

HOUSE BILL 864

M5, C5

4lr0448

By: **Delegates Crosby and Qi**

Introduced and read first time: February 2, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Energy Efficiency and Conservation Plans**

3 FOR the purpose of requiring each electric company, each gas company, and the
4 Department of Housing and Community Development to develop a certain plan for
5 achieving certain energy efficiency, conservation, and greenhouse gas emissions
6 reduction targets through certain programs and services and superseding certain
7 existing energy efficiency and conservation goals; requiring the Public Service
8 Commission to encourage and promote the efficient use and conservation of energy
9 in support of certain greenhouse gas emissions reduction goals and targets in a
10 certain manner, including by requiring municipal electric or gas utilities and small
11 rural electric cooperatives to include certain programs or services as part of their
12 service to their customers as directed by the Commission; requiring the Commission
13 to establish and determine certain greenhouse gas emissions reduction targets;
14 requiring certain contractors used for certain programs under this Act to meet
15 certain job requirements; requiring the Department of Housing and Community
16 Development to develop a plan to coordinate and leverage funding sources to support
17 certain energy efficiency and other home upgrades; requiring the Department of the
18 Environment to prepare and submit to the Commission a certain analysis; requiring
19 each electric company and each gas company to promote certain rebates, tax credits,
20 and incentives; requiring the certification agency designated by the Board of Public
21 Works and the Governor's Office of Small, Minority, and Women Business Affairs,
22 in consultation with the Department of Housing and Community Development, the
23 Office of the Attorney General, and the General Assembly to study certain energy
24 efficiency and conservation services and submit its findings on or before a certain
25 date; and generally relating to the efficient use and conservation of energy in support
26 of greenhouse gas emissions reduction goals and targets.

27 BY repealing

28 Article – Public Utilities

29 Section 7–211 and 7–211.1

30 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2020 Replacement Volume and 2023 Supplement)

BY renumbering

Article – Public Utilities

Section 7–211.2

to be Section 7–315

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY adding to

Article – Public Utilities

The new part designation “Part I. In General” to immediately precede Section 7–201;
and Section 7–220 through 7–228 to be under the new part “Part II. Energy
Efficiency and Conservation Plans”

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 5–637(b)

Annotated Code of Maryland

(2014 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section 7–510.3(j)(2)

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–20B–05(f)(4)

Annotated Code of Maryland

(2021 Replacement Volume and 2023 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That Section(s) 7–211 and 7–211.1 of Article – Public Utilities of the Annotated Code of
Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7–211.2 of Article

– Public Utilities of the Annotated Code of Maryland be renumbered to be Section(s) 7–315.

SECTION 3. AND BE IT FURTHER ENACTED, That the new part designation

“Part I. In General” be added to immediately precede Section 7–201 of Article – Public
Utilities of the Annotated Code of Maryland.

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

Article – Corporations and Associations

5–637.

(b) A member–regulated cooperative is subject to the following provisions of the Public Utilities Article:

(1) § 5–103;

(2) § 5–201;

(3) § 5–202;

(4) § 5–303;

(5) § 5–304;

(6) § 5–306;

(7) § 7–103;

(8) § 7–104;

(9) § 7–203;

(10) § 7–207;

(11) **TITLE 7, SUBTITLE 2, PART II;**

(12) § 7–302;

[(12)] (13) Title 7, Subtitle 5, Part I and Part II;

[(13)] (14) Title 7, Subtitle 7; and

[(14)] (15) § 13–101.

Article – Public Utilities

7–218. RESERVED.

7–219. RESERVED.

PART II. ENERGY EFFICIENCY AND CONSERVATION PLANS.

7-220.

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

(B) “BEHIND-THE-METER PROGRAM” MEANS A PROGRAM THAT IMPACTS THE CUSTOMER SIDE OF THE UTILITY METER.

(C) “BENEFICIAL ELECTRIFICATION” MEANS THE REPLACEMENT OF THE DIRECT USE OF FOSSIL FUELS IN BUILDINGS WITH THE USE OF ELECTRICITY IN A MANNER THAT:

(1) REDUCES OVERALL LIFETIME GREENHOUSE GAS EMISSIONS;

(2) REDUCES CUSTOMERS’ ENERGY COSTS; OR

(3) ENABLES BETTER MANAGEMENT OF THE ELECTRIC DISTRIBUTION SYSTEM.

(D) “CARBON DIOXIDE EQUIVALENT” MEANS THE MEASUREMENT OF A GIVEN WEIGHT OF A GREENHOUSE GAS THAT HAS THE SAME GLOBAL WARMING POTENTIAL, MEASURED OVER A SPECIFIC PERIOD OF TIME, AS 1 METRIC TON OF CARBON DIOXIDE.

(E) “DEMAND RESPONSE PROGRAM” MEANS A PROGRAM ESTABLISHED BY AN ELECTRIC COMPANY, AN ELECTRICITY SUPPLIER, OR A THIRD PARTY THAT PROMOTES CHANGES IN ELECTRIC USAGE BY CUSTOMERS FROM THEIR NORMAL CONSUMPTION PATTERNS IN RESPONSE TO:

(1) CHANGES IN THE PRICE OF ELECTRICITY OVER TIME; OR

(2) INCENTIVES DESIGNED TO:

(I) INDUCE LOWER ELECTRICITY USE AT TIMES OF HIGH WHOLESALE MARKET PRICES; OR

(II) ENSURE SYSTEM RELIABILITY.

