 SYSTEM IS DELAYED DUE TO INTERCONNECTION OR PERMITTING CHALLENGES OR
28 DELAYS; AND

29 (II) THE DEVELOPER PROVIDES DOCUMENTATION OF THE
30 CHALLENGE OR DELAY.

31 (6) IF THE SUCCESSOR PROGRAM REQUIRED UNDER § 7-306.4 OF
32 THIS SUBTITLE DOES NOT BEGIN BY JULY 1, 2027, INCLUDING ELECTRIC
33 COMPANIES HAVING FULLY UPDATED TARIFFS AND BILLING SYSTEMS TO
34 FACILITATE THE SUCCESSOR PROGRAM:

1 (I) A COMMUNITY SOLAR ENERGY GENERATING SYSTEM THAT HAS
2 NOT BEEN PLACED IN SERVICE BY JULY 1, 2027, BUT MEETS THE REQUIREMENTS OF
3 PARAGRAPH (2)(I)1 AND (II) OF THIS SUBSECTION SHALL RECEIVE AN EXTENSION
4 TO THE OPERATIONAL DEADLINES ESTABLISHED BY THE COMMISSION UNDER
5 COMAR 20.62.03.04C THAT IS EQUAL TO THE NUMBER OF DAYS PAST JULY 1, 2027,
6 THAT THE SUCCESSOR PROGRAM BEGAN; AND

7 (II) AN ELIGIBLE CUSTOMER-GENERATOR WITH A SOLAR
8 ENERGY GENERATING SYSTEM OF NOT MORE THAN 2 MEGAWATTS OF ALTERNATING
9 CURRENT THAT HAS APPLIED FOR NET ENERGY METERING ON OR AFTER JULY 1,
10 2027, SHALL REMAIN ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION.

11 (7) AN ELIGIBLE CUSTOMER-GENERATOR OR COMMUNITY SOLAR
12 ENERGY GENERATING SYSTEM THAT, ON JULY 1, 2027, IS UNDER A NET ENERGY
13 METERING CONTRACT OR TARIFF UNDER THIS SECTION OR MEETS THE
14 REQUIREMENTS OF SUBPARAGRAPH (2)(I)1 AND (II) OF THIS SUBSECTION SHALL
15 REMAIN ELIGIBLE FOR NET ENERGY METERING UNDER THIS SECTION UNTIL THE
16 SYSTEM IS DECOMMISSIONED IN ACCORDANCE WITH THE CRITERIA ESTABLISHED
17 BY THE COMMISSION UNDER § 7-218(G) OF THIS TITLE.

18 (j) On or before November 1 of each year, the Commission shall report to the
19 General Assembly, in accordance with § 2-1257 of the State Government Article, on the
20 status of the net ENERGY metering program under this section AND § 7-306.4 OF THIS
21 SUBTITLE, including:

22 (1) the amount of capacity of electric generating facilities owned and
23 operated by eligible customer-generators in the State by type of energy resource;

24 (2) based on the need to encourage a diversification of the State's energy
25 resource mix to ensure reliability, whether the rated generating capacity limit in subsection
26 (d) of this section should be altered; [and]

27 (3) THE STATUS OF THE IMPLEMENTATION AND EFFICACY OF THE
28 SUCCESSOR PROGRAM DEVELOPED AND IMPLEMENTED UNDER § 7-306.4 OF THIS
29 SUBTITLE; AND

30 (4) other pertinent information.

31 7-306.2.

32 (a) (1) In this section the following words have the meanings indicated.

33 (4) "Community solar energy generating system" means a solar energy
34 system that:

1 (i) is connected to the electric distribution system serving the State;

2 (ii) is located in the same electric service territory as its subscribers;

3 (iii) is attached to the electric meter of a subscriber or is a separate
4 facility with its own electric meter;

5 (iv) credits its generated electricity, or the value of its generated
6 electricity, to the bills of the subscribers to that system through virtual net energy
7 metering;

8 (v) has at least two subscribers but no limit to the maximum number
9 of subscribers;

10 (vi) does not have subscriptions larger than 200 kilowatts
11 constituting more than 60% of its kilowatt-hour output;

12 (vii) has a generating capacity that does not exceed 5 megawatts as
13 measured by the alternating current rating of the system's inverter;

14 (viii) may be owned by any person; and

15 (ix) with respect to community solar energy generating systems
16 constructed under the Program, [serves at least 40% of its kilowatt-hour output to LMI
17 subscribers] unless the solar energy system is wholly owned by the subscribers to the solar
18 energy system, EITHER:

19 1. SERVES AT LEAST 40% OF ITS KILOWATT-HOUR
20 OUTPUT TO LMI SUBSCRIBERS THROUGH A SUBSCRIBER ORGANIZATION OR
21 SUBSCRIPTION COORDINATOR; OR

22 2. CONTRIBUTES TO THE MARYLAND STRATEGIC
23 ENERGY INVESTMENT FUND, IN ACCORDANCE WITH SUBSECTION (O) OF THIS
24 SECTION, THE MONETARY EQUIVALENT OF THE BILL CREDIT VALUE ALLOCATED TO
25 RESIDENTIAL SUBSCRIBERS FOR 10% OF THE OUTPUT OF THE COMMUNITY SOLAR
26 ENERGY GENERATING SYSTEM.

27 (7) "LMI subscriber" means a subscriber that:

28 (i) is low-income;

29 (ii) is moderate-income; or

30 (iii) resides in a census tract that is:

1 1. an overburdened community; and

2 2. an underserved community.

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

5 (ii) The structure of the Program is as provided in this subsection.

6 (13) (i) Except as provided in subparagraph (ii) of this paragraph, a
7 community solar energy generating system may not be located on the same [or an adjacent]
8 parcel of land as an existing or proposed community solar energy generating system if the
9 total installed capacity of all community solar energy generating systems on the [same or
10 adjacent] parcel would exceed 5 megawatts.

11 (ii) The prohibition under subparagraph (i) of this paragraph does
12 not apply to projects constructed:

13 1. on the rooftops of buildings;

14 2. in areas that are zoned for industrial use;

15 3. on brownfields locations and clean fill sites;

16 4. over parking lots or roadways;

17 5. on multilevel parking structures;

18 6. on or over transportation or public rights-of-way;

19 7. at airports;

20 8. on land that:

21 A. was previously zoned for industrial use or is ecologically
22 compromised; and

23 B. is not targeted for mitigation or restoration; or

24 9. in any location if the combined capacity of all community
25 solar energy generating systems on the same [or adjacent] parcel does not exceed 10
26 megawatts and:

27 A. at least 75% of the aggregate capacity of the co-located
28 community solar energy generating systems serves LMI subscribers;

1 B. for a site without a community solar energy generating
 2 system installed before the start of the Program under paragraph (20) of this subsection,
 3 all of the community solar energy generating systems installed after the start of the
 4 Program are used for agrivoltaics; or

5 C. for a site with a community solar energy generating
 6 system installed before the start of the Program under paragraph (20) of this subsection,
 7 each new community solar energy generating system installed after the start of the
 8 Program is used for agrivoltaics.

9 **(O) (1) ON OR BEFORE FEBRUARY 1 EACH YEAR, A COMMUNITY SOLAR**
 10 **ENERGY GENERATING SYSTEM THAT COMPLIES WITH SUBSECTION (A)(4)(IX)2 OF**
 11 **THIS SECTION SHALL:**

12 **(I) CALCULATE THE MONETARY RETAIL VALUE EQUIVALENT OF**
 13 **10% OF THE OUTPUT FOR THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM**
 14 **FOR THE PREVIOUS YEAR;**

15 **(II) PAY THE CALCULATED AMOUNT INTO THE ENERGY**
 16 **ASSISTANCE ACCOUNT OF THE MARYLAND STRATEGIC ENERGY INVESTMENT**
 17 **FUND; AND**

18 **(III) NOTIFY THE COMMISSION THAT THE PAYMENT HAS BEEN**
 19 **MADE.**

20 **(2) THE AMOUNT PAID INTO THE MARYLAND STRATEGIC ENERGY**
 21 **INVESTMENT FUND UNDER THIS SUBSECTION SHALL BE USED ONLY FOR DIRECT**
 22 **ENERGY ASSISTANCE PROGRAMS IN ACCORDANCE WITH § 9-20B-05 OF THE STATE**
 23 **GOVERNMENT ARTICLE.**

24 **7-306.4.**

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

27 **(2) “ELIGIBLE CUSTOMER-GENERATOR” HAS THE MEANING STATED**
 28 **IN § 7-306 OF THIS SUBTITLE.**

29 **(3) “NET ENERGY METERING” HAS THE MEANING STATED IN § 7-306**
 30 **OF THIS SUBTITLE.**

31 **(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO TRANSITION TO A NET**
 32 **ENERGY METERING PROGRAM THAT:**

1 **(1) INCREASES BENEFITS TO RATEPAYERS BY LOWERING ELECTRIC**
2 **SYSTEM COSTS THROUGH THE USE OF FLEXIBLE CUSTOMER-SITED RENEWABLE**
3 **ENERGY RESOURCES;**

4 **(2) PROVIDES FAIR COMPENSATION TO ELIGIBLE**
5 **CUSTOMER-GENERATORS;**

6 **(3) IS DESIGNED TO MAKE PROGRESS TOWARD MEETING THE STATE'S**
7 **DEMAND-SIDE, ENERGY STORAGE, AND CLEAN ENERGY GOALS; AND**

8 **(4) PROVIDES INCENTIVES FOR THE DEVELOPMENT OF DISTRIBUTED**
9 **GENERATION THAT ARE LESS THAN THE INCENTIVES PROVIDED BY THE NET ENERGY**
10 **METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE.**

11 **(C) ON OR BEFORE FEBRUARY 1, 2027, THE COMMISSION, BY ORDER OR**
12 **REGULATION, SHALL DEVELOP AND IMPLEMENT, AS A SUCCESSOR PROGRAM TO THE**
13 **NET ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE, A NET**
14 **ENERGY METERING PROGRAM TO BEGIN JULY 1, 2027, THAT:**

15 **(1) PROVIDES INCENTIVES FOR THE DEVELOPMENT OF DISTRIBUTED**
16 **GENERATION TO ELIGIBLE CUSTOMER-GENERATORS UNDER §§ 7-306 AND 7-306.3**
17 **OF THIS SUBTITLE AND COMMUNITY SOLAR ENERGY GENERATING SYSTEMS UNDER**
18 **§ 7-306.2 OF THIS SUBTITLE;**

19 **(2) MINIMIZES RATEPAYER COSTS IN THE SHORT TERM AND IN THE**
20 **LONG TERM;**

21 **(3) BALANCES, ON A STATEWIDE BASIS AND ACROSS TECHNOLOGIES**
22 **AND INDUSTRY SECTORS PARTICIPATING IN NET ENERGY METERING, AND WHILE**
23 **RECOGNIZING DIFFERENCES IN SYSTEM BENEFITS BETWEEN PROJECT TYPES WHEN**
24 **DESIGNING TARIFFS IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION:**

25 **(I) 1. FAIR COMPENSATION FOR ENERGY EXPORTS; AND**

26 **2. THE BENEFITS OF AN ELIGIBLE**
27 **CUSTOMER-GENERATOR'S OR FACILITY'S REDUCED LOAD ON THE ELECTRIC**
28 **TRANSMISSION AND DISTRIBUTION SYSTEM, INCLUDING BENEFITS THAT MAY VARY**
29 **BASED ON PROJECT LOCATION, SITING, TIME TO OPERATION, OR USE OF EXISTING**
30 **STRUCTURES OR DEVELOPED PROPERTY; AGAINST**

31 **(II) 1. THE NEEDS OF THE ELECTRIC TRANSMISSION AND**
32 **ELECTRIC DISTRIBUTION SYSTEM;**

1 **2. RATEPAYER COSTS AND BENEFITS; AND**

2 **3. POTENTIAL IMPACTS ON CUSTOMERS, INCLUDING**
3 **LOW- AND MODERATE-INCOME CUSTOMERS, WHO DO NOT PARTICIPATE IN THE NET**
4 **ENERGY METERING PROGRAM RESULTING FROM ELIGIBLE**
5 **CUSTOMER-GENERATORS' REDUCED CONTRIBUTIONS TO THE DISTRIBUTION**
6 **SYSTEM; AND**

