HOUSE BILL 1037

C5, M5 5lr2311
CF SB 909

By: **Delegate Crosby**
Introduced and read first time: February 5, 2025
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2025

CHAPTER ______

AN ACT concerning

Energy Resource Adequacy and Planning Act

FOR the purpose of establishing the ~~Integrated Resource~~ Strategic Energy Planning Office ~~in the Public Service Commission~~; requiring the Office to develop a Comprehensive ~~Energy Forecast and conduct a certain study~~ Wholesale Energy Markets and Bulk Power System Risk Report and examine certain scenarios to support the development of the ~~Forecast; requiring the Office, in consultation with the Commission and the Maryland Energy Administration, to complete certain energy modeling; requiring the Commission, in consultation with the Office, to adopt regulations requiring each electric company to develop a certain integrated resource plan~~ Risk Report; requiring the Office to conduct certain stakeholder processes; requiring the Office to provide certain information to certain persons under certain circumstances; requiring the Public Service Commission to conduct a certain public proceeding; requiring the Commission and the Department of Transportation to complete certain studies; requiring the Maryland Energy Administration to obtain or develop certain power flow analyses; and generally relating to the ~~Integrated Resource~~ Strategic Energy Planning Office and energy resource planning.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 2–110 and 2–110.1
Annotated Code of Maryland
(2020 Replacement Volume and 2024 Supplement)

BY adding to

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.

Article – Public Utilities
Section 7–1201 through ~~7–1206~~ 7–1207 to be under the new subtitle "Subtitle 12. ~~Integrated~~ ~~Resource~~ Strategic Energy Planning Office"
Annotated Code of Maryland
(2020 Replacement Volume and 2024 Supplement)

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

Article – Public Utilities

2–110.

(a) In this section, "public service company" includes an electricity supplier and a gas supplier as those terms are defined in § 1–101 of this article.

(b) (1) The costs and expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of People's Counsel shall be borne by the public service companies that are subject to the Commission's jurisdiction.

(2) The costs and expenses shall be assessed as provided in this section.

(3) The Commission shall pay the money that it collects for the assessment under this section into the Public Utility Regulation Fund in the State Treasury established under § 2–110.1 of this subtitle to reimburse the State for the expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of People's Counsel.

(c) (1) (i) Before each State fiscal year, the Chairman of the Commission shall estimate the Commission's total costs and expenses, including:

1. the compensation and expenses of the Commission, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Commission;

3. all other maintenance and operation expenses of the Commission; and

4. all other direct and indirect costs of the Commission.

(ii) The estimate shall exclude the expenses associated with services performed by the Commission for which the Commission is reimbursed under this division.

(iii) **THE ESTIMATE SHALL INCLUDE, AS PROVIDED BY THE STRATEGIC ENERGY PLANNING OFFICE:**

1. THE COMPENSATION AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, ITS OFFICERS, AGENTS, AND PERSONNEL;

2. THE COST OF RETIREMENT CONTRIBUTIONS, SOCIAL SECURITY, HEALTH INSURANCE, AND OTHER BENEFITS REQUIRED TO BE PAID BY THE STATE FOR THE PERSONNEL OF THE STRATEGIC ENERGY PLANNING OFFICE;

3. ALL OTHER MAINTENANCE AND OPERATION EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE; AND

4. ALL OTHER DIRECT AND INDIRECT COSTS OF THE STRATEGIC ENERGY PLANNING OFFICE.

(IV) The estimate shall include, as provided by the Office of People's Counsel:

1. the compensation and expenses of the Office of People's Counsel, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Office of People's Counsel;

3. all other maintenance and operation expenses of the Office of People's Counsel; and

4. all other direct and indirect costs of the Office of People's Counsel.

(2) Based on the estimate, the Chairman shall determine the amount to be paid by each public service company.

(3) The Commission shall send a bill to each public service company on or before May 1 of each year.

(4) (i) The bill shall equal the product of:

1. the estimated total costs and expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of People's Counsel during the next fiscal year; multiplied by

2. the ratio of the gross operating revenues for the public service company derived from intrastate utility and electricity supplier operations in the

preceding calendar year, or other 12–month period as the Chairman determines, to the total of the gross operating revenues derived from intrastate utility and electricity supplier operations for all public service companies that are billed under this section over that period.