(F) “DEPARTMENT” MEANS THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

1 **(G) “ENERGY EFFICIENCY” MEANS THE USE OF LESS ENERGY TO PERFORM**
2 **THE SAME TASK OR PRODUCE THE SAME RESULT.**

3 **(H) “FRONT-OF-METER COMMUNITY PROGRAM” MEANS A PROGRAM THAT:**

4 **(1) IS SEPARATE FROM FRONT-OF-METER UTILITY PROGRAMS;**

5 **(2) IMPACTS THE UTILITY SIDE OF THE METER; AND**

6 **(3) DIRECTLY BENEFITS A SET OF CUSTOMERS.**

7 **(I) “FRONT-OF-METER UTILITY PROGRAM” MEANS A PROGRAM THAT**
8 **IMPACTS THE UTILITY SIDE OF A METER AND BENEFITS ALL UTILITY CUSTOMERS.**

9 **(J) “GREENHOUSE GAS” INCLUDES:**

10 **(1) CARBON DIOXIDE;**

11 **(2) METHANE;**

12 **(3) NITROUS OXIDE;**

13 **(4) HYDROFLUOROCARBONS;**

14 **(5) PERFLUOROCARBONS; AND**

15 **(6) SULFUR HEXAFLUORIDE.**

16 **(K) “GREENHOUSE GAS EMISSIONS REDUCTION” MEANS A REDUCTION IN**
17 **GREENHOUSE GAS EMISSIONS, MEASURED IN METRIC TONS OF CARBON DIOXIDE**
18 **EQUIVALENTS, INCLUDING:**

19 **(1) GREENHOUSE GAS EMISSIONS FROM THE GENERATION OF**
20 **ELECTRICITY DELIVERED TO AND CONSUMED IN THE STATE; AND**

21 **(2) LINE LOSSES FROM THE TRANSMISSION AND DISTRIBUTION OF**
22 **ELECTRICITY, REGARDLESS OF WHETHER THE ELECTRICITY IS GENERATED IN THE**
23 **STATE OR IMPORTED.**

24 **(L) “LOW-INCOME PROGRAM” MEANS A PROGRAM THAT DELIVERS ENERGY**
25 **EFFICIENCY, CONSERVATION, AND GREENHOUSE GAS EMISSIONS REDUCTION**
26 **MEASURES TO REDUCE UTILITY EXPENSES FOR BUILDING OWNERS, MANAGERS, AND**
27 **TENANTS OF HOUSING WITH RESIDENTS WHO QUALIFY FOR THE DEPARTMENT’S**
28 **LOW-INCOME ASSISTANCE PROGRAMS, INCLUDING:**

(1) THE EMPOWER MARYLAND LIMITED INCOME ENERGY EFFICIENCY PROGRAM;

(2) THE MULTIFAMILY ENERGY EFFICIENCY AND HOUSING AFFORDABILITY PROGRAM; AND

(3) THE WEATHERIZATION ASSISTANCE PROGRAM.

(M) “LOW-INCOME RESIDENTIAL” MEANS A COMMUNITY, BUILDING, OR HOUSEHOLD WITH RESIDENTS THAT:

(1) HAVE INCOMES BELOW 250% OF THE FEDERAL POVERTY LEVEL AS DETERMINED BY THE FEDERAL CENSUS; OR

(2) MEET THE ELIGIBILITY CRITERIA APPROVED BY THE COMMISSION FOR LOW-INCOME PROGRAMS.

(N) “NONENERGY PROGRAM” MEANS A PROGRAM WITH GREENHOUSE GAS EMISSIONS REDUCTION BENEFITS THAT ARE PRIMARILY NONENERGY-BASED.

(O) “PLAN” MEANS ANY COMBINATION OF BEHIND-THE-METER PROGRAMS, FRONT-OF-METER COMMUNITY PROGRAMS, FRONT-OF-METER UTILITY PROGRAMS, OR NONENERGY PROGRAMS THAT:

(1) ACHIEVE GREENHOUSE GAS EMISSIONS REDUCTIONS THROUGH ENERGY EFFICIENCY, CONSERVATION, DEMAND RESPONSE, AND BENEFICIAL ELECTRIFICATION; AND

(2) INCLUDE A COST RECOVERY PROPOSAL.

(P) “TASK FORCE” MEANS THE GREEN AND HEALTHY TASK FORCE ESTABLISHED UNDER § 7-315 OF THIS TITLE.

7-221.

THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ENERGY EFFICIENCY IS:

(1) AMONG THE LEAST EXPENSIVE WAYS TO MEET THE ENERGY DEMANDS OF THE STATE;

(2) A MEANS OF AFFORDABLE, RELIABLE, AND CLEAN ENERGY FOR CONSUMERS OF MARYLAND; AND

(3) ONE METHOD TO ACHIEVE MARYLAND’S CLIMATE COMMITMENTS FOR REDUCING STATEWIDE GREENHOUSE GAS EMISSIONS, INCLUDING THOSE SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE.

7–222.

(A) SUBJECT TO REVIEW AND APPROVAL BY THE COMMISSION, EACH ELECTRIC COMPANY, EACH GAS COMPANY, AND THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT PROGRAMS AND SERVICES IN ACCORDANCE WITH §§ 7–223, 7–224, AND 7–225 OF THIS SUBTITLE TO ENCOURAGE AND PROMOTE THE EFFICIENT USE AND CONSERVATION OF ENERGY, DEMAND RESPONSE, AND BENEFICIAL ELECTRIFICATION BY CONSUMERS, ELECTRIC COMPANIES, GAS COMPANIES, AND THE DEPARTMENT IN SUPPORT OF THE GREENHOUSE GAS EMISSIONS REDUCTION GOALS AND TARGETS SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE.

(B) AS DIRECTED BY THE COMMISSION, EACH MUNICIPAL ELECTRIC OR GAS UTILITY AND EACH SMALL RURAL ELECTRIC COOPERATIVE SHALL INCLUDE ENERGY EFFICIENCY AND CONSERVATION, DEMAND RESPONSE, AND BENEFICIAL ELECTRIFICATION PROGRAMS OR SERVICES AS PART OF THEIR SERVICE TO THEIR CUSTOMERS.