7 **(4) MAY ESTABLISH DIFFERENT TARIFFS FOR THE FOLLOWING**
8 **MARKET SEGMENTS THAT TAKE INTO ACCOUNT THE CHARACTERISTICS OF EACH**
9 **MARKET SEGMENT:**

10 **(I) RESIDENTIAL ELIGIBLE-CUSTOMER GENERATORS;**

11 **(II) NONRESIDENTIAL ELIGIBLE-CUSTOMER GENERATORS;**

12 **(III) COMMUNITY SOLAR ENERGY GENERATING SYSTEMS UNDER**
13 **§ 7-306.2 OF THIS SUBTITLE; SUBTITLE THAT ARE SITED ON COMMERCIAL OR**
14 **INDUSTRIAL ROOFTOPS;**

15 **(IV) OTHER COMMUNITY SOLAR ENERGY GENERATING SYSTEMS**
16 **UNDER § 7-306.2 OF THIS SUBTITLE;**

17 ~~**(IV)**~~ **(V) AGGREGATED NET ENERGY METERED FACILITIES**
18 **UNDER § 7-306.3 OF THIS SUBTITLE; AND**

19 ~~**(V)**~~ **(VI) ANY ADDITIONAL MARKET SEGMENT OR SUBSET OF A**
20 **MARKET SEGMENT IDENTIFIED BY THE COMMISSION.**

21 **(D) ON OR BEFORE JANUARY 1, 2027, THE COMMISSION SHALL PROVIDE**
22 **NOTICE TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE**
23 **STATE GOVERNMENT ARTICLE, ON THE STATUS OF THE DEVELOPMENT OF THE**
24 **PROGRAM REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.**

25 **(E) THE COMMISSION SHALL PRIORITIZE THE REVIEW AND APPROVAL OF**
26 **APPLICATIONS FROM A PROSPECTIVE ELIGIBLE CUSTOMER-GENERATOR FOR**
27 **PARTICIPATION IN THE PROGRAM IMPLEMENTED UNDER SUBSECTION (C) OF THIS**
28 **SECTION IF, AT THE TIME THE PROGRAM WAS IMPLEMENTED, THE PROSPECTIVE**
29 **ELIGIBLE CUSTOMER-GENERATOR WAS IN THE QUEUE FOR THE NET ENERGY**
30 **METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE.**

31 **(F) THE PROGRAM IMPLEMENTED BY THE COMMISSION UNDER**
32 **SUBSECTION (C) OF THIS SECTION SHALL BE AVAILABLE UNTIL THE COMBINED**

1 TOTAL RATED GENERATING CAPACITY OWNED AND OPERATED UNDER THE NET
2 ENERGY METERING PROGRAM UNDER § 7-306 OF THIS SUBTITLE AND THE NET
3 ENERGY METERING PROGRAM IMPLEMENTED UNDER THIS SECTION REACHES 6,000
4 MEGAWATTS.

5 7-321.

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

8 (1) DESIGNED TO BE CONNECTED TO A BUILDING’S ELECTRICAL
9 SYSTEM THROUGH A STANDARD ELECTRICAL OUTLET;

10 (2) PRIMARILY INTENDED TO OFFSET PART OF THE BUILDING’S
11 ELECTRICITY CONSUMPTION;

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

14 (4) CERTIFIED BY UNDERWRITERS LABORATORY OR AN EQUIVALENT
15 NATIONALLY RECOGNIZED TESTING LABORATORY.

16 (B) A PERSON MAY PURCHASE AND INSTALL A PORTABLE SOLAR ENERGY
17 GENERATING SYSTEM FOR RESIDENTIAL USE ONLY.

18 (C) A PORTABLE SOLAR ENERGY GENERATING SYSTEM:

19 (1) IS NOT SUBJECT TO THE REQUIREMENTS OF §§ 7-306 AND 7-306.1
20 OF THIS SUBTITLE;

21 (2) IS NOT ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE
22 ENERGY PORTFOLIO STANDARD; AND

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

24 (D) AN ELECTRIC COMPANY:

25 (1) MAY NOT REQUIRE A CUSTOMER USING A PORTABLE SOLAR
26 ENERGY GENERATING SYSTEM TO:

27 (i) OBTAIN THE ELECTRIC COMPANY’S APPROVAL BEFORE
28 INSTALLING OR USING THE PORTABLE SOLAR ENERGY GENERATING SYSTEM;

1 **(II) PAY ANY FEE OR CHARGE RELATED TO THE PORTABLE**
2 **SOLAR ENERGY GENERATING SYSTEM'S ABILITY TO FEED ELECTRICITY BACK INTO**
3 **THE ELECTRIC SYSTEM; OR**

4 **(III) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,**
5 **INSTALL ANY ADDITIONAL CONTROLS OR EQUIPMENT BEYOND WHAT IS**
6 **INTEGRATED INTO THE PORTABLE SOLAR ENERGY GENERATING SYSTEM; AND**

7 **(2) IS NOT LIABLE FOR ANY DAMAGE CAUSED BY A PORTABLE SOLAR**
8 **ENERGY GENERATING SYSTEM.**

9 **(E) A CUSTOMER USING A PORTABLE SOLAR ENERGY GENERATING SYSTEM**
10 **SHALL:**

11 **(1) NOTIFY THE ELECTRIC COMPANY PROVIDING SERVICE IN THE**
12 **SERVICE TERRITORY IN WHICH THE GENERATING SYSTEM WILL BE INSTALLED**
13 **BEFORE INSTALLATION;**

14 **(2) PROVIDE TO THE ELECTRIC COMPANY PROVIDING SERVICE IN**
15 **THE SERVICE TERRITORY IN WHICH THE GENERATING SYSTEM WILL BE OR IS**
16 **INSTALLED A CERTIFICATION OF THE SAFETY FEATURES AND MAXIMUM**
17 **GENERATING CAPACITY OF THE GENERATING SYSTEM; AND**

18 **(3) IF THE GENERATING SYSTEM REQUIRES AN AUTOMATIC LOCKING**
19 **DISCONNECT SWITCH TO BE INSTALLED, PAY FOR THE SWITCH INSTALLATION.**

20 **7-322.**

21 **THE COMMISSION MAY NOT ADOPT OR ENFORCE ANY REGULATION OR ORDER**
22 **THAT PROHIBITS A PUBLIC SERVICE COMPANY FROM OFFERING A DISCOUNT OR**
23 **PAYMENT PLAN FOR THE CONNECTION OR EXTENSION OF A NATURAL GAS LINE TO A**
24 **CUSTOMER'S PROPERTY.**

25 **7-505.**

26 **(b) (1) The Commission shall issue the orders or adopt the regulations**
27 **required under this subsection before the implementation of customer choice.**

28 **(2) The Commission shall order a universal service program, to be made**
29 **available on a statewide basis, to benefit low-income customers, in accordance with [§**
30 **7-512.1 of this subtitle] § 5-5A-08 OF THE HUMAN SERVICES ARTICLE.**

31 **(d) (2) (ii) The cap required under paragraph (1) of this subsection applies**
32 **to the recovery of:**

1 (3) the potential for investor–owned electric companies to reduce expenses
 2 relating to electric distribution system infrastructure by leveraging customers’ on–site
 3 generating systems.

4 (c) The Commission shall consider establishing a limit on the amount of
 5 incentives or rebates issued in a manner that achieves deployment goals while mitigating
 6 potential customer impacts.

7 (d) The Commission shall consult with the] THE Maryland Energy
 8 Administration, when approving [or requiring] an incentive or rebate under this section,
 9 [to] SHALL ensure that the incentive or rebate is designed to supplement, to the greatest
 10 extent possible, other available State and federal incentives for customer adoption of
 11 renewable on–site generating systems.

12 7–1007.

13 (a) An investor–owned electric company may recover all reasonable costs incurred
 14 in[:

15 (1) participating in and administering a program under § 7–1005 of this
 16 subtitle[; and

17 (2) offering an upfront incentive or rebate under § 7–1006 of this subtitle].

18 (b) To the extent feasible, the costs [listed] in subsection (a) of this section shall
 19 be recovered by the investor–owned electric company within the calendar year in which
 20 those costs were incurred.

21 (c) Notwithstanding any provision of this subtitle, an investor–owned electric
 22 company may pursue and use a performance incentive mechanism to cover the cost of using
 23 distributed energy resources or an aggregator of distributed resources under this subtitle.

24 7–1008.

25 **THE COMMISSION SHALL DEVELOP GUIDELINES AND LIMITATIONS FOR:**

26 **(1) CHARGING AND DISCHARGING BEHIND–THE–METER ENERGY**
 27 **STORAGE FACILITIES; AND**

28 **(2) WHEN ELECTRIC COMPANIES MAY PROHIBIT**
 29 **BEHIND–THE–METER ENERGY STORAGE FACILITIES FROM BEING STUDIED BY AN**
 30 **ELECTRIC COMPANY AS AN ADDITIONAL LOAD UNDER A LOAD STUDY CONDUCTED**
 31 **UNDER § 4–212 OF THIS ARTICLE.**

1 7-1201.

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

3 (g) “Large capacity energy resource” means a generating station or energy storage
4 device that[:

5 (1) on or before January 1, 2025:

6 (i) has applied to PJM for interconnection approval; or

7 (ii) has been approved by PJM for interconnection; and

8 (2) has a capacity rating equal to or greater than 20 megawatts after
9 accounting for the effective load carrying capability.

10 7-1216.

11 (a) The Commission may not approve an application for a nuclear energy
12 generation project submitted under § 7-1212 of this subtitle unless:

13 (1) the project is connected to the electric system serving the State;

14 (2) over the duration of the proposed long-term pricing schedule, the
15 projected net rate impact for an average residential customer, based on annual
16 consumption of 12,000 kilowatt-hours and combined with the projected net rate impact of
17 other nuclear energy generation projects, does not exceed an amount determined by the
18 Commission;

19 (3) over the duration of the proposed long-term pricing schedule, the
20 projected net rate impact for all nonresidential customers, considered as a blended average
21 and combined with the projected net rate impact of other nuclear energy generation
22 projects, does not exceed a percentage determined by the Commission of nonresidential
23 customers’ total annual electric bills; and

24 (4) the price specified in the proposed long-term pricing schedule does not
25 exceed an amount determined by the Commission.

26 (b) When calculating the projected net average rate impacts for nuclear energy
27 generation projects under this section, the Commission shall [apply the same] **CONSIDER**
28 **THE** net long-term cost per megawatt-hour **APPLIED** to residential and nonresidential
29 customers.

30 7-1220.

31 (a) In this section, “zero-emission credit” means [the difference between the price
32 that a nuclear energy generating station with a long-term pricing schedule approved in an

1 order issued under § 7–1217 of this subtitle may receive on the wholesale market and the
2 cost of constructing the nuclear energy generating station] A CREDIT EQUAL TO THE
3 ENVIRONMENTAL IMPACT OF 1 MEGAWATT-HOUR OF ELECTRICITY THAT IS
4 DERIVED FROM A NUCLEAR ENERGY GENERATING STATION APPROVED BY THE
5 COMMISSION UNDER § 7–1217 OF THIS SUBTITLE.

6 (b) The Commission shall adopt regulations that:

7 (1) establish the nuclear energy long-term pricing purchase obligation
8 sufficiently in advance to allow an electric company to reflect nuclear energy long-term
9 pricing costs as a nonbypassable surcharge that is added to the electric company's base
10 distribution rate on customer bills;

11 (2) define rules that facilitate and ensure the secure and transparent
12 transfer of revenues and long-term pricing payments among parties;

13 (3) define the terms and procedures of the nuclear energy long-term
14 pricing schedule obligations, including:

15 (i) establishing a formula and process to adjust the value of the
16 long-term pricing schedule every 2 years based on projected wholesale market prices
17 adjusted by the locational value and earning potential in the PJM region of the nuclear
18 energy generating station; and

19 (ii) establishing a per megawatt hour cap on any long-term pricing
20 schedule specified in an order issued under § 7–1217 of this subtitle;

21 (4) require the Commission to establish an escrow account; and

22 (5) to meet the total statewide long-term pricing purchase obligation for
23 all applications approved in an order issued under § 7–1217 of this subtitle, require the
24 Commission to annually establish each electric company's zero-emission credit purchase
25 obligation based on the most recent final electricity sales data as reported by PJM
26 Interconnection and measured at the customer's meter in proportion to the electric
27 company's share of statewide load.