(ii) To the extent that the Commission requires an electric company to report the gross operating revenue derived from intrastate utility and electricity supplier operation in order to calculate the bill under subparagraph (i) of this paragraph, a small rural electric cooperative described in § 7–502(a) of this article may satisfy the requirement by submitting to the Commission an estimate made in accordance with a formula approved by the Commission from information that the small rural electric cooperative submits to the rural utilities service.

(5) The minimum bill for a public service company shall be $10.

(6) The public service company:

(i) shall pay the bill on or before the next July 15; or

(ii) may elect to make partial payments on the 15th days of July, October, January, and April.

(7) A partial payment shall equal 25% of the bill and may not be less than $10.

(8) During any State fiscal year, the Chairman may change the estimate of costs and expenses of the Commission**, THE ESTIMATE OF COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, AS CHANGED BY THE STRATEGIC ENERGY PLANNING OFFICE,** and the estimate of costs and expenses of the Office of People's Counsel, as changed by the People's Counsel.

(9) (i) If the estimate is changed, the Commission shall send a revised bill to each public service company that has elected to make partial payments.

(ii) The change shall be apportioned equally against the remaining payments for the fiscal year.

(10) (i) On or before September 15 of each year, the Chairman shall compute**:**

1. the actual costs and expenses of the Commission**[,];**

2. THE ACTUAL COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE, AS PROVIDED BY THE STRATEGIC ENERGY PLANNING OFFICE FOR THE PRECEDING FISCAL YEAR; and

3. the actual costs and expenses of the Office of People's Counsel, as provided by the People's Counsel for the preceding fiscal year.

(ii) If the amounts collected are less than the actual costs and expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of the People's Counsel, after deducting the amounts recovered under §§ 2–111(a) and 2–123 of this subtitle, on or before October 15, the Chairman shall send to any public service company that is affected a statement that shows the amount due.

(iii) If the amounts collected exceed the actual costs and expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of the People's Counsel for the preceding fiscal year, the Commission shall deduct any excess retained funds from the appropriation for the next fiscal year before the Commission determines the amount to be paid by each public service company for the next fiscal year under paragraph (2) of this subsection.

(11) A public service company shall pay an amount due within 30 days after the statement is received.

(12) The total amount that may be charged to a public service company under this section for a State fiscal year may not exceed:

(i) 0.50% of the public service company's gross operating revenues derived from intrastate utility and electricity supplier operations in the preceding calendar year, or other 12–month period that the Chairman determines, for the costs and expenses of the Commission other than that of the **STRATEGIC ENERGY PLANNING OFFICE AND THE** Office of People's Counsel; plus

(ii) **0.074% OF THOSE REVENUES FOR THE COSTS AND EXPENSES OF THE STRATEGIC ENERGY PLANNING OFFICE; PLUS**

(III) 0.074% of those revenues for the costs and expenses of the Office of People's Counsel.

(d) (1) Within 30 days after the Commission issues a bill under subsection (c) of this section, the party billed may request a hearing as to the amount of the bill.

(2) Any amount of a bill that is not paid within 30 days after the date of determination on a hearing or, if a hearing is not requested, on the date when payment is due, shall bear annual interest at a rate, not less than 6%, that the Commission sets by regulation.

2–110.1.

(a) There is a Public Utility Regulation Fund.

(b) The Fund consists of:

(1) all revenue received through the imposition and collection of assessments under § 2–110 of this subtitle;

(2) fees received by the Commission under § 2–123 of this subtitle for filings and for other services rendered by the Commission;

(3) income from investments that the State Treasurer makes for the Fund; and

(4) any other fee, examination assessment, or revenue received by the Commission under this division.

(c) Notwithstanding subsection (b) of this section, the Commission shall pay all fines and penalties collected by the Commission under this article into the Resiliency Hub Grant Program Fund established under § 9–2011 of the State Government Article.

(d) The purpose of the Fund is to pay all the costs and expenses incurred by the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of People's Counsel that are related to the operation of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of People's Counsel, including:

(1) expenditures authorized under this division; and

(2) any other expense authorized in the State budget.

(e) (1) All the costs and expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and the Office of People's Counsel shall be included in the State budget.