(C) THE COMMISSION SHALL ENCOURAGE AND PROMOTE THE EFFICIENT USE AND CONSERVATION OF ENERGY IN SUPPORT OF THE GREENHOUSE GAS EMISSIONS REDUCTION GOALS AND TARGETS SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE, ESTABLISHED BY THE COMMISSION UNDER § 7–223(B) OF THIS SUBTITLE, AND SPECIFIED IN § 7–224(A)(2) OF THIS SUBTITLE BY:

(1) REQUIRING EACH ELECTRIC COMPANY AND GAS COMPANY TO ESTABLISH ANY PROGRAM OR SERVICE THAT THE COMMISSION DETERMINES TO BE APPROPRIATE AND COST-EFFECTIVE;

(2) ADOPTING RATE-MAKING POLICIES THAT PROVIDE, THROUGH A SURCHARGE LINE ITEM ON CUSTOMER BILLS:

(I) FULL COST RECOVERY OF REASONABLY INCURRED COSTS FOR PROGRAMS AND SERVICES ESTABLISHED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING FULL RECOVERY ON A CURRENT BASIS ON OR BEFORE JANUARY 1, 2028;

(II) ON OR BEFORE DECEMBER 31, 2032, THE ELIMINATION OF ANY UNPAID COSTS AND UNAMORTIZED COSTS THAT:

1. A. EXISTED ON DECEMBER 31, 2024; OR

B. WERE INCURRED BEFORE JANUARY 1, 2028; AND

**2. WERE ACCRUED FOR THE PURPOSE OF ACHIEVING
STATUTORY TARGETS FOR ANNUAL INCREMENTAL GROSS ENERGY SAVINGS;**

**(III) COMPENSATION FOR ANY UNPAID COSTS AND
UNAMORTIZED COSTS UNDER ITEM (II) OF THIS ITEM AT NOT MORE THAN EACH
ELECTRIC COMPANY'S AND EACH GAS COMPANY'S AVERAGE COST OF OUTSTANDING
DEBT; AND**

**(IV) REASONABLE FINANCIAL PERFORMANCE INCENTIVES AND
PENALTIES FOR INVESTOR-OWNED ELECTRIC COMPANIES AND GAS COMPANIES, AS
APPROPRIATE; AND**

**(3) ENSURING THAT ADOPTION OF ELECTRIC CUSTOMER CHOICE
UNDER SUBTITLE 5 OF THIS TITLE AND GAS CUSTOMER CHOICE UNDER SUBTITLE 6
OF THIS TITLE DOES NOT ADVERSELY IMPACT THESE GOALS AND TARGETS.**

7-223.

**(A) ON OR BEFORE JANUARY 1, 2025, THE COMMISSION SHALL, BY
REGULATION OR ORDER, REQUIRE EACH ELECTRIC COMPANY AND EACH GAS
COMPANY TO DEVELOP AND IMPLEMENT A PLAN THAT:**

(1) COVERS EACH RATEPAYER CLASS;

(2) COVERS A 3-YEAR PROGRAM CYCLE; AND

**(3) ACHIEVES THE GREENHOUSE GAS EMISSIONS REDUCTION
TARGET ESTABLISHED FOR THE ELECTRIC COMPANY OR GAS COMPANY UNDER
SUBSECTION (B) OF THIS SECTION THROUGH COST-EFFECTIVE ENERGY EFFICIENCY
AND CONSERVATION PROGRAMS AND SERVICES, DEMAND RESPONSE PROGRAMS
AND SERVICES, AND BENEFICIAL ELECTRIFICATION PROGRAMS AND SERVICES.**

**(B) (1) FOR EACH 3-YEAR PROGRAM CYCLE, THE COMMISSION SHALL
ESTABLISH A GREENHOUSE GAS EMISSIONS REDUCTION TARGET FOR EACH
ELECTRIC COMPANY AND EACH GAS COMPANY AS PROVIDED IN THIS SUBSECTION.**

**(2) WHEN ESTABLISHING GREENHOUSE GAS EMISSIONS REDUCTION
TARGETS UNDER THIS SUBSECTION, THE COMMISSION SHALL MEASURE THE
GREENHOUSE GAS EMISSIONS FROM ELECTRICITY USING DATA OBTAINED FROM
PJM INTERCONNECTION ON MARGINAL GREENHOUSE GAS EMISSIONS RATES FROM
THE PREVIOUS YEAR.**

1 **(3) AS A BASELINE FOR DETERMINING GREENHOUSE GAS EMISSIONS**
2 **REDUCTIONS UNDER THIS SUBSECTION, THE COMMISSION SHALL USE THE**
3 **GREENHOUSE GAS EMISSIONS RESULTING FROM THE DIRECT CONSUMPTION OF GAS**
4 **AND ELECTRICITY IN MARYLAND BUILDINGS IN 2020, AS DETERMINED BY THE**
5 **DEPARTMENT OF THE ENVIRONMENT.**

6 **(4) FOR THE PERIOD 2025–2033, THE COMMISSION SHALL**
7 **DETERMINE AN OVERALL STATEWIDE GREENHOUSE GAS EMISSIONS REDUCTION**
8 **TARGET BASED ON AN AVERAGE ANNUAL REDUCTION OF AT LEAST 1.8% OF THE**
9 **BASELINE DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.**

10 **(C) THE COMMISSION MAY GIVE PRIORITY TO LONG–LIVED GREENHOUSE**
11 **GAS EMISSIONS REDUCTION MEASURES IN THE PLANS BY ESTABLISHING A MINIMUM**
12 **WEIGHTED AVERAGE MEASURE LIFE FOR THE PLAN OF EACH ELECTRIC COMPANY**
13 **AND GAS COMPANY.**