28 (c) (1) Each electric company shall procure from the escrow account
29 established by regulation under this section a quantity of zero-emission credits equal to
30 the electric company's respective percentage of retail electric sales each year.

31 (2) Subject to any escrow account reserve requirement the Commission
32 establishes, if there are insufficient zero-emission credits available to satisfy the electric
33 companies' zero-emission credit purchase obligations, the overpayment shall be distributed
34 to electric companies to be refunded or credited to each distribution customer based on the
35 customer's consumption of electricity supply that is subject to the renewable energy
36 portfolio standard.

1 (d) A debt, an obligation, or a liability of a nuclear energy generation project or of
2 an owner or operator of a nuclear energy generation project may not be considered a debt,
3 an obligation, or a liability of the State.

4 **(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
5 **COMMISSION MAY APPROVE AN INCREASE OF THE TOTAL COST OF A NUCLEAR**
6 **ENERGY GENERATION PROJECT UNDER A LONG-TERM PRICING PURCHASE**
7 **OBLIGATION.**

8 **(2) THE TOTAL COST OF A NUCLEAR ENERGY GENERATION PROJECT**
9 **UNDER A LONG-TERM PRICING PURCHASE OBLIGATION MAY NOT BE INCREASED BY**
10 **MORE THAN 15% OF THE ORIGINAL COST.**

11 7-1225.

12 (a) The Commission shall include specifications in a procurement solicitation
13 issued under § 7-1224 of this subtitle that require each proposal to:

14 (1) include a proposed pricing schedule for the transmission energy storage
15 project that:

16 (i) is for at least 15 years; and

17 (ii) represents the anticipated monthly wholesale value of capacity
18 per megawatt and other benefits identified in a cost-benefit analysis, but not including any
19 anticipated wholesale energy and ancillary services revenue;

20 (2) include a cost-benefit analysis of the project and proposed pricing
21 schedule comparison on a dollar-per-megawatt-hour basis, including an analysis of:

22 (i) the locational value and time to deployment of the energy storage
23 devices;

24 (ii) the value of long-duration storage, including its capacity
25 accreditation value for resource adequacy as measured in PJM Interconnection's effective
26 load carrying capability class ratings;

27 (iii) avoided or delayed transmission, generation, and distribution
28 costs;

29 (iv) avoided emissions in the short term and projected avoided
30 emissions in the long term, measured using the social cost of carbon, as determined by the
31 U.S. Environmental Protection Agency as of January 1, 2025;

32 (v) the value of the rapid deployment of energy storage devices;

1 (vi) the value of reliability during periods of electric system stress,
2 including the ability to deliver capacity during periods of extreme weather, fuel scarcity,
3 and large unplanned resource outages; and

4 (vii) any other avoided costs;

5 (3) ensure that the owner or operator of the project has the capability to
6 export electricity for sale on the wholesale market and bid into the PJM capacity market
7 under an agreement with PJM Interconnection;

8 (4) ensure that the energy storage devices can deliver their effective
9 nameplate capacity;

10 (5) incorporate a community benefit agreement;

11 (6) attest in writing that all contractors and subcontractors working on the
12 project have been in compliance with federal and State wage and hour laws for the
13 immediately preceding 3 years or the duration of the contractor's or subcontractor's
14 business operation, whichever is longer; and

15 (7) ensure a competitive bidding process, including by redacting
16 proprietary information provided to the Commission.

17 (b) An energy storage device shall be considered capable of delivering its effective
18 nameplate capacity under this section if:

19 (1) the energy storage device will have the capacity interconnection rights
20 with PJM Interconnection equal to its effective nameplate capacity; or

21 (2) (i) the energy storage device will have surplus interconnection
22 service with PJM Interconnection; and

23 (ii) the ability of the energy storage device to deliver its effective
24 nameplate capacity will be limited only by the generation of another nonenergy storage
25 generation resource with which the energy storage device shares a point of interconnection
26 to the electric transmission system.

27 (c) **[Front-of-the-meter] PROJECTS THAT INCLUDE ANY OF THE FOLLOWING**
28 **DEVICES MAY BE INCLUDED IN A PROPOSAL IN RESPONSE TO A PROCUREMENT**
29 **SOLICITATION UNDER § 7-1224 OF THIS SUBTITLE:**

30 (1) **FRONT-OF-THE-METER** transmission energy storage devices paired
31 **with Tier 1 or Tier 2 renewable sources, as defined under § 7-701 of this title[, may be**
32 **included in a proposal in response to a procurement solicitation under § 7-1224 of this**
33 **subtitle]; AND**

1 (2) FRONT-OF-THE-METER TRANSMISSION ENERGY STORAGE
2 DEVICES INTERCONNECTED TO A FACILITY WITHIN THE STATE THAT IS USED TO
3 TRANSMIT ELECTRICITY TO ANOTHER STATE.

4 7-1302.

5 (a) There is a Strategic Energy Planning Office.

6 (b) (1) The head of the Office is the Director.

7 (2) (i) The Director shall be appointed by the Governor with the advice
8 and consent of the Senate.

9 (ii) 1. The term of the Director is 5 years and begins on July 1.

10 2. THE FIRST TERM OF THE DIRECTOR SHALL BEGIN ON
11 JULY 1, 2026.

12 (iii) At the end of a term, the Director continues to serve until a
13 successor is appointed and qualifies.

14 (iv) A Director who is appointed after a term has begun serves for the
15 rest of the term and until a successor is appointed and qualifies.

16 (v) A Director may serve more than one term.

17 (3) The Governor may remove the Director for incompetence or misconduct
18 in accordance with § 3-307 of the State Government Article.

19 (4) The Director is entitled to a salary as provided in the State budget.

20 7-1304.

21 (c) (1) On or before November 1 each year, the Senate Committee on
22 Education, Energy, and the Environment and the House [Economic Matters]
23 ENVIRONMENT AND TRANSPORTATION Committee may jointly request the Office to
24 assess up to five policy scenarios.

25 (2) Not later than 1 year after the date the Office receives a request under
26 paragraph (1) of this subsection, the Office shall submit a report of the results of the
27 requested policy scenarios to the Senate Committee on Education, Energy, and the
28 Environment and the House [Economic Matters] ENVIRONMENT AND
29 TRANSPORTATION Committee in accordance with § 2-1257 of the State Government
30 Article.

1 14-134.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) “DATA CENTER” MEANS A BUILDING OR GROUP OF BUILDINGS:

5 (I) USED TO HOUSE COMPUTER SYSTEMS, COMPUTER
6 STORAGE EQUIPMENT, AND ASSOCIATED INFRASTRUCTURE THAT BUSINESSES OR
7 OTHER ORGANIZATIONS USE TO ORGANIZE, PROCESS, STORE, AND DISSEMINATE
8 LARGE AMOUNTS OF DATA;

9 (II) THAT HAS OR IS PROJECTED TO HAVE AN AGGREGATE
10 DEMAND OF AT LEAST 5 MEGAWATTS; AND

11 (III) THAT HAS OR IS PROJECTED TO HAVE A LOAD FACTOR OF
12 MORE THAN 80%.

13 (3) “DEVELOPMENT DISTRICT” MEANS AN AREA OR AREAS WITHIN
14 THE CITY OF BALTIMORE DESIGNATED BY AN ORDINANCE OF THE MAYOR AND CITY
15 COUNCIL OF BALTIMORE.

16 (4) “TAX INCREMENT” MEANS FOR ANY TAX YEAR THE AMOUNT BY
17 WHICH THE ASSESSABLE BASE AS OF JANUARY 1 PRECEDING THAT TAX YEAR
18 EXCEEDS THE ORIGINAL TAXABLE VALUE, DIVIDED BY THE ASSESSMENT RATIO
19 USED TO DETERMINE THE ORIGINAL TAXABLE VALUE.

20 (B) THIS SECTION APPLIES ONLY IN BALTIMORE CITY.

21 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
22 PERSON MAY NOT CONSTRUCT A DATA CENTER IN A DEVELOPMENT DISTRICT THAT
23 IS SUBJECT TO TAX INCREMENT REPAYMENT ON OUTSTANDING BONDS.

24 (2) THE PROHIBITION IN PARAGRAPH (1) OF THIS SUBSECTION DOES
25 NOT APPLY TO THE CONSTRUCTION OF A DATA CENTER IN THE CITY-WIDE
26 AFFORDABLE HOUSING DEVELOPMENT DISTRICT ESTABLISHED UNDER
27 BALTIMORE CITY ORDINANCE NO. 24-443, ENACTED DECEMBER 4, 2024.

28 Article – State Finance and Procurement

29 4-101.

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

1 (b) “Department” means the Department of General Services.

2 4-323.

3 **THE DEPARTMENT MAY ISSUE A REQUEST FOR PROPOSALS FOR A LONG-TERM**
4 **LEASE FOR NEW OR EXPANDED GENERATING STATIONS OR ENERGY STORAGE**
5 **DEVICES ON ANY STATE-OWNED SITE IDENTIFIED IN THE STUDY UNDER SECTION**
6 **15 OF CHAPTER (S.B. 841) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2026**
7 **IF, ACCORDING TO THE STUDY, THE SITE IS NOT SUBJECT TO SIGNIFICANT**
8 **PERMITTING BOTTLENECKS OR BARRIERS.**

9 6-226.

10 (a) (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

11 (ii) Notwithstanding any other provision of law, and unless
12 inconsistent with a federal law, grant agreement, or other federal requirement or with the
13 terms of a gift or settlement agreement, net interest on all State money allocated by the
14 State Treasurer under this section to special funds or accounts, and otherwise entitled to
15 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
16 Fund of the State.

17 (iii) The provisions of subparagraph (ii) of this paragraph do not
18 apply to the following funds:

19 212. the Department of Social and Economic Mobility Special
20 Fund; [and]

21 213. the Population Health Improvement Fund; AND

22 214. THE GREEN AND RENEWABLE ENERGY EFFICIENCY
23 FOR NONPROFITS LOAN FUND.

24 13-217.

25 (a) In this section, “multi-year contract” means a procurement contract that
26 requires appropriations for more than 1 fiscal year.

27 (b) (1) A unit may enter into a multi-year contract subject to:

28 (i) standards established by the Board; and

29 (ii) regulations adopted by the primary procurement unit that is
30 responsible for the type of procurement involved.

1 (2) A multi-year contract shall be subject to review and approval by that
2 primary procurement unit.

3 (c) A multi-year contract may not be approved unless each unit reviewing the
4 multi-year contract determines that:

5 (1) the estimated requirements of the State:

6 (i) cover the period of the multi-year contract;

7 (ii) are reasonably firm; and

8 (iii) are continuing; and

9 (2) the multi-year contract will serve the best interests of the State by
10 encouraging effective competition or otherwise promoting economy in State procurement.

11 (d) (1) If money sufficient for the continued performance of a multi-year
12 contract is not appropriated for any fiscal year, the multi-year contract terminates
13 automatically on the earlier of:

14 (i) the last day of the fiscal year for which money last was
15 appropriated; or

16 (ii) the date provided in the termination clause of the procurement
17 contract.

18 (2) If the multi-year contract is terminated under this subsection, the unit
19 shall reimburse the contractor for the reasonable value of any nonrecurring costs that were:

20 (i) incurred as a result of the multi-year contract; but

21 (ii) not amortized in the price of the supplies or services delivered
22 under the multi-year contract.

23 (3) The cost of termination under this subsection may be paid from any
24 appropriation available for that purpose.

25 (e) Except as provided in subsection (f) of this section, each multi-year contract,
26 including a lease of real property, shall include an automatic termination clause that:

27 (1) is not inconsistent with the requirements of subsection (d) of this
28 section; and

29 (2) discharges both parties to the multi-year contract from future
30 performance of that contract, but not from their existing obligations.

1 (f) (1) On the recommendation of the Secretary of General Services, FOR A
2 MULTI-YEAR CONTRACT TO PROCURE ENERGY GENERATED FROM A TIER 1
3 RENEWABLE SOURCE OR A TIER 2 RENEWABLE SOURCE, AS DEFINED IN § 7-701 OF
4 THE PUBLIC UTILITIES ARTICLE, the Board may waive the requirement to include:

5 (I) an automatic termination clause under subsection (e) of this
6 section [for a multi-year contract to procure energy generated from a Tier 1 renewable
7 source or a Tier 2 renewable source, as defined in § 7-701 of the Public Utilities Article];
8 OR

9 (II) A TERMINATION FOR CONVENIENCE CLAUSE REQUIRED
10 UNDER § 13-218(A)(2) OF THIS SUBTITLE.

