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PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

**RE: HB 702 – Information – Maryland Strategic Energy Investment Fund - Uses -
Cooperative Housing Corporations and Condominiums (Co-Op and Condo Energy Refund
Equity Act)**

Dear Chair Korman and Committee Members:

The Public Service Commission (the Commission) appreciates the opportunity to provide this informational testimony for HB 702. During the 2025 Legislative Session, the Maryland General Assembly passed the Next Generation Energy Act (Senate Bill 937 and House Bill 1035). Part of this Act required the Commission to oversee the crediting of the “Legislative Energy Relief Refund” (the “Relief Refund”) to residential distribution customers. The Act required that each residential distribution customer be credited based on the customer’s consumption of electricity supply that is subject to the renewable energy portfolio standard. The credits were to be issued in two disbursements: half in a peak summer month and half in a peak winter month during fiscal year 2026. HB 702 expands the definition of a residential distribution customer and requires the Commission to initiate disbursements of credits to the added classes of customer to account for the two seasonal credits previously administered. Members of condominiums or cooperative housing corporations are to be included in future disbursements.

The Commission notes that if a member of a condominium or cooperative housing corporation did not receive a credit previously, it is likely they are part of an arrangement referred to as master metering, they are part of a submetering or energy allocation system that is coded under commercial rates, or potentially another arrangement whereby the member does not have a direct account with the utility on a residential rate tariff.

To facilitate the rebate process required by the Next Generation Energy Act, on May 27, 2025, the Commission initiated Public Conference 70 (“PC 70”), and subsequently initiated case number 9778. In Order number 91712 issued June 27, 2025, the Commission stated “it is unclear if master meter customers in Maryland are included within the utilities’ refund method, as master-metered accounts may be considered either a commercial account or the residential electricity consumers may not have an account directly with the utility. The Commission would like the parties to discuss this issue with the utilities to determine whether or not these consumers/customers can participate in the Relief Refund bill crediting process.” Following

these discussions, the Commission's Technical Staff concluded that most utilities would not be able to provide the relief funds to master-meter customers because those customers do not have accounts directly with the utilities and the master-metered property is likely considered commercial load and not residential.

HB 702 clarifies that residential distribution customers include a member of a cooperative housing corporation and an owner of a condominium unit such that the commercial designation is not technically a barrier. Utilities will be responsible for identifying accounts that contain condominiums or cooperative housing corporations and narrowing down the data sufficiently to calculate and refund money in a substantially similar manner as was previously done under the Next Generation Energy Act. It is plausible that not all eligible arrangements will be identified for fund disbursement pursuant to this bill. There may also need to be an effort to account for non-residential use in a mixed usage arrangement

The Commission will endeavor to calculate the appropriate credits upon receiving the data from the utilities regarding accounts that are now considered residential distribution customers. HB 702 requires the electric companies to then issue credits to the governing body of the cooperative housing corporation or the board of directors of the condominium, who will subsequently distribute the credits to the members. The Commission notes it does not have authority to ensure the governing bodies or board of directors will distribute the refund or credits as indicated by the legislation.

The Commission appreciates the opportunity to provide testimony on HB 702. Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this informational testimony.

Sincerely,



Kumar P. Barve
Chair, Maryland Public Service Commission