14 **(D) CONTRIBUTIONS TO GREENHOUSE GAS EMISSIONS REDUCTION GOALS**
15 **AND TARGETS IN A PLAN OF AN ELECTRIC COMPANY OR A GAS COMPANY:**

16 **(1) MAY, NOTWITHSTANDING § 7–222(C)(2) OF THIS SUBTITLE,**
17 **INCLUDE RECOVERY OF THE REASONABLE AND PRUDENT COSTS FROM PROGRAMS**
18 **THAT ARE NOT BEHIND–THE–METER PROGRAMS IN A BASE RATE PROCEEDING,**
19 **SUBJECT TO COMMISSION APPROVAL; AND**

20 **(2) MAY NOT INCLUDE THE INCREASED ADOPTION OF ELECTRIC**
21 **VEHICLES.**

22 **(E) BEGINNING JANUARY 1, 2025, AT LEAST 80% OF THE GREENHOUSE GAS**
23 **EMISSIONS REDUCTIONS COUNTED TOWARD EACH ELECTRIC COMPANY’S AND EACH**
24 **GAS COMPANY’S GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED**
25 **UNDER THIS SECTION SHALL COME FROM BEHIND–THE–METER PROGRAMS.**

26 **7–224.**

27 **(A) (1) BEGINNING JANUARY 1, 2025, AND EVERY 3 YEARS THEREAFTER,**
28 **THE DEPARTMENT SHALL PROCURE OR PROVIDE TO LOW– AND MODERATE–INCOME**
29 **INDIVIDUALS ENERGY EFFICIENCY AND CONSERVATION PROGRAMS AND SERVICES,**
30 **DEMAND RESPONSE PROGRAMS AND SERVICES, AND BENEFICIAL ELECTRIFICATION**
31 **PROGRAMS AND SERVICES THAT ACHIEVE THE GREENHOUSE GAS EMISSIONS**
32 **REDUCTION TARGETS ESTABLISHED FOR THE DEPARTMENT UNDER PARAGRAPH (2)**
33 **OF THIS SUBSECTION.**

1 **(2) FOR THE PERIOD 2025–2033, THE PROGRAMS AND SERVICES**
2 **REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ON A**
3 **TRAJECTORY TO ACHIEVE GREENHOUSE GAS REDUCTIONS AFTER 2027 OF AT LEAST**
4 **0.9% OF THE BASELINE DETERMINED UNDER SUBSECTION (B) OF THIS SECTION.**

5 **(3) THE GREENHOUSE GAS REDUCTIONS ACHIEVED TO MEET THE**
6 **TARGETS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL COUNT**
7 **TOWARD THE ACHIEVEMENT OF THE GREENHOUSE GAS REDUCTION TARGET**
8 **ESTABLISHED UNDER § 7–223(B) OF THIS SUBTITLE.**

9 **(B) AS A BASELINE FOR DETERMINING GREENHOUSE GAS EMISSIONS**
10 **REDUCTION TARGETS UNDER THIS SECTION, THE COMMISSION SHALL USE THE**
11 **GREENHOUSE EMISSIONS RESULTING FROM THE DIRECT CONSUMPTION OF GAS AND**
12 **ELECTRICITY BY LOW- AND MODERATE-INCOME RESIDENTIAL HOUSEHOLDS IN**
13 **2020, AS DETERMINED BY THE DEPARTMENT OF THE ENVIRONMENT.**

14 **(C) (1) THE DEPARTMENT MAY PROCURE OR PROVIDE SAVINGS THAT**
15 **ARE ACHIEVED THROUGH FUNDING SOURCES THAT MEET THE STANDARDS OF**
16 **PROGRAM FUNDING THROUGH UTILITY RATES OR THE U.S. DEPARTMENT OF**
17 **ENERGY.**

18 **(2) THE DEPARTMENT MAY USE THE SAVINGS ACHIEVED THROUGH**
19 **ALL FUNDING SOURCES TOWARD CALCULATING THE TARGETED GREENHOUSE GAS**
20 **REDUCTIONS IF THE FUNDING SOURCES MEET THE STANDARDS OF PROGRAMS**
21 **FUNDED THROUGH:**

22 **(I) A SURCHARGE UNDER § 7–222 OF THIS SUBTITLE; OR**

23 **(II) THE U.S. DEPARTMENT OF ENERGY.**

24 **(D) ON OR BEFORE SEPTEMBER 1 EVERY 3 YEARS, BEGINNING IN 2024, THE**
25 **DEPARTMENT SHALL SUBMIT ITS PLANS FOR ANY PROGRAMS OR SERVICES**
26 **PROCURED OR PROVIDED UNDER SUBSECTION (A) OF THIS SECTION TO THE**
27 **COMMISSION FOR REVIEW AND APPROVAL UNDER § 7–225 OF THIS SUBTITLE.**

28 **(E) FOR WEATHERIZATION OF LEASED OR RENTED RESIDENCES, THE**
29 **DEPARTMENT SHALL ADOPT REGULATIONS TO ENSURE THAT:**

30 **(1) THE BENEFITS OF WEATHERIZATION ASSISTANCE, INCLUDING**
31 **UTILITY BILL REDUCTION AND PRESERVATION OF AFFORDABLE HOUSING STOCK,**
32 **ACCRUE PRIMARILY TO LOW-INCOME TENANTS OCCUPYING A LEASED OR RENTED**
33 **RESIDENCE; AND**

1 **(2) THE RENT ON THE RESIDENCE IS NOT INCREASED AND THE**
2 **TENANT IS NOT EVICTED AS A RESULT OF WEATHERIZATION PROVIDED UNDER THIS**
3 **SECTION.**

4 **(F) THE PROGRAMS AND SERVICES PROVIDED UNDER SUBSECTION (A) OF**
5 **THIS SECTION MAY NOT USE THERMAL INSULATING MATERIALS FOR BUILDING**
6 **ELEMENTS, INCLUDING WALLS, FLOORS, CEILINGS, ATTICS, AND ROOF INSULATION,**
7 **THAT CONTAIN FORMALDEHYDE IF THE FORMALDEHYDE:**

