

UNOFFICIAL COPY OF HOUSE BILL 1315

HOUSE BILL 1315

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Munoz, Nawrocki, Rose, Schmidt, Szeliga, Tomlinson, Valentine, and Wivell  
Introduced and read first time: February 9, 2024  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 ~~Public Service Commission – Electricity Generation Facilities – Premature~~  
3 ~~Retirement –~~  
4 ~~(Keep the Lights On Act)~~

Task Force to Study the Premature Retirement of Electricity  
Generation Facilities

5 FOR the purpose of ~~requiring the Public Service Commission to consider certain factors~~  
6 ~~before authorizing or approving any agreement related to the premature retirement~~  
7 ~~of an electricity generation facility; establishing a rebuttable presumption that an~~  
8 ~~electricity generation facility should not be prematurely retired; prohibiting the~~  
9 ~~Commission from authorizing or approving an agreement related to the premature~~  
10 ~~retirement of an electricity generation facility under certain circumstances; and~~  
11 ~~generally relating to the premature retirement of an electricity generation facility~~  
establishing the Task Force to Study the Premature Retirement of Electricity Generation Facilities; and  
generally relating to the Task Force to study the Premature Retirement of Electricity Generation  
Facilities.

12 ~~BY adding to~~  
13 ~~Article – Public Utilities~~  
14 ~~Section 7-218~~  
15 ~~Annotated Code of Maryland~~  
16 ~~(2020 Replacement Volume and 2023 Supplement)~~

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

19 ~~Article – Public Utilities~~

20 ~~7-218.~~

21 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
22 ~~INDICATED.~~

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1 ~~(2) "DISPATCHABLE" MEANS A SOURCE OF ELECTRICITY THAT;~~

2 ~~(i) IS AVAILABLE FOR USE ON DEMAND; AND~~

3 ~~(ii) 1. CAN BE DISPATCHED ON REQUEST OF A POWER GRID~~  
 4 ~~OPERATOR; OR~~

5 ~~2. CAN HAVE ITS POWER OUTPUT ADJUSTED,~~  
 6 ~~ACCORDING TO MARKET NEEDS, OUTSIDE OF ROUTINE MAINTENANCE OR REPAIRS.~~

7 ~~(3) "ELECTRICITY GENERATION FACILITY" MEANS A FACILITY THAT~~  
 8 ~~USES WATER, COAL, NATURAL GAS, OR NUCLEAR ENERGY TO GENERATE RELIABLE~~  
 9 ~~OR DISPATCHABLE ELECTRICITY TO BE PROVIDED TO CUSTOMERS.~~

10 ~~(4) (i) "PREMATURE RETIREMENT" AND "RETIRED~~  
 11 ~~PREMATURELY" MEAN THE CLOSURE OF, OR COMPLETE AND PERMANENT~~  
 12 ~~CESSATION OF OPERATIONS AT, AN ELECTRICITY GENERATION FACILITY BEFORE~~  
 13 ~~THE PLANNED OPERATION LIFE OF THE FACILITY HAS LAPSED.~~

14 ~~(ii) "PREMATURE RETIREMENT" AND "RETIRED~~  
 15 ~~PREMATURELY" DO NOT INCLUDE THE CLOSURE OF OR CESSATION OF OPERATIONS~~  
 16 ~~AT AN ELECTRICITY GENERATION FACILITY THAT IS MANDATED BY FEDERAL LAW.~~

17 ~~(5) "RELIABLE" MEANS A SOURCE OF ELECTRICITY THAT IS NOT~~  
 18 ~~SUBJECT TO INTERMITTENT UNAVAILABILITY, OUTSIDE OF ROUTINE MAINTENANCE~~  
 19 ~~OR REPAIRS.~~

20 ~~(b) BEFORE AUTHORIZING OR APPROVING ANY AGREEMENT RELATED TO~~  
 21 ~~THE PREMATURE RETIREMENT OF AN ELECTRICITY GENERATION FACILITY THAT~~  
 22 ~~HAS BEEN PROPOSED IN A UTILITY RATE CASE, AN INTEGRATED RESOURCE PLAN,~~  
 23 ~~OR ANY OTHER SUBMISSION TO THE COMMISSION, THE COMMISSION SHALL~~  
 24 ~~CONSIDER:~~

25 ~~(1) THE EFFECT OF THE PREMATURE RETIREMENT ON AVAILABLE~~  
 26 ~~RELIABLE OR DISPATCHABLE ELECTRICITY TO CUSTOMERS; AND~~

27 ~~(2) THE IMPACT THAT ANY SHORTAGE OF AVAILABLE RELIABLE OR~~  
 28 ~~DISPATCHABLE ELECTRICITY NATIONWIDE WOULD HAVE ON CUSTOMERS IF THE~~  
 29 ~~ELECTRICITY GENERATION FACILITY IS RETIRED PREMATURELY.~~