11 (2) In determining whether [or not] to grant a waiver under paragraph (1)
12 of this subsection, the Board shall consider the effect of imposing THE FOLLOWING
13 CLAUSE REQUIREMENTS ON THE ABILITY OF THE ENERGY SUPPLIER TO OBTAIN
14 FINANCING FOR THE RENEWABLE ENERGY GENERATION PROJECT THAT PRODUCES
15 THE ENERGY THAT THE STATE IS CONTRACTING TO PROCURE:

16 (I) the termination clause requirement under subsection (e) of this
17 section [on the ability of the energy supplier to obtain financing for the renewable energy
18 generation project that produces the energy that the State is contracting to procure]; AND

19 (II) THE TERMINATION FOR CONVENIENCE CLAUSE REQUIRED
20 UNDER § 13-218(A)(2) OF THIS SUBTITLE.

21 13-218.

22 (a) Each procurement contract shall include clauses covering:

23 (2) termination wholly or partly by the State for its convenience if the head
24 of the primary procurement unit determines that termination is appropriate;

25 (F) IN ACCORDANCE WITH § 13-217(F) OF THIS SUBTITLE, THE BOARD MAY
26 WAIVE THE INCLUSION OF A TERMINATION FOR CONVENIENCE CLAUSE REQUIRED
27 UNDER SUBSECTION (A)(2) OF THIS SECTION.

28 Article – State Government

29 9-2012.

30 (b) There is an Energy Storage System Grant Program in the Administration.

31 (c) The purpose of the Program is to provide grants to individuals and business
32 entities for a portion of the costs of purchasing and installing energy storage systems.

1 **(J) THE ADMINISTRATION MAY REQUIRE THAT APPLICANTS PARTICIPATE**
 2 **IN THE PROGRAMS OR TARIFFS ESTABLISHED UNDER § 7-1005 OF THE PUBLIC**
 3 **UTILITIES ARTICLE.**

4 **[(j)] (K) The Administration may adopt regulations to carry out this section.**
 5 **9-20B-01.**

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

7 (b) “Administration” means the Maryland Energy Administration.

8 **9-20B-05.**

9 **(A) IN THIS SECTION, “DISTRICT ENERGY” MEANS THERMAL ENERGY**
 10 **GENERATED AT ONE OR MORE CENTRAL FACILITIES THAT PRODUCE HOT WATER,**
 11 **STEAM, OR CHILLED WATER THAT THEN FLOWS THROUGH A NETWORK OF**
 12 **INSULATED UNDERGROUND PIPES TO PROVIDE HOT WATER, SPACE HEATING, AIR**
 13 **CONDITIONING, OR CHILLED WATER TO NEARBY BUILDINGS.**

14 **[(a)] (A-1) There is a Maryland Strategic Energy Investment Fund.**

15 (b) The purpose of the Fund is to implement the Strategic Energy Investment
 16 Program.

17 (c) The Administration shall administer the Fund.

18 (e) The Fund consists of:

19 (1) all of the proceeds from the sale of allowances under § 2-1002(g) of the
 20 Environment Article;

21 (2) money appropriated in the State budget to the Program;

22 (3) repayments and prepayments of principal and interest on loans made
 23 from the Fund;

24 (4) compliance fees paid under § 7-705 of the Public Utilities Article;

25 (5) money received from any public or private source for the benefit of the
 26 Fund;

27 (6) money transferred from the Public Service Commission under §
 28 7-207.2(d)(3) of the Public Utilities Article; [and]

1 (7) money distributed under § 2-614.1 of the Tax – General Article; AND

2 (8) MONEY RECEIVED FROM COMMUNITY SOLAR ENERGY
3 GENERATING SYSTEMS UNDER § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE.

4 (f) The Administration shall use the Fund:

5 (1) to invest in the promotion, development, and implementation of:

6 (i) cost-effective energy efficiency and conservation programs,
7 projects, or activities, including measurement and verification of energy savings;

8 (ii) renewable and clean energy resources;

9 (iii) climate change programs directly related to reducing or
10 mitigating the effects of climate change; and

11 (iv) demand response programs that are designed to promote
12 changes in electric usage by customers in response to:

13 1. changes in the price of electricity over time; or

14 2. incentives designed to induce lower electricity use at times
15 of high wholesale market prices or when system reliability is jeopardized;

16 (2) to provide targeted programs, projects, activities, and investments to
17 reduce electricity consumption by customers in the low-income and moderate-income
18 residential sectors;

19 (3) to provide supplemental funds for low-income energy assistance
20 through [the Electric Universal Service Program established under § 7-512.1 of the Public
21 Utilities Article and other] electric AND FUEL assistance programs in the Department of
22 Human Services;

23 (4) to provide rate relief by offsetting electricity rates of:

24 (I) residential customers, including an offset of surcharges imposed
25 on ratepayers under Title 7, Subtitle 2, Part II of the Public Utilities Article; AND

26 (II) RESIDENTS OF APARTMENT HOUSES, AS DEFINED IN § 7-303
27 OF THE PUBLIC UTILITIES ARTICLE, FOR WHICH ELECTRICITY SERVICE IS
28 PROVIDED THROUGH:

29 1. SUBMETERING AUTHORIZED UNDER § 7-303 OF THE
30 PUBLIC UTILITIES ARTICLE; OR

1 **(III) TRANSPORTATION ELECTRIFICATION;**

2 **(16) TO PROVIDE LOANS AND GRANTS FOR PROGRAMS, PROJECTS, AND**
3 **TECHNOLOGIES THAT ASSIST COVERED BUILDINGS, AS DEFINED IN § 2-1601 OF THE**
4 **ENVIRONMENT ARTICLE, IN MEETING THE BUILDING ENERGY PERFORMANCE**
5 **STANDARDS ESTABLISHED UNDER § 2-1602 OF THE ENVIRONMENT ARTICLE;**

6 **(17) TO DISTRIBUTE MONEY RECEIVED FROM COMMUNITY SOLAR**
7 **ENERGY GENERATING SYSTEMS UNDER § 7-306.2 OF THE PUBLIC UTILITIES**
8 **ARTICLE FOR:**

9 **(I) ENHANCING ENERGY ASSISTANCE PROGRAMS**
10 **ADMINISTERED BY THE OFFICE OF HOME ENERGY PROGRAMS IN THE**
11 **DEPARTMENT OF HUMAN SERVICES; OR**

12 **(II) OTHER DIRECT ENERGY ASSISTANCE PROGRAMS**
13 **DESIGNATED FOR LOW-INCOME HOUSEHOLDS;**

14 **(18) TO PROVIDE GRANTS FOR RENEWABLE ENERGY GENERATION AND**
15 **ENERGY STORAGE PROJECTS UNDER § 9-20E-02 OF THIS TITLE;**

16 **(19) IN FISCAL YEAR 2027, TO PROVIDE GRANTS TO ELECTRIC**
17 **COMPANIES, INCLUDING ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC**
18 **UTILITIES, TO PAY DOWN THE COSTS INCURRED BY THE ELECTRIC COMPANIES FOR**
19 **IMPLEMENTING AND ADMINISTERING PROGRAMS AND SERVICES UNDER TITLE 7,**
20 **SUBTITLE 2, PART II OF THE PUBLIC UTILITIES ARTICLE;**

21 **(20) IN FISCAL YEAR 2027, TO OFFSET RESIDENTIAL ELECTRIC**
22 **CUSTOMER COSTS ASSOCIATED WITH THE LIMITED-INCOME RATE MECHANISM**
23 **REQUIRED UNDER § 4-309 OF THE PUBLIC UTILITIES ARTICLE;**

24 **(21) IN FISCAL YEAR 2027, TO PROVIDE FUNDING FOR A**
25 **COMPREHENSIVE STUDY OF PUBLIC SCHOOL HVAC SYSTEMS IN BALTIMORE CITY;**

26 **(22) IN FISCAL YEAR 2027, TO PROVIDE FUNDING FOR UPGRADES TO**
27 **PUBLIC SCHOOL HVAC SYSTEMS IN BALTIMORE CITY;**

28 **(23) IN FISCAL YEAR 2027, TO PROVIDE ADDITIONAL FUNDING FOR**
29 **THE ADMINISTRATION'S RESIDENTIAL AND COMMERCIAL ENERGY STORAGE**
30 **GRANT PROGRAM;**

1 (24) IN FISCAL YEAR 2027, TO PROVIDE ADDITIONAL FUNDING FOR
 2 THE REVIEW OF RENEWABLE AND CLEAN ENERGY PROJECTS THROUGH THE
 3 DEPARTMENT OF NATURAL RESOURCES' POWER PLANT RESEARCH PROGRAM;

4 (25) IN FISCAL YEAR 2027, TO PROVIDE ADDITIONAL FUNDING FOR
 5 HEAT PUMP INSTALLATIONS AND REPLACEMENTS FOR LOW- AND
 6 MODERATE-INCOME HOUSEHOLDS THROUGH THE ADMINISTRATION'S
 7 RESIDENTIAL ENERGY EQUITY PROGRAM; AND

8 [(14)] (26) to pay the expenses of the Program.

9 (g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g)
 10 of the Environment Article shall be allocated as follows:

11 (1) at least 50% shall be credited to an energy assistance account to be used
 12 for [the Electric Universal Service Program and other] electricity AND FUEL assistance
 13 programs in the Department of Human Services;

14 (g-1) [Proceeds] EXCEPT AS PROVIDED IN SUBSECTION (I-2) OF THIS SECTION,
 15 PROCEEDS received by the Fund from compliance fees under § 7-705(b)(2)(i)2 of the Public
 16 Utilities Article shall be allocated as follows:

17 (1) beginning in fiscal year 2025, at least 20% of the proceeds shall be used
 18 to provide grants to support the installation of new solar energy generating systems under
 19 the Customer-Sited Solar Program;

20 (2) up to 10% of the proceeds shall be credited to an administrative expense
 21 account for costs related to the administration of the Fund;

22 (3) proceeds collected but unused from a previous year shall be used before
 23 proceeds allocated for the current year; and

24 (4) the Administration shall reallocate to other authorized uses any
 25 proceeds that are not used within 3 fiscal years after collection.

26 (i) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection AND
 27 SUBSECTION (I-2) OF THIS SECTION, compliance fees paid under § 7-705(b) of the Public
 28 Utilities Article may be used only to make loans and grants to support the creation of new
 29 Tier 1 renewable energy sources in the State that are owned by or directly benefit:

30 (i) low- to moderate-income communities located in a census tract
 31 with an average median income at or below 80% of the average median income for the State;
 32 or

33 (ii) overburdened or underserved communities, as defined in § 1-701
 34 of the Environment Article.

1 (2) [Compliance] EXCEPT AS PROVIDED IN SUBSECTION (I-2) OF THIS
2 SECTION, COMPLIANCE fees paid under § 7-705(b)(2)(i)2 of the Public Utilities Article
3 shall be accounted for separately within the Fund and may be used only to make loans and
4 grants to support the creation of new solar energy sources in the State that are owned by
5 or directly benefit:

6 (i) low- to moderate-income communities located in a census tract
7 with an average median income at or below 80% of the average median income for the State;

8 (ii) overburdened or underserved communities, as defined in § 1-701
9 of the Environment Article; or

10 (iii) households with low to moderate income, as defined in § 9-2016
11 of this title.

12 (3) For fiscal year 2026 only, up to \$100,000,000 of compliance fees paid
13 under §§ 7-705(b) and 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for
14 separately within the Fund and may be used for solar development on State government
15 property and local government clean energy projects.

16 (4) (i) Subject to subparagraphs (ii), (iii), and (iv) of this paragraph,
17 compliance fees paid under § 7-705 of the Public Utilities Article may be used to provide
18 grants to electric companies to be refunded or credited to each residential distribution
19 customer based on the customer's consumption of electricity supply that is subject to the
20 renewable energy portfolio standard.

21 (ii) The refunding or crediting of amounts to residential distribution
22 customers shall be identified on the customer's bill as a line item identified as a "legislative
23 energy relief refund".