8 **(1) WAS INTENTIONALLY ADDED; OR**

9 **(2) IS PRESENT IN THE PRODUCT AT GREATER THAN 0.1% BY WEIGHT.**

10 **(G) THE DEPARTMENT'S APPROVED CONTRACTORS USED FOR THE**
11 **PROGRAMS UNDER THIS SECTION SHALL MEET THE FOLLOWING JOB**
12 **REQUIREMENTS:**

13 **(1) PAY AT LEAST 150% OF THE STATE MINIMUM WAGE;**

14 **(2) PROVIDE CAREER ADVANCEMENT TRAINING;**

15 **(3) AFFORD EMPLOYEES THE RIGHT TO BARGAIN COLLECTIVELY FOR**
16 **WAGES AND BENEFITS;**

17 **(4) PROVIDE PAID LEAVE;**

18 **(5) BE CONSIDERED COVERED EMPLOYMENT FOR PURPOSES OF**
19 **UNEMPLOYMENT INSURANCE BENEFITS IN ACCORDANCE WITH TITLE 8 OF THE**
20 **LABOR AND EMPLOYMENT ARTICLE;**

21 **(6) ENTITLE THE EMPLOYEE TO WORKERS' COMPENSATION BENEFITS**
22 **IN ACCORDANCE WITH TITLE 9 OF THE LABOR AND EMPLOYMENT ARTICLE;**

23 **(7) BE COMPLIANT WITH FEDERAL AND STATE WAGE AND HOUR LAWS**
24 **FOR THE PREVIOUS 3 YEARS;**

25 **(8) OFFER EMPLOYER-PROVIDED HEALTH INSURANCE BENEFITS**
26 **WITH MONTHLY PREMIUMS THAT DO NOT EXCEED 8.5% OF THE EMPLOYEE'S NET**
27 **MONTHLY EARNINGS; AND**

28 **(9) OFFER RETIREMENT BENEFITS.**

(H) (1) THE DEPARTMENT SHALL DEVELOP A PLAN TO COORDINATE FUNDING SOURCES AND LEVERAGE THE GREATEST FUNDING POSSIBLE TO SUPPORT A WHOLE HOME APPROACH BY ADDRESSING:

(I) HEALTH AND SAFETY UPGRADES;

(II) WEATHERIZATION;

(III) ENERGY EFFICIENCY; AND

(IV) OTHER GENERAL MAINTENANCE FOR LOW-INCOME HOUSING.

(2) THE PLAN SHALL COORDINATE FUNDING AMONG:

(I) THE STRATEGIC ENERGY INVESTMENT FUND;

(II) FEDERAL WEATHERIZATION ASSISTANCE PROGRAMS;

(III) RATEPAYER CONTRIBUTIONS TO:

1. THE EMPOWER MARYLAND LIMITED INCOME ENERGY EFFICIENCY PROGRAM; AND

2. THE MULTIFAMILY ENERGY EFFICIENCY AND HOUSING AFFORDABILITY PROGRAM;

(IV) THE MARYLAND AFFORDABLE HOUSING TRUST FUND;

(V) U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS, INCLUDING:

1. COMMUNITY DEVELOPMENT BLOCK GRANTS;

2. THE HOME INVESTMENT PARTNERSHIP GRANTS PROGRAM; AND

3. LEAD HAZARD CONTROL AND HEALTHY HOMES GRANTS;

(VI) U.S. DEPARTMENT OF AGRICULTURE PROGRAMS, INCLUDING THE HOME REPAIR PROGRAM;

(VII) THE HEALTHY HOMES FOR HEALTHY KIDS PROGRAM;

1 (VIII) THE ENERGY EFFICIENCY AND CONSERVATION BLOCK
2 GRANT PROGRAM;

3 (IX) STATE APPROPRIATIONS;

4 (X) FUNDS FROM THE FEDERAL INFLATION REDUCTION ACT OF
5 2022; AND

6 (XI) ANY OTHER SOURCE OF FUNDING THAT THE DEPARTMENT
7 OR THE TASK FORCE IDENTIFIES.

8 (3) THE DEPARTMENT SHALL ENSURE, FOR ANY WHOLE HOME
9 RETROFITS ASSOCIATED WITH WEATHERIZATION PROVIDED OR DEVELOPED UNDER
10 THE PLAN, THAT:

11 (I) THERE IS A SINGLE POINT OF CONTACT FOR LOW- AND
12 MODERATE-INCOME RESIDENTIAL HOUSEHOLDS; AND

13 (II) SERVICES ARE OFFERED IN ANY LANGUAGE NEEDED BY THE
14 LOW- AND MODERATE-INCOME RESIDENTIAL HOUSEHOLDS.

15 (4) THE DEPARTMENT SHALL COLLABORATE WITH THE MEMBERS OF
16 THE TASK FORCE AND IDENTIFY OTHER INTERESTED PARTIES TO DEVELOP THE
17 PLAN.

18 (5) ON OR BEFORE DECEMBER 31, 2024, THE DEPARTMENT SHALL
19 SUBMIT THE PLAN TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE
20 STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

21 (I) THE DEPARTMENT, THE MARYLAND ENERGY ADMINISTRATION, AND
22 OTHER STATE UNITS SHALL APPLY FOR ALL FEDERAL FUNDING THAT MAY BECOME
23 AVAILABLE TO CARRY OUT THIS SECTION.

24 (J) (1) THE DEPARTMENT SHALL COLLABORATE WITH THE MEMBERS OF
25 THE TASK FORCE TO DEVELOP A PLAN, INCLUDING A BUDGET, A TIMELINE, AND
26 POTENTIAL FUNDING SOURCES, TO PROVIDE ENERGY EFFICIENCY RETROFITS TO
27 ALL LOW-INCOME HOUSEHOLDS BY 2032.