(2) Expenditures from the Fund to cover costs and expenses of the Commission**, THE STRATEGIC ENERGY PLANNING OFFICE,** and Office of People's Counsel may only be made:

(i) with an appropriation from the Fund approved by the General Assembly in the State budget; or

(ii) by budget amendment in accordance with § 7–209 of the State Finance and Procurement Article.

(f) (1) The State Treasurer is the custodian of the Fund.

(2) The State Treasurer shall deposit payments received from the Commission into the Fund.

(g) (1) The Fund is a continuing, special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article, and may not be considered a part of the General Fund of the State.

(2) Unless otherwise provided by law, no part of the Fund may revert or be credited to:

(i) the General Fund of the State; or

(ii) any other special fund of the State.

SUBTITLE 12. ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.

7–1201.

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

~~(B) "DEMAND ELEMENT" MEANS A SPECIFIC FACTOR OR COMPONENT THAT CONTRIBUTES TO THE OVERALL ELECTRICITY LOAD OR DEMAND.~~

~~(C)~~ (B) "DIRECTOR" MEANS THE DIRECTOR OF THE ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.

~~(D) "FORECAST" MEANS THE COMPREHENSIVE ENERGY FORECAST.~~

~~(E)~~ (C) "OFFICE" MEANS THE ~~INTEGRATED RESOURCE~~ STRATEGIC ENERGY PLANNING OFFICE.

(D) "PJM REGION" HAS THE MEANING STATED IN § 7–701 OF THIS TITLE.

(E) "RISK REPORT" MEANS THE COMPREHENSIVE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM RISK REPORT DEVELOPED UNDER § 7–1203 OF THIS SUBTITLE.

7–1202.

(A) THERE IS ~~AN INTEGRATED RESOURCE~~ A STRATEGIC ENERGY PLANNING OFFICE ~~IN THE COMMISSION~~.

(B) (1) THE HEAD OF THE OFFICE IS THE DIRECTOR.

(2) (I) THE DIRECTOR SHALL~~:~~

~~(I)~~ BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE~~; AND~~

~~(II) SERVE AT THE PLEASURE OF THE GOVERNOR~~.

(II) THE TERM OF THE DIRECTOR IS 5 YEARS AND BEGINS ON JULY 1.

(III) AT THE END OF A TERM, THE DIRECTOR CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(IV) A DIRECTOR WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(V) A DIRECTOR MAY SERVE MORE THAN ONE TERM.

(3) THE GOVERNOR MAY REMOVE THE DIRECTOR FOR INCOMPETENCE OR MISCONDUCT IN ACCORDANCE WITH § 3–307 OF THE STATE GOVERNMENT ARTICLE.

(4) THE DIRECTOR IS ENTITLED TO A SALARY AS PROVIDED IN THE STATE BUDGET.

~~(C) (1) THE COMMISSION SHALL PROVIDE THE OFFICE WITH SUFFICIENT STAFF AND RESOURCES TO PERFORM THE FUNCTIONS OF THIS SUBTITLE.~~

(C) (1) THE OFFICE SHALL HAVE THE STAFF PROVIDED FOR IN THE STATE BUDGET.

(2) THE OFFICE MAY HIRE ~~A~~ PRIVATE ~~CONSULTANT~~ CONSULTANTS IF NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE.

(D) IN ORDER TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE, THE OFFICE SHALL COLLABORATE WITH:

(1) THE MARYLAND ENERGY ADMINISTRATION;

(2) THE COMMISSION;

(3) THE POWER PLANT RESEARCH PROGRAM;

(4) THE MARYLAND CLEAN ENERGY CENTER; AND

(5) THE DEPARTMENT OF THE ENVIRONMENT.

(E) THE OFFICE SHALL COORDINATE WITH THE COMMISSION TO ESTABLISH PROCEDURES AND RULES TO OBTAIN INFORMATION FROM ELECTRIC COMPANIES AND GAS COMPANIES NECESSARY TO ACCOMPLISH THE OFFICE'S DUTIES UNDER THIS SUBTITLE.

7–1203.

(A) (1) EVERY 3 YEARS, THE OFFICE SHALL DEVELOP A COMPREHENSIVE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM RISK REPORT.