24 (iii) An electric company awarded a grant under this paragraph:

25 1. may not retain any of the grant funds to cover overhead
26 expenses; and

27 2. shall provide all of the grant funds to residential
28 distribution customers.

29 (iv) The process under subparagraphs (i) and (ii) of this paragraph
30 related to the refunding or crediting of amounts to residential distribution customers shall
31 be directed and overseen by the Commission.

32 (i-1) (1) (i) In this subsection the following words have the meanings
33 indicated.

1 (ii) “Area median income” has the meaning stated in § 4–1801 of the
 2 Housing and Community Development Article.

3 (iii) “Low and moderate income” means having an annual household
 4 income that is at or below 120% of the area median income.

5 (2) [Compliance] EXCEPT AS PROVIDED IN SUBSECTION (I–2) OF THIS
 6 SECTION, COMPLIANCE fees paid under § 7–705(b–1) of the Public Utilities Article shall
 7 be accounted for separately within the Fund and may be used only to make loans and grants
 8 to promote increased opportunities for the growth and development of small, minority,
 9 women–owned, and veteran–owned businesses in the State that install geothermal systems
 10 in the State.

11 (I–2) FOR FISCAL YEARS 2027 AND 2028, AT LEAST \$100,000,000 OF
 12 COMPLIANCE FEES PAID UNDER § 7–705 OF THE PUBLIC UTILITIES ARTICLE AND
 13 DEPOSITED INTO THE FUND IN EACH FISCAL YEAR MAY BE USED TO PROVIDE
 14 GRANTS FOR RENEWABLE ENERGY GENERATION AND ENERGY STORAGE PROJECTS
 15 UNDER § 9–20E–02 OF THIS TITLE, INCLUDING ANY ASSOCIATED ADMINISTRATIVE
 16 EXPENSES.

17 SUBTITLE 20E. ALTERNATIVE COMPLIANCE FEE AUCTIONS.

18 9–20E–01.

19 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
 20 INDICATED.

21 (B) “ADMINISTRATION” MEANS THE MARYLAND ENERGY
 22 ADMINISTRATION.

23 (C) “ALTERNATIVE COMPLIANCE FEE” MEANS A FEE PAID IN ACCORDANCE
 24 WITH § 7–705 OF THE PUBLIC UTILITIES ARTICLE TO THE MARYLAND STRATEGIC
 25 ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9–20B–05 OF THIS TITLE.

26 (D) “AUCTION” MEANS AN ALTERNATIVE COMPLIANCE FEE AUCTION.

27 (E) “CAPACITY TARGET” MEANS A CALCULATION OF THE AMOUNT OF
 28 RENEWABLE ENERGY GENERATION NEEDED IN A GIVEN YEAR TO SATISFY THE
 29 RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7–703 OF THE PUBLIC
 30 UTILITIES ARTICLE FOR A SPECIFIC YEAR, MINUS THE AMOUNT ALREADY
 31 PROCURED FROM OTHER SOURCES.

32 (F) “COMMISSION” MEANS THE PUBLIC SERVICE COMMISSION.

1 **(G) "RENEWABLE ENERGY" MEANS ENERGY GENERATED FROM:**

2 **(1) A TIER 1 RENEWABLE SOURCE, AS DEFINED UNDER § 7-701 OF**
3 **THE PUBLIC UTILITIES ARTICLE; OR**

4 **(2) AN ENERGY STORAGE DEVICE.**

5 **9-20E-02.**

6 **(A) FOR 2027 AND 2028, THE ADMINISTRATION SHALL CONDUCT, IN**
7 **CONSULTATION WITH THE COMMISSION, AN ANNUAL, COMPETITIVE, LOW-BID**
8 **ALTERNATIVE COMPLIANCE FEE AUCTION TO AWARD GRANTS TO ELIGIBLE BIDDERS**
9 **TO FUND PROJECTS FOR THE DEVELOPMENT OF RENEWABLE ENERGY GENERATION**
10 **AND ENERGY STORAGE IN THE STATE USING REVENUE FROM ALTERNATIVE**
11 **COMPLIANCE FEES.**

12 **(B) (1) THE ADMINISTRATION, IN CONSULTATION WITH THE**
13 **COMMISSION, SHALL DEVELOP AND CONDUCT THE AUCTIONS IN A MANNER THAT IS**
14 **COST-EFFECTIVE AND MAINTAINS AND PROMOTES THE DEVELOPMENT OF**
15 **RENEWABLE ENERGY AND ENERGY STORAGE IN THE STATE.**

16 **(2) THE COMPETITIVE AUCTION PROCESS MAY REQUIRE THE**
17 **ADMINISTRATION TO SOLICIT A SERIES OF BIDS FROM RENEWABLE ENERGY**
18 **PROJECT DEVELOPERS AND ENERGY STORAGE PROJECT DEVELOPERS FOR THE**
19 **DEVELOPMENT OF RENEWABLE ENERGY GENERATION PROJECTS AND ENERGY**
20 **STORAGE PROJECTS THAT ARE NEEDED TO MEET ELECTRICITY DEMAND IN A**
21 **COST-EFFECTIVE MANNER.**

22 **(C) (1) TO BE ELIGIBLE TO SUBMIT A BID UNDER THIS SECTION A PERSON**
23 **MUST:**

24 **(I) BE A RENEWABLE ENERGY GENERATION PROJECT**
25 **DEVELOPER OR AN ENERGY STORAGE PROJECT DEVELOPER; AND**

26 **(II) MEET THE MINIMUM CREDIT AND OTHER ELIGIBILITY**
27 **REQUIREMENTS SET UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

28 **(2) THE ADMINISTRATION, IN CONSULTATION WITH THE**
29 **COMMISSION, SHALL SET ELIGIBILITY REQUIREMENTS FOR BIDDERS, INCLUDING**
30 **REQUIRING EACH BIDDER TO:**

31 **(I) PROVIDE PROOF OF FINANCIAL INTEGRITY;**

1 (II) POST A SURETY BOND THAT RUNS TO THE
2 ADMINISTRATION, AS OBLIGEE, FOR THE BENEFIT OF THE STATE;

3 (III) AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES;

4 (IV) COMPLY WITH ANY OTHER REQUIREMENTS THE
5 ADMINISTRATION DETERMINES ARE IN THE PUBLIC INTEREST; AND

6 (V) DEMONSTRATE THE ABILITY TO FINANCE, EXECUTE, AND
7 COMMISSION PROJECTS.

8 (D) (1) ELIGIBLE BIDDERS SHALL SUBMIT COMPETITIVE BIDS BY
9 SPECIFYING:

10 (I) THE ACTUAL AMOUNT OF MEGAWATTS TO BE GENERATED
11 BY THE RENEWABLE ENERGY GENERATION PROJECT, IF APPLICABLE;

12 (II) THE ACTUAL AMOUNT OF MEGAWATTS TO BE STORED BY
13 THE ENERGY STORAGE PROJECT, IF APPLICABLE; AND

14 (III) A PRICE PER MEGAWATT THAT WOULD BE REQUIRED FROM
15 THE AUCTION.

16 (2) THE ADMINISTRATION SHALL RANK BIDS FROM LOWEST TO
17 HIGHEST COST PER MEGAWATT AND, SUBJECT TO PARAGRAPH (7) OF THIS
18 SUBSECTION, AWARD GRANTS WITH FUNDS DERIVED FROM ALTERNATIVE
19 COMPLIANCE FEES TO THE LOWEST BID OR BIDS.

20 (3) THE ADMINISTRATION SHALL AWARD GRANTS UNTIL THE
21 CAPACITY TARGET IS REACHED.

22 (4) THE BIDDER WHO SUBMITS THE LOWEST RESPONSIVE BID FOR
23 DEVELOPING A RENEWABLE ENERGY GENERATION PROJECT OR ENERGY STORAGE
24 PROJECT SHALL BE AWARDED THE AMOUNT OF FUNDS TO BUILD THE RENEWABLE
25 ENERGY GENERATION PROJECT OR ENERGY STORAGE PROJECT.

26 (5) THE ADMINISTRATION MAY REFUSE TO ACCEPT SOME OR ALL OF
27 THE BIDS MADE IN A COMPETITIVE AUCTION IN ACCORDANCE WITH STANDARDS
28 ADOPTED BY THE ADMINISTRATION.

29 (6) IF THE CAPACITY TARGET CAN BE MET AT A COST BELOW THE
30 ALLOCATED FUNDING, THE ADMINISTRATION MAY:

1 **(I) CARRY FORWARD ANY FUNDING TO THE NEXT AUCTION; OR**

2 **(II) APPLY THE FUNDS FOR ANY ADDITIONAL MEGAWATTS OF**
3 **RENEWABLE ENERGY GENERATION OR ENERGY STORAGE THAT HAVE BEEN**
4 **OFFERED UNDER THE AUCTION.**

5 **(7) IN AWARDING GRANTS UNDER PARAGRAPH (2) OF THIS**
6 **SUBSECTION, THE ADMINISTRATION SHALL PRIORITIZE BIDS THAT ARE FOR OR**
7 **INCLUDE ENERGY STORAGE DEVICES.**

8 **(E) (1) THE ADMINISTRATION SHALL SET DELIVERY DEADLINES FOR**
9 **EACH RENEWABLE ENERGY GENERATION PROJECT THAT IS AWARDED A GRANT**
10 **FROM AN AUCTION.**

11 **(2) THE DEADLINES SET IN PARAGRAPH (1) OF THIS SUBSECTION**
12 **SHALL INCLUDE MILESTONES THAT REQUIRE THE DEVELOPER TO MEET CERTAIN**
13 **DELIVERY GOALS DURING THE DEVELOPMENT OF A RENEWABLE ENERGY**
14 **GENERATION PROJECT.**

15 **(3) THE ADMINISTRATION MAY GRANT EXTENSIONS FOR DELIVERY**
16 **GOALS THAT ARE DELAYED DUE TO INTERCONNECTION OR PERMITTING**
17 **CHALLENGES OR DELAYS IF THE DEVELOPER PROVIDES DOCUMENTATION OF THE**
18 **CHALLENGE OR DELAY.**

19 **(4) THE ADMINISTRATION SHALL ESTABLISH A METHOD OF**
20 **COLLECTION AGAINST ANY DEVELOPER AWARDED A GRANT UNDER THIS SECTION,**
21 **INCLUDING AGAINST ANY SURETY BOND POSTED UNDER SUBSECTION (C)(2)(II) OF**
22 **THIS SECTION, TO RECAPTURE ANY FUNDS RECEIVED AS A RESULT OF:**

23 **(I) MISAPPROPRIATION, OVERPAYMENT, OR FRAUD;**

24 **(II) FAILURE TO MEET MILESTONES OR DELIVERY DATES; OR**

25 **(III) FAILURE TO MAINTAIN ELECTRIC GENERATION**
26 **OPERABILITY FOR 20 YEARS.**

27 **(F) WITHIN 90 DAYS AFTER ALL GRANTS FOR RENEWABLE ENERGY**
28 **GENERATION PROJECTS ARE EXECUTED, THE ADMINISTRATION SHALL PUBLICLY**
29 **DISCLOSE THE NAMES OF EACH SUCCESSFUL BIDDER AND THE MEGAWATTS TO BE**
30 **DELIVERED BY THE DEVELOPMENT OF THE RENEWABLE ENERGY GENERATION**
31 **PROJECT.**

1 (G) ALL PROCEEDS FROM ALTERNATIVE COMPLIANCE FEES ACCRUED IN
2 THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND SHALL BE AVAILABLE
3 EACH YEAR FOR EACH AUCTION.

4 (H) A PROJECT AWARDED A GRANT UNDER THIS SECTION THAT INCLUDES
5 AN ENERGY STORAGE DEVICE SHALL COUNT TOWARD THE PROCUREMENT
6 SOLICITATION CAPACITY TARGETS ESTABLISHED UNDER § 7-1224 OF THE PUBLIC
7 UTILITIES ARTICLE.