28 (2) ON OR BEFORE DECEMBER 1, 2024, THE DEPARTMENT, IN
29 COLLABORATION WITH THE TASK FORCE, SHALL SUBMIT THE PLAN TO THE
30 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
31 ARTICLE.

32 7-225.

1 **(A) AS SOON AS POSSIBLE IN 2024, AND AT LEAST 8 MONTHS BEFORE THE**
2 **FILING DEADLINE FOR PLANS AFTER 2024, THE COMMISSION SHALL ISSUE AN**
3 **ORDER THAT FULLY ALLOCATES AMONG ELECTRIC COMPANIES, GAS COMPANIES,**
4 **AND THE DEPARTMENT THE TOTAL AMOUNT OF THE OVERALL STATEWIDE**
5 **GREENHOUSE GAS EMISSIONS REDUCTION TARGET DETERMINED UNDER § 7-223(B)**
6 **OF THIS SUBTITLE AND THE GREENHOUSE GAS EMISSIONS REDUCTIONS SPECIFIED**
7 **IN § 7-224(A)(2) OF THIS SUBTITLE.**

8 **(B) (1) (I) ON OR BEFORE JULY 1 EVERY 3 YEARS, BEGINNING IN 2024,**
9 **EACH ELECTRIC COMPANY AND EACH GAS COMPANY THAT SUBMITTED A PLAN FOR**
10 **ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS TO THE**
11 **COMMISSION BEFORE JULY 1, 2024, AND THE DEPARTMENT SHALL CONSULT WITH**
12 **THE TECHNICAL STAFF OF THE COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL,**
13 **THE MARYLAND ENERGY ADMINISTRATION, AND THE DEPARTMENT OF THE**
14 **ENVIRONMENT REGARDING THE DESIGN AND ADEQUACY OF ITS PLANS FOR**
15 **ACHIEVING THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED**
16 **BY THE COMMISSION UNDER § 7-223(A) OF THIS SUBTITLE AND SPECIFIED IN §**
17 **7-224(A)(2) OF THIS SUBTITLE.**

18 **(II) ON OR BEFORE OCTOBER 1, 2024, AND ON OR BEFORE JULY**
19 **1 EVERY 3 YEARS, BEGINNING IN 2027, EACH ELECTRIC COMPANY AND EACH GAS**
20 **COMPANY THAT DID NOT SUBMIT A PLAN FOR ACHIEVING ELECTRICITY SAVINGS**
21 **AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1, 2024,**
22 **SHALL COMPLY WITH THE CONSULTING REQUIREMENTS UNDER SUBPARAGRAPH (I)**
23 **OF THIS PARAGRAPH.**

24 **(2) EACH ELECTRIC COMPANY, EACH GAS COMPANY, AND THE**
25 **DEPARTMENT SHALL PROVIDE THE TECHNICAL STAFF OF THE COMMISSION, THE**
26 **OFFICE OF PEOPLE'S COUNSEL, THE MARYLAND ENERGY ADMINISTRATION, AND**
27 **THE DEPARTMENT OF THE ENVIRONMENT WITH ANY ADDITIONAL INFORMATION**
28 **REGARDING ITS PLAN, AS REQUESTED.**

29 **(C) (1) (I) ON OR BEFORE SEPTEMBER 1 EVERY 3 YEARS, BEGINNING**
30 **IN 2024, EACH ELECTRIC COMPANY AND EACH GAS COMPANY THAT SUBMITTED A**
31 **PLAN FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS TO**
32 **THE COMMISSION BEFORE JULY 1, 2024, AND THE DEPARTMENT SHALL SUBMIT ITS**
33 **PLAN TO THE COMMISSION.**

34 **(II) ON OR BEFORE DECEMBER 1, 2024, AND ON OR BEFORE**
35 **SEPTEMBER 1 EVERY 3 YEARS, BEGINNING IN 2027, EACH ELECTRIC COMPANY AND**
36 **EACH GAS COMPANY THAT DID NOT SUBMIT A PLAN FOR ACHIEVING ELECTRICITY**

1 SAVINGS AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1,
2 2024, SHALL SUBMIT ITS PLAN TO THE COMMISSION.

3 (2) EACH PLAN SHALL DETAIL A PROPOSAL FOR ACHIEVING
4 GREENHOUSE GAS EMISSIONS REDUCTION TARGETS FOR 3 SUBSEQUENT CALENDAR
5 YEARS.

6 (3) (I) EACH PLAN SHALL:

7 1. INCLUDE:

8 A. A DESCRIPTION OF THE PROPOSED PROGRAMS AND
9 SERVICES;

10 B. ANTICIPATED COSTS;

11 C. PROJECTED BENEFITS, INCLUDING GREENHOUSE
12 GAS EMISSIONS REDUCTIONS, ELECTRICITY SAVINGS, AND GAS SAVINGS; AND

13 D. ANY OTHER INFORMATION REQUESTED BY THE
14 COMMISSION; AND

15 2. ADDRESS RESIDENTIAL, COMMERCIAL, AND
16 INDUSTRIAL SECTORS AS APPROPRIATE, INCLUDING LOW-INCOME COMMUNITIES
17 AND LOW- TO MODERATE-INCOME COMMUNITIES.

18 (II) A PLAN OF THE DEPARTMENT SHALL INCLUDE A
19 DEFINITION OF “LOW- OR MODERATE-INCOME INDIVIDUAL” TO BE USED IN THE
20 PROCUREMENT OR PROVISION OF ENERGY EFFICIENCY, CONSERVATION, AND
21 GREENHOUSE GAS EMISSIONS REDUCTION PROGRAMS AND SERVICES.