(2) THE PURPOSE OF THE RISK REPORT IS TO:

(I) ASSESS WHOLESALE ENERGY MARKET FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS ASSOCIATED WITH SERVING THE STATE'S LONG–TERM ENERGY NEEDS; AND

(II) IDENTIFY ANY NECESSARY COST–EFFECTIVE SOLUTIONS THAT ENSURE ELECTRIC SYSTEM RELIABILITY WHILE MEETING THE STATE'S ENERGY POLICY GOALS.

(3) THE SOLUTIONS IDENTIFIED IN THE RISK REPORT SHALL SEEK TO:

(I) MINIMIZE THE GROWTH OF THE COST OF ELECTRICITY OR LOWER THE COST OF ELECTRICITY; AND

(II) MINIMIZE ENERGY RESOURCE RELIABILITY RISKS.

(B) (1) THE RISK REPORT SHALL INCLUDE ENERGY AND DEMAND FORECASTS THAT CONTAIN:

(I) REASONABLE, 20–YEAR PROJECTIONS FOR ELECTRICITY LOAD AND ENERGY DEMANDS FOR:

1. TRANSMISSION ZONES; AND

2. ELECTRIC SERVICE TERRITORIES; AND

(II) PROJECTIONS FOR MEETING STATE ENERGY NEEDS AND CLEAN ENERGY GOALS AND LOAD FORECASTS IN THE PJM REGION, INCLUDING:

1. LOW, AVERAGE, AND HIGH PROJECTIONS OF ENERGY DEMAND BASED ON STATE POLICIES AND OTHER REASONABLE ASSUMPTIONS THAT IMPACT THE PROVISION OF ELECTRICITY IN THE STATE; AND

2. OTHER PROJECTIONS AS NECESSARY.

(2) IN COLLECTING THE DATA FOR THE FORECASTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE OFFICE SHOULD, BUT IS NOT REQUIRED TO, USE:

(I) HISTORICAL AND PROJECTED INFORMATION FROM ELECTRIC COMPANIES;

(II) LOAD FORECASTS FOR THE PJM REGION;

(III) APPROPRIATE ECONOMETRIC DATA FOR THE STATE; AND

(IV) ANY OTHER INFORMATION THE OFFICE CONSIDERS APPROPRIATE.

(C) (1) THE OFFICE SHALL EXAMINE DIFFERENT WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM SCENARIOS TO SERVE THE FORECASTS UNDER SUBSECTION (B) OF THIS SECTION.

(2) EACH SCENARIO EXAMINED SHALL:

(I) IDENTIFY THE RESULTING WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM FINANCIAL AND RESOURCE ADEQUACY IMPACTS OF SERVING THE FORECASTS WITH THE EXISTING ELECTRIC SYSTEM, KNOWN ADDITIONS TO THE ELECTRIC SYSTEM, AND ELECTRIC SYSTEM RESOURCE RETIREMENTS; AND

(II) IDENTIFY RESOURCE AND DEMAND–SIDE MANAGEMENT SOLUTIONS THAT MAY RESOLVE POTENTIAL RESOURCE ADEQUACY ISSUES AT THE LEAST COST.

(3) FOR A SUBSET OF SCENARIOS THAT ARE PRIMARILY RELIED ON WITHIN THE RISK REPORT, THE OFFICE SHALL, IN ADDITION TO THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION:

(I) IDENTIFY THE RESULTING WHOLESALE MARKET AND BULK POWER SYSTEM RELIABILITY IMPACTS OF SERVING THE FORECASTS WITH THE EXISTING ELECTRIC SYSTEM, KNOWN ADDITIONS TO THE ELECTRIC SYSTEM, AND ELECTRIC SYSTEM RESOURCE RETIREMENTS; AND

(II) IDENTIFY RESOURCE AND DEMAND–SIDE MANAGEMENT SOLUTIONS THAT MAY RESOLVE POTENTIAL RELIABILITY CONSTRAINTS AT THE LEAST COST.