8 (I) ON OR BEFORE JULY 1, 2027, AND EACH JULY 1 THEREAFTER, THE
9 ADMINISTRATION AND THE COMMISSION SHALL REPORT TO THE GENERAL
10 ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, ON THE
11 ADMINISTRATION OF EACH AUCTION, INCLUDING:

12 (1) THE AMOUNT OF MEGAWATTS PROCURED THROUGH THE
13 AUCTION;

14 (2) THE COST PER MEGAWATT OF RENEWABLE ENERGY ALLOCATED
15 IN THE AUCTION;

16 (3) THE NUMBER OF RENEWABLE ENERGY CREDITS CREATED AS A
17 RESULT OF THE AUCTION; AND

18 (4) ANY OTHER INFORMATION THE ADMINISTRATION AND THE
19 COMMISSION CONSIDER RELEVANT.

20 Chapter 7 of the Acts of the 2025 Special Session

21 SECTION 2. AND BE IT FURTHER ENACTED, That:

22 (a) (1) The Public Service Commission shall study the effectiveness of an
23 independent distribution operator.

24 (2) On or before December 31, 2026, the Public Service Commission shall
25 submit to the General Assembly, in accordance with § 2-1257 of the State Government
26 Article, a report on the study required under paragraph (1) of this subsection.

27 (b) (1) The Department of Transportation shall study methods for reducing
28 transmission-constrained areas through the use of existing rights-of-way.

29 (2) On or before December 31, 2026, the Department of Transportation
30 shall submit to the General Assembly, in accordance with § 2-1257 of the State
31 Government Article, a report on the study required under paragraph (1) of this subsection.

1 (c) (1) (i) The Maryland Energy Administration shall obtain existing
2 power flow analyses for electric system reliability in the State that are related to currently
3 known electric generation facility retirements.

4 (ii) If the Maryland Energy Administration is unable to obtain the
5 existing power flow analyses under subparagraph (i) of this paragraph, then the
6 Administration, with the support of the Public Service Commission, shall develop a power
7 flow analysis for electric system reliability in the State that is related to currently known
8 electric generation facility retirements.

9 (iii) On or before January 1, [2026] 2027, the Maryland Energy
10 Administration shall submit to the Governor and, in accordance with § 2–1257 of the State
11 Government Article, the General Assembly a report on the power flow analyses required
12 under this paragraph.

13 (2) (i) On or before [December 31, 2025, and on or before] December 31,
14 2026, the Maryland Energy Administration shall provide to the General Assembly, in
15 accordance with § 2–1257 of the State Government Article, an update on the status of the
16 National Renewable Energy Laboratory’s analysis on resource adequacy conducted at the
17 request of the Administration.

18 (ii) On receipt of the National Renewable Energy Laboratory’s final
19 analysis on resource adequacy, the Maryland Energy Administration shall submit a final
20 report on the analysis to the General Assembly, in accordance with § 2–1257 of the State
21 Government Article.

22 **Chapter 19 of the Acts of the 2025 Special Session**

23 SECTION 2. AND BE IT FURTHER ENACTED, That:

24 (a) (1) The Public Service Commission shall study the effectiveness of an
25 independent distribution operator.

26 (2) On or before December 31, 2026, the Public Service Commission shall
27 submit to the General Assembly, in accordance with § 2–1257 of the State Government
28 Article, a report on the study required under paragraph (1) of this subsection.

29 (b) (1) The Department of Transportation shall study methods for reducing
30 transmission–constrained areas through the use of existing rights–of–way.

31 (2) On or before December 31, 2026, the Department of Transportation
32 shall submit to the General Assembly, in accordance with § 2–1257 of the State
33 Government Article, a report on the study required under paragraph (1) of this subsection.

34 (c) (1) (i) The Maryland Energy Administration shall obtain existing
35 power flow analyses for electric system reliability in the State that are related to currently
36 known electric generation facility retirements.

1 (f) A grant awarded under subsection (e) of this section shall be funded from [fees
2 collected under § 7-705(b)(2)(i)2 of the Public Utilities Article and allocated in accordance
3 with § 9-20B-05(g-1) of this title] THE MARYLAND STRATEGIC ENERGY INVESTMENT
4 FUND ESTABLISHED UNDER § 9-20B-05 OF THIS TITLE.

5 SECTION 6. AND BE IT FURTHER ENACTED, That:

6 (a) Notwithstanding any other provision of law, from the compliance fees paid
7 into the Maryland Strategic Energy Investment Fund in accordance with § 7-705 of the
8 Public Utilities Article:

9 (1) \$100,000,000 shall be used to provide grants for renewable energy
10 generation and energy storage projects through the auction process established under §
11 9-20E-02 of the State Government Article, as enacted by Section 4 of this Act;

12 (2) \$100,000,000 shall be used to provide grants to electric companies,
13 including electric cooperatives and municipal electric utilities, to pay down the costs
14 incurred by the electric companies for implementing and administering the programs and
15 services under Title 7, Subtitle 2, Part II of the Public Utilities Article;

16 (3) \$38,000,000 shall be used to offset residential electric customer costs
17 associated with the limited-income rate mechanism required under § 4-309 of the Public
18 Utilities Article, as enacted by Section 4 of this Act;

19 (4) \$150,000 shall be used to provide funding for a comprehensive study of
20 public school HVAC systems in Baltimore City;

21 (5) \$9,850,000 shall be used to provide funding for upgrades to public
22 school HVAC systems in Baltimore City; and

23 (6) \$2,000,000 shall be used to provide additional funding for the Maryland
24 Energy Administration's Residential and Commercial Energy Storage Grant Program.

25 (b) Notwithstanding any other provision of law, from the proceeds paid into the
26 Maryland Strategic Energy Investment Fund in accordance with 2-1002(g) of the
27 Environment Article, \$9,000,000 shall be used for upgrades to public school HVAC systems
28 in Baltimore City.

29 (c) Notwithstanding any other provision of law, from the funds in the Maryland
30 Strategic Energy Investment Fund:

31 (1) \$3,000,000 shall be used to provide additional funding for the
32 Department of Natural Resources' Power Plant Research Program to review renewable and
33 clean energy projects; and

1 (2) \$72,650,000 shall be transferred to the Dedicated Purpose Account
2 established under § 7–310 of the State Finance and Procurement Article to provide
3 additional funding for the Maryland Energy Administration’s Residential Energy Equity
4 Program for heat pump installations and replacements for low– and moderate–income
5 households.

6 (d) (1) Notwithstanding any other provision of law and subject to paragraph
7 (2) of this subsection, on or before June 30, 2027, the Governor may transfer:

8 (i) the funds described in subsection (a)(1) of this section to the
9 Maryland Energy Administration to be awarded as grants under § 9–20E–02 of the State
10 Government Article, as enacted by Section 4 of this Act;

11 (ii) the funds described in subsection (a)(2) of this section to the
12 Public Service Commission to be awarded as grants to electric companies, including electric
13 cooperatives and municipal electric utilities, to pay down the costs incurred by the electric
14 companies for implementing and administering the programs and services under Title 7,
15 Subtitle 2, Part II of the Public Utilities Article;

16 (iii) the funds described in subsection (a)(3) of this section to the
17 Public Service Commission to be awarded as grants to electric companies to be refunded or
18 credited to residential electric customers to offset costs associated with the limited–income
19 rate mechanism required under § 4–309 of the Public Utilities Article, as enacted by Section
20 4 of this Act;

21 (iv) the funds described in subsection (a)(4) of this section to the
22 Comptroller to be used to provide funding for a comprehensive study of public school HVAC
23 systems in Baltimore City;

24 (v) the funds described in subsections (a)(5) and (b) of this section to
25 the Interagency Commission on School Construction to be used for upgrades to public school
26 HVAC systems in Baltimore City;

27 (vi) the funds described in subsection (a)(6) of this section to the
28 Maryland Energy Administration to be awarded as grants under the Residential and
29 Commercial Energy Storage Grant Program;

30 (vii) the funds described in subsection (c)(1) of this section to the
31 Department of Natural Resources to be used to review renewable and clean energy projects
32 through the Power Plant Research Program; and

33 (viii) the funds described in subsection (c)(2) of this section to the
34 Dedicated Purpose Account established under § 7–310 of the State Finance and
35 Procurement Article for the Maryland Energy Administration to use to provide heat pump
36 installations and replacements for low– and moderate–income households under the
37 Residential Energy Equity Program.

1 (2) The Governor may not include in the transfers authorized under
2 paragraph (1) of this subsection any funds in the Energy Assistance Account in the
3 Maryland Strategic Energy Investment Fund.

4 SECTION 7. AND BE IT FURTHER ENACTED, That the requirements established
5 under § 7-207(b)(3)(iv), as enacted under Section 4 of this Act, apply to an application for
6 a certificate of public convenience and necessity submitted on or after July 1, 2026, and
7 may not be construed to apply to a certificate of public convenience and necessity submitted
8 before July 1, 2026.

9 SECTION 8. AND BE IT FURTHER ENACTED, That:

10 (a) (1) In this section the following words have the meanings indicated.

11 (2) “Eligible customer-generator” has the meaning stated in § 7-306 of the
12 Public Utilities Article.

13 (3) “Net energy metering” has the meaning stated in § 7-306 of the Public
14 Utilities Article.

15 (b) (1) The Public Service Commission shall conduct a proceeding exploring
16 the development and implementation of a successor program to the net energy metering
17 program under § 7-306 of the Public Utilities Article.

18 (2) In conducting the proceeding, the Public Service Commission shall
19 accept input from:

20 (i) utility companies;

21 (ii) owners and developers of net metered projects, including projects
22 that are:

23 1. residential behind-the-meter;

24 2. commercial behind-the-meter; and

25 3. front-of-the-meter;

26 (iii) renewable energy industry experts, including representatives
27 from the solar energy industry;

28 (iv) consumer advocates; and

29 (v) other stakeholders.

1 (c) On or before December 15, 2026, the Public Service Commission shall submit
2 a report on the proceeding held under subsection (b) of this section to the Governor and, in
3 accordance with § 2–1257 of the State Government Article, the General Assembly.

4 (d) The report shall include:

5 (1) recommendations for a successor program to the net energy metering
6 program under § 7–306 of the Public Utilities Article that:

7 (i) provides incentives for the development of distributed generation
8 to eligible customer–generators under §§ 7–306 and 7–306.3 of the Public Utilities Article
9 and community solar energy generating systems under § 7–306.2 of the Public Utilities
10 Article;

11 (ii) minimizes ratepayer costs in the short term and in the long term;

12 (iii) balances, on a statewide basis and across technologies and
13 industry sectors participating in net energy metering, and while recognizing differences in
14 system benefits between project types when designing tariffs in accordance with paragraph
15 (4) of this subsection:

16 1. A. fair compensation for energy exports; and

17 B. the benefits of an eligible customer–generator’s or
18 facility’s reduced load on the electric transmission and electric distribution system,
19 including benefits that may vary based on project location, siting, time to operation, or use
20 of existing structures or developed property; against

21 2. A. the needs of the electric transmission and electric
22 distribution system;

23 B. ratepayer costs and benefits; and

24 C. potential impacts on customers, including low– and
25 moderate–income customers, who do not participate in the net energy metering program
26 resulting from eligible customer–generators’ reduced contributions to the distribution
27 system; and

28 (iv) may establish different tariffs for the following market segments
29 that take into account the characteristics of each market segment:

30 1. residential eligible customer–generators;

31 2. nonresidential eligible customer–generators;

32 3. community solar energy generating systems under §
33 7–306.2 of the Public Utilities Article;

1 4. aggregated net energy metered facilities under § 7-306.3
2 of the Public Utilities Article; and

3 5. any additional market segment or subset of a market
4 segment identified by the Public Service Commission;

5 (2) recommendations for any legislative changes necessary to implement
6 the successor program; and

7 (3) any administrative concerns with transitioning to the successor
8 program on July 1, 2027, and whether those concerns may cause a delay in implementation.

9 SECTION 9. AND BE IT FURTHER ENACTED, That, on or before December 1,
10 2026, the Public Service Commission shall provide notice to the Senate Committee on
11 Education, Energy, and the Environment and the House Environment and Transportation
12 Committee, in accordance with § 2-1257 of the State Government Article, if the
13 Commission determines that the timelines set forth in § 7-233(c) of the Public Utilities
14 Article, as enacted by Section 4 of this Act, are insufficient for load forecasting.

15 SECTION 10. AND BE IT FURTHER ENACTED, That:

16 (a) In this section, “Levelized Full System Cost of Electricity” means a formula
17 that:

18 (1) calculates the costs of serving the entire State electricity market using
19 only one energy source plus energy storage; and

20 (2) uses the following inputs:

21 (i) capital costs of the generating facility;

22 (ii) distribution system costs;

23 (iii) maintenance and operating costs;

24 (iv) the cost of capital;

25 (v) capacity factors;

26 (vi) ramping up and down times; and

27 (vii) the annual electricity demand by hour in the target market.