22 (D) (1) THE COMMISSION SHALL REVIEW THE PLAN OF EACH ELECTRIC
23 COMPANY, EACH GAS COMPANY, AND THE DEPARTMENT TO DETERMINE WHETHER
24 THE PLAN IS ADEQUATE AND COST-EFFECTIVE IN ACHIEVING THE GREENHOUSE
25 GAS EMISSIONS REDUCTION TARGETS ESTABLISHED BY THE COMMISSION UNDER §
26 7-223(B) OF THIS SUBTITLE AND SPECIFIED IN § 7-224(A)(2) OF THIS SUBTITLE.

27 (2) THE COMMISSION SHALL CONSIDER ANY WRITTEN FINDINGS
28 PROVIDED BY THE MARYLAND ENERGY ADMINISTRATION, THE DEPARTMENT OF
29 THE ENVIRONMENT, AND THE OFFICE OF PEOPLE’S COUNSEL REGARDING THE
30 DESIGN AND ADEQUACY OF THE PLAN.

(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, IN APPROVING, MODIFYING, OR DENYING THE PLAN OF AN ELECTRIC COMPANY OR A GAS COMPANY, THE COMMISSION SHALL CONSIDER:

(I) THE COST-EFFECTIVENESS OF THE RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL SECTOR SUBPORTFOLIOS BY USING:

1. THE PRIMARY STATE JURISDICTION-SPECIFIC TEST, AS DEVELOPED, UPDATED, OR APPROVED BY THE COMMISSION, TO DETERMINE THE COST-EFFECTIVENESS OF A PROGRAM OR SERVICE PROSPECTIVELY, INCLUDING CONSIDERATION OF:

A. PARTICIPANT NONENERGY BENEFITS;

B. UTILITY NONENERGY BENEFITS; AND

C. SOCIETAL NONENERGY BENEFITS; AND

2. A TOTAL RESOURCE COST TEST TO COMPARE THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS OF THE PROGRAM OR SERVICE WITH THE RESULTS OF SIMILAR PROGRAMS OR SERVICES IMPLEMENTED IN OTHER JURISDICTIONS, INCLUDING:

A. PARTICIPANT NONENERGY BENEFITS; AND

B. UTILITY NONENERGY BENEFITS;

(II) THE IMPACT ON RATES OF EACH RATEPAYER CLASS;

(III) THE IMPACT ON JOBS;

(IV) THE IMPACT ON THE ENVIRONMENT; AND

(V) THE IMPACT ON THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE, ESTABLISHED BY THE COMMISSION UNDER § 7-223(B) OF THIS SUBTITLE, AND SPECIFIED IN § 7-224(A)(2) OF THIS SUBTITLE.

(4) NONENERGY BENEFITS CONSIDERED UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL BE QUANTIFIABLE AND DIRECTLY RELATED TO A PROGRAM OR SERVICE.

(5) (I) IN APPROVING, MODIFYING, OR DENYING THE PLAN OF THE DEPARTMENT, THE COMMISSION SHALL CONSIDER:

1. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COST-EFFECTIVENESS OF THE PLAN BY USING THE PRIMARY STATE JURISDICTION-SPECIFIC TEST, AS DEVELOPED, UPDATED, OR APPROVED BY THE COMMISSION;

2. THE IMPACT ON RATES OF EACH RATEPAYER CLASS;

3. THE IMPACT ON JOBS;

4. THE IMPACT ON THE ENVIRONMENT; AND

5. THE IMPACT ON THE GREENHOUSE GAS EMISSIONS TARGETS SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE, ESTABLISHED BY THE COMMISSION UNDER § 7-223(B) OF THIS SUBTITLE, AND SPECIFIED IN § 7-224(A)(2) OF THIS SUBTITLE.

(II) THE PROGRAMS AND SERVICES OFFERED BY THE DEPARTMENT ARE NOT REQUIRED TO BE COST-EFFECTIVE.

(E) THE DEPARTMENT OF THE ENVIRONMENT SHALL PREPARE AND SUBMIT TO THE COMMISSION AN ANALYSIS REGARDING THE ADEQUACY OF THE PLAN IN SUPPORTING THE STATE'S GREENHOUSE GAS EMISSIONS REDUCTION GOALS SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE, ESTABLISHED BY THE COMMISSION UNDER § 7-223(B) OF THIS SUBTITLE, AND SPECIFIED IN § 7-224(A)(2) OF THIS SUBTITLE.

7-226.

(A) (1) EACH ELECTRIC COMPANY, EACH GAS COMPANY, AND THE DEPARTMENT SHALL PROVIDE TO THE COMMISSION EVERY 6 MONTHS AN UPDATE ON PLAN IMPLEMENTATION AND PROGRESS MADE TOWARD ACHIEVING THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED BY THE COMMISSION UNDER § 7-223(B) OF THIS SUBTITLE AND SPECIFIED IN § 7-224(A)(2) OF THIS SUBTITLE.

(2) THE COMMISSION SHALL MONITOR AND ANALYZE THE IMPACT OF EACH PROGRAM AND SERVICE TO ENSURE THAT THE OUTCOME OF EACH PROGRAM AND SERVICE PROVIDES THE BEST POSSIBLE RESULTS.