30 ~~(c) (1) THERE IS A REBUTTABLE PRESUMPTION THAT AN ELECTRICITY~~  
 31 ~~GENERATION FACILITY SHOULD NOT BE RETIRED PREMATURELY.~~

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1 ~~(2) THE COMMISSION MAY NOT AUTHORIZE OR APPROVE AN~~  
 2 ~~AGREEMENT RELATED TO THE PREMATURE RETIREMENT OF AN ELECTRICITY~~  
 3 ~~GENERATION FACILITY UNLESS IT HAS BEEN ESTABLISHED THAT:~~

4 ~~(I) CUSTOMERS WILL EXPERIENCE COST SAVINGS AS A RESULT~~  
 5 ~~OF THE PREMATURE RETIREMENT;~~

6 ~~(II) THE PREMATURE RETIREMENT WILL NOT RESULT IN AN~~  
 7 ~~INSUFFICIENT AMOUNT OF RELIABLE OR DISPATCHABLE ENERGY TO SERVE~~  
 8 ~~CUSTOMERS;~~

9 ~~(III) THE PREMATURE RETIREMENT WILL NOT ADVERSELY~~  
 10 ~~IMPACT THE AVAILABILITY OR RELIABILITY OF ELECTRIC SERVICE TO CUSTOMERS~~  
 11 ~~SERVED BY THE ELECTRICITY GENERATION FACILITY; AND~~

12 ~~(IV) THE PROPOSED REPLACEMENT GENERATION FACILITY~~  
 13 ~~WILL NOT BE MORE DETRIMENTAL TO THE ENVIRONMENT THAN THE EXISTING~~  
 14 ~~ELECTRICITY GENERATION FACILITY.~~

15 ~~(3) IN CONSIDERING THE DETRIMENT TO THE ENVIRONMENT UNDER~~  
 16 ~~PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER~~  
 17 ~~POTENTIAL DISRUPTION OF LARGE AREAS OF CRITICAL HABITAT, NEGATIVE~~  
 18 ~~IMPACTS ON THREATENED OR ENDANGERED WILDLIFE, STRESSES TO LOCAL~~  
 19 ~~WATERSHEDS, DISBURSEMENT OF TOXIC MATERIALS INTO WILDERNESS AREAS, AND~~  
 20 ~~OTHER ECOLOGICAL HARMS OF A SIMILAR NATURE.~~

(a) There is a Task Force to Study the Premature Retirement of Electricity Generation Facilities.

(b) The Task Force consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Secretary of Environment, or the Secretary's designee;

(4) the Chair of the Public Service Commission, or the Chair's designee;  
 and

(5) the following members, appointed by the Governor:

(i) one representative of PJM Interconnection;

(ii) one representative of the Independent Market Monitor for the PJM Region;

(iii) one representative of the ReliabilityFirst Corporation;

(iv) one individual with professional expertise in the traditional power generation industry; and

(v) one individual with professional expertise in the renewable energy industry.

(c) The Chair of the Public Service Commission shall serve as the chair of the Task Force.

(d) The Public Service Commission shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall:

(1) (i) assess the cost savings for customers that results from the retirement of electricity generating facilities;

(ii) evaluate the impact that the premature retirement of electricity generation facilities has on the reliable energy supply for customers;

(iii) evaluate the environmental impact of the premature retirement of electricity generation facilities including consideration of habitat disruption, wildlife impact, watershed stress, and ecological harm;

(iv) examine potential nationwide consequences of shortages in reliable or dispatchable electricity if a Maryland electricity generating facility retires prematurely;

(v) examine the economic challenges faced by electricity generating companies, which have led to premature retirement electricity generating facilities, and evaluate potential mitigations to sustain their operations; and

(vi) facilitate collaboration among stakeholders, including utilities, environmental advocacy groups, energy consumers, and industry representatives;

(vii) conduct an infrastructure transition analysis that ensures that infrastructure developments align with the practical needs of electricity generating companies; and

(2) make recommendations:

(i) to address challenges and enhance decision-making regarding the premature retirement of electricity generation facilities; and

(ii) that include energy reliability solutions that address the imminent energy reliability gap and balance the need between economic considerations and the State's commitment to cleaner energy goals.

(g) The study and recommendations required under subsection (f) of this section are for informational purposes only and do not provide any additional regulatory authority to the Public Service Commission.

(g) On or before January 1, 2025, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly, the Senate Education, Energy, and the Environment Committee, and the House Economic Matters Committee.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 ~~October 1, 2024~~ July 1, 2024. It shall remain effective for a period of 1 year and, at the end of June  
30, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no  
further force and effect..