28 (b) The Public Service Commission shall conduct a full costs and benefits analysis
29 of sources of electricity generation in the State.

1 (c) The analysis shall:

2 (1) identify the costs of electricity to ratepayers assuming that the State
3 electricity market is served by the following generation mixes:

4 (i) natural gas energy at its current capacity;

5 (ii) nuclear energy at its current capacity;

6 (iii) 8,500 megawatts of offshore wind energy capacity;

7 (iv) solar energy at its current capacity; and

8 (v) energy storage at its current capacity;

9 (2) include the additional costs of electricity generation necessary to offset
10 reliability issues and the intermittency of offshore wind energy and solar energy;

11 (3) use the Levelized Full System Cost of Electricity model and other
12 methods the Public Service Commission considers appropriate to analyze the costs of
13 meeting the State's electricity needs from:

14 (i) only natural gas energy and energy storage;

15 (ii) only nuclear energy and energy storage;

16 (iii) only offshore wind energy and energy storage; and

17 (iv) only solar energy and energy storage;

18 (4) identify the costs for natural gas energy, nuclear energy, offshore wind
19 energy, and solar energy if energy storage is available to offset reliability and intermittency
20 issues; and

21 (5) include recommended policy changes to support the development of the
22 energy sources with the lowest costs and greatest benefits to the ratepayers of the State.

23 (d) On or before December 1, 2027, the Public Service Commission shall report its
24 findings and recommendations to the Senate Committee on Education, Energy, and the
25 Environment and the House Environment and Transportation Committee, in accordance
26 with § 2-1257 of the State Government Article.

27 SECTION 11. AND BE IT FURTHER ENACTED, That, on or before December 1,
28 2026, the Senate Committee on Education, Energy, and the Environment and the House
29 Environment and Transportation Committee may jointly request that the Strategic Energy
30 Planning Office assess up to five policy scenarios and submit, on or before December 31,
31 2026, a report of the results of the requested policy scenarios to the Senate Committee on

1 Education, Energy, and the Environment and the House Environment and Transportation
2 Committee in accordance with § 2–1257 of the State Government Article.

3 SECTION 12. AND BE IT FURTHER ENACTED, That:

4 (a) The Public Service Commission shall prepare recommendations for changes
5 to the next following program cycle under Title 7, Subtitle 2, Part II of the Public Utilities
6 Article.

7 (b) The recommendations prepared under subsection (a) of this section shall
8 address:

9 (1) the goals established for programs and services under Title 7, Subtitle
10 2, Part II of the Public Utilities Article, including the size and scope of the goals as applied
11 to each electric company;

12 (2) ways in which the programs and services required under Title 7,
13 Subtitle 2, Part II of the Public Utilities Article should be restructured to further avoid
14 electric system reliability risk and wholesale energy costs;

15 (3) methods for selecting programs and services for inclusion under Title 7,
16 Subtitle 2, Part II of the Public Utilities Article, including cost–effectiveness testing with
17 exceptions to the testing to enable the inclusion of appropriate programs and services, as
18 determined by the Public Service Commission; and

19 (4) any other information the Public Service Commission considers
20 appropriate.

21 (c) On or before November 1, 2027, the Public Service Commission shall submit
22 the recommendations required under this section to the Governor and, in accordance with
23 § 2–1257 of the State Government Article, the Senate Committee on Education, Energy,
24 and the Environment and the House Environment and Transportation Committee.

25 SECTION 13. AND BE IT FURTHER ENACTED, That:

26 (a) This section does not apply to the administration of programs and services
27 under § 7–224 of the Public Utilities Article.

28 (b) (1) On or before July 1, 2026, the Public Service Commission shall issue a
29 request for information on the use of a third–party, single–implementer program for the
30 administration of the programs and services under Title 7, Subtitle 2, Part II of the Public
31 Utilities Article.

32 (2) The request for information shall seek:

33 (i) determinations of what effect the use of a single, third–party
34 administrator would have on costs;

1 (ii) identification of technical and logistical barriers to transitioning
2 to a single, third-party administrator; and

3 (iii) an analysis of the advantages and disadvantages of a private,
4 third-party administrator as opposed to a State administrator.

5 (3) The request for information shall specify a completion date of July 1,
6 2027.

7 (c) (1) As soon as practicable after receiving the information requested in
8 subsection (b) of this section, the Public Service Commission shall:

9 (i) issue a request for proposals for a third-party administrator for
10 the programs and services under Title 7, Subtitle 2, Part II of the Public Utilities Article;
11 or

12 (ii) decline to issue a request for proposals if the Public Service
13 Commission determines that the use of a third-party administrator would not be cost
14 effective.

15 (2) A request for proposals issued under paragraph (1)(i) of this subsection
16 shall specify that responses to the request should minimize short-term and long-term costs
17 for utility ratepayers.

18 (d) (1) Except as provided in paragraph (2) of this subsection, if the Public
19 Service Commission issues a request for proposals under subsection (c) of this section, the
20 Public Service Commission shall select, on or before June 1, 2028, and through the request
21 for proposals process initiated under subsection (c) of this section, a third-party
22 administrator for the administration of the programs and services under Title 7, Subtitle
23 2, Part II of the Public Utilities Article.

24 (2) The Public Service Commission may decline to select a
25 third-party administrator if the Public Service Commission determines that the responses
26 to the request for proposals process initiated under subsection (c) of this section are
27 materially less favorable than as described in the responses to the request for information
28 issued under subsection (b) of this section.

29 (e) The Public Service Commission shall notify the General Assembly of a
30 decision to decline to issue a request for proposals or select a third-party administrator
31 within 5 days after making the decision.

32 SECTION 14. AND BE IT FURTHER ENACTED, That on completion of Public
33 Service Commission Case No. 9618, the Public Service Commission shall conduct an
34 additional proceeding that builds on the outcomes of Case No. 9618 and determines
35 whether it is prudent to allow a public service company to use forecast test years, historic
36 test years, or a hybrid model in a future rate base proceeding.

1 SECTION 15. AND BE IT FURTHER ENACTED, That:

2 (a) The Power Plant Research Program, in consultation with the Department of
3 the Environment and the Maryland Energy Administration, shall conduct a study to
4 identify ways to streamline the permitting process for energy development in the State.

5 (b) In conducting the study under subsection (a) of this section, the Power Plant
6 Research Program shall:

7 (1) identify up to 50 priority energy sites suitable for new or expanded
8 generating stations or energy storage devices, including:

9 (i) brownfields;

10 (ii) industrial sites surrounded by areas with low-population
11 density;

12 (iii) sites with old or decommissioned generating units that may be
13 repowered or repurposed, with special consideration given to sites with surplus
14 interconnection capacity; and

15 (iv) State-owned land.

16 (2) identify current bottlenecks and barriers in the State that extend State
17 and local permitting timelines; and

18 (3) develop recommendations on what a State-level zoning or permitting
19 structure should look like in order to promote fast-tracked development at the priority
20 energy sites identified in item (1) of this subsection.

21 (c) On or before December 31, 2026, the Power Plant Research Program shall
22 report to the Governor and, in accordance with § 2-1257 of the State Government Article,
23 the General Assembly on the results of the study.

24 SECTION 16. AND BE IT FURTHER ENACTED, That, on or before July 1, 2027,
25 the Maryland Clean Energy Center shall:

26 (1) establish an application process for loans made under the Green and
27 Renewable Energy Efficiency for Nonprofits Loan Program in Title 10, Subtitle 8 of the
28 Economic Development Article, as enacted by Section 4 of this Act;

29 (2) set guidelines and considerations for application, selection, and
30 repayment that include:

31 (i) nonprofit organizations that own, rather than rent, their
32 buildings;

1 ~~(b) The purpose of the Fund is to implement the Strategic Energy Investment~~
2 ~~Program.~~

3 ~~(e) The Administration shall administer the Fund.~~

4 ~~(e) The Fund consists of:~~

5 ~~(1) all of the proceeds from the sale of allowances under § 2-1002(g) of the~~
6 ~~Environment Article;~~

7 ~~(2) money appropriated in the State budget to the Program;~~

8 ~~(3) repayments and prepayments of principal and interest on loans made~~
9 ~~from the Fund;~~

10 ~~(4) compliance fees paid under § 7-705 of the Public Utilities Article;~~

11 ~~(5) money received from any public or private source for the benefit of the~~
12 ~~Fund;~~

13 ~~(6) money transferred from the Public Service Commission under §~~
14 ~~7-207.2(d)(3) of the Public Utilities Article; and~~

15 ~~(7) money distributed under § 2-614.1 of the Tax General Article.~~

16 ~~(f) The Administration shall use the Fund:~~

17 ~~(13) notwithstanding subsection (g) of this section, to pay costs associated~~
18 ~~with the Air and Radiation Administration within the Department of the Environment;~~
19 ~~[and]~~

20 ~~(14) TO AWARD BIDS FOR RENEWABLE ENERGY GENERATION~~
21 ~~PROJECTS UNDER § 9-20E-02 OF THIS TITLE; AND~~

22 ~~[(14)] (15) to pay the expenses of the Program.~~

23 ~~[(g-1) Proceeds received by the Fund from compliance fees under § 7-705(b)(2)(i)2 of~~
24 ~~the Public Utilities Article shall be allocated as follows:~~

25 ~~(1) beginning in fiscal year 2025, at least 20% of the proceeds shall be used~~
26 ~~to provide grants to support the installation of new solar energy generating systems under~~
27 ~~the Customer-Sited Solar Program;~~

28 ~~(2) up to 10% of the proceeds shall be credited to an administrative expense~~
29 ~~account for costs related to the administration of the Fund;~~

1 ~~(3) proceeds collected but unused from a previous year shall be used before~~
2 ~~proceeds allocated for the current year; and~~

3 ~~(4) the Administration shall reallocate to other authorized uses any~~
4 ~~proceeds that are not used within 3 fiscal years after collection.】~~

5 ~~[(i) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection,~~
6 ~~compliance fees paid under § 7-705(b) of the Public Utilities Article may be used only to~~
7 ~~make loans and grants to support the creation of new Tier 1 renewable energy sources in~~
8 ~~the State that are owned by or directly benefit:~~

9 ~~(i) low to moderate income communities located in a census tract~~
10 ~~with an average median income at or below 80% of the average median income for the State;~~
11 ~~or~~

12 ~~(ii) overburdened or underserved communities, as defined in § 1-701~~
13 ~~of the Environment Article.~~

14 ~~(2) Compliance fees paid under § 7-705(b)(2)(i)2 of the Public Utilities~~
15 ~~Article shall be accounted for separately within the Fund and may be used only to make~~
16 ~~loans and grants to support the creation of new solar energy sources in the State that are~~
17 ~~owned by or directly benefit:~~

18 ~~(i) low to moderate income communities located in a census tract~~
19 ~~with an average median income at or below 80% of the average median income for the State;~~

20 ~~(ii) overburdened or underserved communities, as defined in § 1-701~~
21 ~~of the Environment Article; or~~

22 ~~(iii) households with low to moderate income, as defined in § 9-2016~~
23 ~~of this title.~~

24 ~~(3) For fiscal year 2026 only, up to \$100,000,000 of compliance fees paid~~
25 ~~under §§ 7-705(b) and 7-705(b)(2)(i)2 of the Public Utilities Article shall be accounted for~~
26 ~~separately within the Fund and may be used for solar development on State government~~
27 ~~property and local government clean energy projects.~~

28 ~~(4) (i) Subject to subparagraphs (ii), (iii), and (iv) of this paragraph,~~
29 ~~compliance fees paid under § 7-705 of the Public Utilities Article may be used to provide~~
30 ~~grants to electric companies to be refunded or credited to each residential distribution~~
31 ~~customer based on the customer's consumption of electricity supply that is subject to the~~
32 ~~renewable energy portfolio standard.~~

33 ~~(ii) The refunding or crediting of amounts to residential distribution~~
34 ~~customers shall be identified on the customer's bill as a line item identified as a "legislative~~
35 ~~energy relief refund".~~