1 **(3) IN MONITORING AND ANALYZING THE IMPACT OF A PROGRAM OR**
2 **SERVICE UNDER PARAGRAPH (2) OF THIS SUBSECTION, IF THE COMMISSION FINDS**
3 **THAT THE OUTCOME OF THE PROGRAM OR SERVICE MAY NOT BE PROVIDING THE**
4 **BEST POSSIBLE RESULTS, THE COMMISSION SHALL DIRECT THE ELECTRIC**
5 **COMPANY, THE GAS COMPANY, OR THE DEPARTMENT TO INCLUDE IN ITS NEXT**
6 **UPDATE UNDER PARAGRAPH (1) OF THIS SUBSECTION SPECIFIC MEASURES TO**
7 **ADDRESS THE FINDINGS.**

8 **(B) (1) AT LEAST ONCE EACH YEAR, EACH ELECTRIC COMPANY AND EACH**
9 **GAS COMPANY SHALL NOTIFY AFFECTED CUSTOMERS OF THE ENERGY EFFICIENCY**
10 **AND CONSERVATION AND GREENHOUSE GAS REDUCTION CHARGES IMPOSED AND**
11 **BENEFITS CONFERRED.**

12 **(2) THE NOTICE SHALL BE PROVIDED BY PUBLICATION ON THE**
13 **COMPANY'S WEBSITE AND INCLUSION WITH BILLING INFORMATION SUCH AS A BILL**
14 **INSERT OR BILL MESSAGE.**

15 **(C) ON OR BEFORE MAY 1 EACH YEAR, THE COMMISSION SHALL REPORT,**
16 **IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE**
17 **GENERAL ASSEMBLY ON:**

18 **(1) THE STATUS OF PROGRAMS AND SERVICES APPROVED UNDER**
19 **THIS SUBTITLE, INCLUDING AN EVALUATION OF THE IMPACT OF THE PROGRAMS**
20 **AND SERVICES THAT ARE DIRECTED TO LOW-INCOME COMMUNITIES, LOW- TO**
21 **MODERATE-INCOME COMMUNITIES TO THE EXTENT POSSIBLE, AND OTHER**
22 **PARTICULAR CLASSES OF RATEPAYERS;**

23 **(2) A RECOMMENDATION FOR THE APPROPRIATE FUNDING LEVEL TO**
24 **ADEQUATELY FUND THESE PROGRAMS AND SERVICES;**

25 **(3) THE PER CAPITA ELECTRICITY CONSUMPTION AND THE WINTER**
26 **AND SUMMER PEAK DEMAND FOR THE PREVIOUS CALENDAR YEAR; AND**

27 **(4) BEGINNING IN 2026, PROGRESS MADE TOWARD REDUCING**
28 **GREENHOUSE GAS EMISSIONS IN ACCORDANCE WITH §§ 7-223 AND 7-224 OF THIS**
29 **SUBTITLE.**

30 **7-227.**

31 **(A) NOTWITHSTANDING ANY OTHER LAW, THE COMMISSION MAY NOT**
32 **REQUIRE OR ALLOW AN ELECTRIC COMPANY OR A GAS COMPANY TO REQUIRE A**
33 **CUSTOMER TO AUTHORIZE THE ELECTRIC COMPANY OR GAS COMPANY TO CONTROL**
34 **THE AMOUNT OF THE CUSTOMER'S ELECTRICITY USAGE OR GAS USAGE.**

(B) A CUSTOMER MAY PROVIDE CONSENT TO PARTICIPATE IN A PROGRAM OF AN ELECTRIC COMPANY OR A GAS COMPANY THAT PROVIDES DIRECT LOAD CONTROL OR OTHER UTILITY MANIPULATION OF A CUSTOMER'S ELECTRICITY OR GAS USAGE.

7-228.

(A) EACH ELECTRIC COMPANY AND EACH GAS COMPANY SHALL PROMOTE THE AVAILABILITY OF FEDERAL AND STATE REBATES, TAX CREDITS, AND INCENTIVES THAT CAN BE USED TO SUPPORT ENERGY EFFICIENCY INVESTMENTS, ENERGY EFFICIENT AND NON-FOSSIL-FUEL-POWERED APPLIANCES AND COOKING EQUIPMENT, BREAKER BOX UPGRADES, AND PORTABLE HEATING AND COOLING EQUIPMENT.

(B) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

7-510.3.

(j) (2) A community choice aggregator, in consultation with all investor-owned electric companies whose service territories include all or part of the county and the Department of Housing and Community Development, may promote energy efficiency programs that are:

(i) offered by the investor-owned electric companies; or

(ii) filed by the investor-owned electric companies with the Commission for its approval in accordance with [§ 7-211] **SUBTITLE 2, PART II** of this title.

Article – State Government

9-20B-05.

(f) The Administration shall use the Fund:

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under [§ 7-211] **TITLE 7, SUBTITLE 2, PART II** of the Public Utilities Article;

SECTION 5. AND BE IT FURTHER ENACTED, That:

(a) The certification agency designated by the Board of Public Works under § 14-303(b) of the State Finance and Procurement Article and the Governor's Office of Small,

1 Minority, and Women Business Affairs, in consultation with the Department of Housing
2 and Community Development, the Office of the Attorney General, and the General
3 Assembly, shall initiate a study regarding the energy efficiency and conservation services
4 used by the Department of Housing and Community Development to evaluate whether the
5 enactment of remedial measures to assist minority and women-owned businesses in the
6 energy efficiency and conservation services industry and market would comply with the
7 U.S. Supreme Court decision in *City of Richmond v. J. A. Croson Co.*, 488 U.S. 469 (1989),
8 and any subsequent federal or constitutional requirements.

9 (b) The certification agency and the Governor's Office of Small, Minority, and
10 Women Business Affairs shall submit the findings of the study required under subsection
11 (a) of this section to the Legislative Policy Committee, in accordance with § 2-1257 of the
12 State Government Article, on or before December 31, 2026, so that the General Assembly
13 may review the findings before the 2027 legislative session.

14 SECTION 6. AND BE IT FURTHER ENACTED, That the publisher of the
15 Annotated Code of Maryland, in consultation with and subject to the approval of the
16 Department of Legislative Services, shall correct, with no further action required by the
17 General Assembly, cross-references and terminology rendered incorrect by this Act. The
18 publisher shall adequately describe any correction that is made in an editor's note following
19 the section affected.

20 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2024.