~~(iii) An electric company awarded a grant under this paragraph:~~

~~1. may not retain any of the grant funds to cover overhead expenses; and~~

~~2. shall provide all of the grant funds to residential distribution customers.~~

~~(iv) The process under subparagraphs (i) and (ii) of this paragraph related to the refunding or crediting of amounts to residential distribution customers shall be directed and overseen by the Commission.~~

~~(i-1) (1) (i) In this subsection the following words have the meanings indicated:~~

~~(ii) "Area median income" has the meaning stated in § 4-1801 of the Housing and Community Development Article.~~

~~(iii) "Low and moderate income" means having an annual household income that is at or below 120% of the area median income.~~

~~(2) Compliance fees paid under § 7-705(b-1) of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to promote increased opportunities for the growth and development of small, minority, women owned, and veteran owned businesses in the State that install geothermal systems in the State.]~~

~~(H) COMPLIANCE FEES PAID INTO THE FUND UNDER § 7-705 OF THE PUBLIC UTILITIES ARTICLE MAY BE USED ONLY TO AWARD BIDS FOR RENEWABLE ENERGY GENERATION PROJECTS UNDER § 9-20E-01 OF THIS TITLE.~~

~~SUBTITLE 20E. ALTERNATIVE COMPLIANCE FEE AUCTIONS.~~

~~9-20E-01.~~

~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.~~

~~(C) "ALTERNATIVE COMPLIANCE FEE" MEANS A FEE PAID IN ACCORDANCE WITH § 7-705 OF THE PUBLIC UTILITIES ARTICLE TO THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THIS TITLE.~~

~~(D) "AUCTION" MEANS AN ALTERNATIVE COMPLIANCE FEE AUCTION.~~

~~(E) "CAPACITY TARGET" MEANS A CALCULATION OF THE AMOUNT OF RENEWABLE ENERGY GENERATION NEEDED IN A GIVEN YEAR TO SATISFY THE RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703 OF THE PUBLIC UTILITIES ARTICLE FOR A SPECIFIC YEAR, MINUS THE AMOUNT ALREADY PROCURED FROM OTHER SOURCES.~~

~~(F) "COMMISSION" MEANS THE PUBLIC SERVICE COMMISSION.~~

~~(G) "RENEWABLE ENERGY" MEANS ENERGY GENERATED FROM:~~

~~(1) GEOTHERMAL ENERGY GENERATING SYSTEMS;~~

~~(2) OFFSHORE WIND ENERGY GENERATING SYSTEMS; OR~~

~~(3) SOLAR ENERGY GENERATING SYSTEMS.~~

~~9-20E-02.~~

~~(A) (1) BEGINNING JANUARY 1, 2027, THE ADMINISTRATION SHALL CONDUCT, IN CONSULTATION WITH THE COMMISSION, AN ANNUAL, COMPETITIVE, LOW-BID ALTERNATIVE COMPLIANCE FEE AUCTION TO AWARD CONTRACTS TO ELIGIBLE BIDDERS TO FUND PROJECTS FOR THE DEVELOPMENT OF RENEWABLE ENERGY GENERATION IN THE STATE USING REVENUE FROM ALTERNATIVE COMPLIANCE FEES.~~

~~(2) (i) EACH YEAR THE ADMINISTRATION AND THE COMMISSION SHALL SET THE CAPACITY TARGET FOR THE AMOUNT OF RENEWABLE ENERGY GENERATION REQUIRED FOR THAT YEAR.~~

~~(ii) IN DETERMINING THE CAPACITY TARGET FOR EACH AUCTION, THE ADMINISTRATION AND THE COMMISSION SHALL USE A TRANSPARENT METHODOLOGY, INCLUDING:~~

~~1. RENEWABLE ENERGY CREDIT SHORTFALLS FROM THE PRIOR YEAR;~~

~~2. ANTICIPATED GROWTH IN RENEWABLE ENERGY OVER TIME;~~

~~3. PROJECTED ALTERNATIVE COMPLIANCE FEE REVENUE;~~

- 1 ~~(I) PROVIDE PROOF OF FINANCIAL INTEGRITY;~~
2 ~~(II) POST A BOND OR OTHER SIMILAR INSTRUMENT;~~
3 ~~(III) AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES; AND~~
4 ~~(IV) COMPLY WITH ANY OTHER REQUIREMENTS THE~~
5 ~~ADMINISTRATION DETERMINES ARE IN THE PUBLIC INTEREST.~~

6 ~~(D) (1) ELIGIBLE BIDDERS SHALL SUBMIT COMPETITIVE BIDS BY~~
7 ~~SPECIFYING:~~

8 ~~(I) THE ACTUAL AMOUNT OF MEGAWATTS TO BE GENERATED~~
9 ~~BY THE RENEWABLE ENERGY GENERATION PROJECT; AND~~

10 ~~(II) A PRICE PER MEGAWATT THAT WOULD BE REQUIRED FROM~~
11 ~~THE AUCTION.~~

12 ~~(2) THE ADMINISTRATION SHALL RANK BIDS FROM LOWEST TO~~
13 ~~HIGHEST COST PER MEGAWATT AND AWARD FUNDS DERIVED FROM ALTERNATIVE~~
14 ~~COMPLIANCE FEES TO THE LOWEST BID OR BIDS.~~

15 ~~(3) THE ADMINISTRATION SHALL AWARD BIDS UNTIL THE CAPACITY~~
16 ~~TARGET SET UNDER SUBSECTION (A)(2) OF THIS SECTION IS REACHED.~~

17 ~~(4) THE BIDDER WHO SUBMITS THE LOWEST RESPONSIVE BID FOR~~
18 ~~DEVELOPING A RENEWABLE ENERGY GENERATION PROJECT SHALL BE AWARDED~~
19 ~~THE AMOUNT OF FUNDS TO BUILD THE RENEWABLE ENERGY GENERATION PROJECT.~~

20 ~~(5) THE ADMINISTRATION MAY REFUSE TO ACCEPT SOME OR ALL OF~~
21 ~~THE BIDS MADE IN A COMPETITIVE AUCTION IN ACCORDANCE WITH STANDARDS~~
22 ~~ADOPTED BY THE ADMINISTRATION.~~

23 ~~(6) IF THE CAPACITY TARGET CAN BE MET AT A COST BELOW THE~~
24 ~~ALLOCATED FUNDING, THE ADMINISTRATION MAY:~~

25 ~~(I) CARRY FORWARD ANY FUNDING TO THE NEXT AUCTION; OR~~

26 ~~(II) APPLY THE FUNDS FOR ANY ADDITIONAL MEGAWATTS OF~~
27 ~~RENEWABLE ENERGY GENERATION THAT HAVE BEEN OFFERED UNDER THE~~
28 ~~AUCTION.~~

1 ~~(E) (1) THE ADMINISTRATION SHALL SET DELIVERY DEADLINES FOR~~
2 ~~EACH RENEWABLE ENERGY GENERATION PROJECT THAT IS AWARDED FUNDING~~
3 ~~FROM AN AUCTION.~~

4 ~~(2) THE DEADLINES SET IN PARAGRAPH (1) OF THIS SUBSECTION~~
5 ~~SHALL INCLUDE MILESTONES THAT REQUIRE THE DEVELOPER TO MEET CERTAIN~~
6 ~~DELIVERY GOALS DURING THE DEVELOPMENT OF A RENEWABLE ENERGY~~
7 ~~GENERATION PROJECT.~~

8 ~~(3) THE ADMINISTRATION MAY GRANT EXTENSIONS FOR DELIVERY~~
9 ~~GOALS THAT ARE DELAYED DUE TO INTERCONNECTION OR PERMITTING~~
10 ~~CHALLENGES OR DELAYS IF THE DEVELOPER PROVIDES DOCUMENTATION OF THE~~
11 ~~CHALLENGE OR DELAY.~~

12 ~~(4) THE ADMINISTRATION SHALL ESTABLISH A METHOD OF~~
13 ~~COLLECTION AGAINST ANY DEVELOPER AWARDED A CONTRACT UNDER THIS~~
14 ~~SECTION TO RECAPTURE ANY FUNDS RECEIVED AS A RESULT OF:~~

15 ~~(I) MISAPPROPRIATION, OVERPAYMENT, OR FRAUD; OR~~

16 ~~(II) FAILURE TO MEET MILESTONES OR DELIVERY DATES.~~

17 ~~(F) WITHIN 90 DAYS AFTER ALL CONTRACTS FOR RENEWABLE ENERGY~~
18 ~~GENERATION PROJECTS ARE EXECUTED, THE ADMINISTRATION SHALL PUBLICLY~~
19 ~~DISCLOSE THE NAMES OF EACH SUCCESSFUL BIDDER AND THE MEGAWATTS TO BE~~
20 ~~DELIVERED BY THE DEVELOPMENT OF THE RENEWABLE ENERGY GENERATION~~
21 ~~PROJECT.~~

22 ~~(G) ALL PROCEEDS FROM ALTERNATIVE COMPLIANCE FEES ACCRUED IN~~
23 ~~THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND SHALL BE AVAILABLE~~
24 ~~EACH YEAR FOR EACH AUCTION.~~

25 ~~(H) ON OR BEFORE JULY 1, 2027, AND EACH JULY 1 THEREAFTER, THE~~
26 ~~ADMINISTRATION AND THE COMMISSION SHALL REPORT TO THE GENERAL~~
27 ~~ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, ON THE~~
28 ~~ADMINISTRATION OF EACH AUCTION, INCLUDING:~~

29 ~~(1) THE AMOUNT OF MEGAWATTS PROCURED THROUGH THE~~
30 ~~AUCTION;~~

31 ~~(2) THE COST PER MEGAWATT OF RENEWABLE ENERGY ALLOCATED~~
32 ~~IN THE AUCTION;~~

~~(3) THE NUMBER OF RENEWABLE ENERGY CREDITS CREATED AS A RESULT OF THE AUCTION; AND~~

~~(4) ANY OTHER INFORMATION THE ADMINISTRATION AND THE COMMISSION CONSIDER RELEVANT.~~

~~(i) THE ADMINISTRATION, IN CONSULTATION WITH THE COMMISSION, SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article State Government~~

~~§ 2016.~~

~~(a) (1) In this section the following words have the meanings indicated.~~

~~(2) "Eligible customer generator" has the meaning stated in § 7-306 of the Public Utilities Article.~~

~~(3) "Low to moderate income" means a household with an annual household income at or below 150% of the average median income for the State.~~

~~(4) "Program" means the Customer-Sited Solar Program established in this section.~~

~~(b) There is a Customer-Sited Solar Program in the Administration.~~

~~(c) The Program may provide grants to an income-verified eligible customer generator with a low to moderate income in an amount equal to \$750 per kilowatt of nameplate capacity for a solar energy generating system, up to a maximum of \$7,500 per system.~~

~~(f) A grant awarded under subsection (c) of this section shall be funded from [fees collected under § 7-705(b)(2)(i)2 of the Public Utilities Article and allocated in accordance with § 9-20B-05(g-1) of this title] THE MARYLAND STRATEGIC ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THIS TITLE.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article State Government~~

~~§ 20B-05.~~

1 ~~(a) There is a Maryland Strategic Energy Investment Fund.~~

2 ~~[(g-1) Up to 10% of the proceeds received by the Fund from compliance fees under §~~
3 ~~7-705(b)(2)(i)2 of the Public Utilities Article shall be credited to an administrative expense~~
4 ~~account for costs related to the administration of the Fund.]~~

5 ~~SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~
6 ~~terminate on the taking effect of the termination provision specified in Section 10 of~~
7 ~~Chapter 595 of the Acts of the General Assembly of 2024. If that termination provision~~
8 ~~takes effect, Section 1 of this Act, with no further action required by the General Assembly,~~
9 ~~shall be abrogated and of no further force and effect. This Act may not be interpreted to~~
10 ~~have any effect on that termination provision.~~

11 ~~SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take~~
12 ~~effect on the taking effect of the termination provision specified in Section 10 of Chapter~~
13 ~~595 of the Acts of the General Assembly of 2024.~~

14 ~~SECTION 6. AND BE IT FURTHER ENACTED, That, subject to Section 5 of this~~
15 ~~Act, this Act shall take effect July 1, 2026.~~

16 ~~SECTION 20. AND BE IT FURTHER ENACTED, That this Act shall take effect~~
17 ~~July 1, 2026.~~

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.