(4) EACH SCENARIO SHALL ALSO EXAMINE:

(I) DIFFERENT ENERGY RESOURCE MIXES TO MEET THE STATE'S ENERGY NEEDS, INCLUDING THE USE OF DEMAND–SIDE MANAGEMENT;

(II) DIFFERENT APPROACHES FOR MEETING THE STATE'S CLEAN ENERGY GOALS;

(III) IMPROVEMENTS TO EXISTING ENERGY RESOURCES AS OPPOSED TO THE DEPLOYMENT OF NEW ENERGY RESOURCES;

(IV) BALANCING THE USE OF ELECTRICITY IMPORTED FROM OUTSIDE THE STATE WITH THE DEVELOPMENT OF NEW ENERGY RESOURCES IN THE STATE;

(V) FINANCIAL AND OTHER RISKS ASSOCIATED WITH RETIRING ENERGY GENERATION RESOURCES;

(VI) DIRECTIONAL ASSESSING OF COST RISKS TO RATEPAYERS; AND

(VII) IMPACTS TO THE WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM IN MEETING THE STATE'S POLICY GOALS RELATED TO ELECTRICITY.

(5) THE SCENARIOS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:

(I) AT LEAST ONE SCENARIO THAT EXAMINES THE ACHIEVEMENT OF THE STATE'S CLEAN ENERGY GOALS;

(II) AT LEAST ONE SCENARIO THAT EXAMINES A LEAST–COST APPROACH TO MEETING THE STATE'S PROJECTED ENERGY NEEDS; AND

(III) AT LEAST ONE SCENARIO THAT ASSUMES NO CHANGES IN STATE ENERGY AND CLIMATE POLICIES.

(D) (1) THE RISK REPORT SHALL:

(I) BE INFORMED BY THE FORECASTS AND SCENARIOS REQUIRED UNDER THIS SECTION;

(II) PROVIDE INFORMATION ON THE RISKS ASSOCIATED WITH SERVING THE IDENTIFIED ENERGY FORECASTS AND ACHIEVEMENT OF THE STATE'S CLEAN ENERGY GOALS;

(III) DISCUSS THE POTENTIAL FINANCIAL IMPACTS OF THE DIFFERENT SCENARIOS EXAMINED UNDER SUBSECTION (C) OF THIS SECTION ON THE STATE AND RATEPAYERS;

(IV) IDENTIFY THE FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS OF THE WHOLESALE ENERGY MARKETS AND BULK POWER SYSTEM ON RATEPAYERS; AND

(V) SPECIFY THE INPUTS AND ASSUMPTIONS USED IN DEVELOPING THE RISK REPORT.

(2) (I) THE RISK REPORT SHALL ALSO INCLUDE ANY RECOMMENDATIONS OF THE OFFICE REGARDING SHORT– AND LONG–TERM SOLUTIONS TO MINIMIZE WHOLESALE ENERGY MARKET AND BULK POWER SYSTEM FINANCIAL, RESOURCE ADEQUACY, AND RELIABILITY RISKS, INCLUDING STRATEGIES TO IMPLEMENT ANY RECOMMENDATIONS.

(II) THE RECOMMENDATIONS MAY INCLUDE:

1. ENERGY GENERATION, TRANSMISSION, OR DISTRIBUTION RESOURCE DEPLOYMENT OR DEMAND–SIDE MANAGEMENT SOLUTIONS;

2. PROGRAM DEVELOPMENT, INCLUDING:

A. ALTERING OR ADDING TO EXISTING PROGRAMS; OR

B. PROPOSING NEW PROGRAMS;

3. STATUTORY OR REGULATORY CHANGES; AND

4. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO IMPLEMENT SHORT– AND LONG–TERM RECOMMENDATIONS IDENTIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, INCLUDING:

A. UTILIZING EXISTING OR CREATING NEW MARKET STRUCTURES;

B. UTILIZING EXISTING OR CREATING NEW STATE PROGRAMS;

C. STATE FINANCING OPTIONS, INCLUDING STATE PROCUREMENT AND MULTISTATE PROCUREMENT;

D. ELECTRIC COMPANY PROCUREMENT OR PROGRAMS;

E. EXAMINING THE MIX OF IN–STATE GENERATION VERSUS RELYING ON IMPORTS AND DEMAND–SIDE MANAGEMENT; AND

F. ANY OTHER RECOMMENDATIONS THAT THE OFFICE CONSIDERS APPROPRIATE.

(III) IF THE OFFICE DETERMINES THAT THE IDENTIFIED RISKS ARE ACCEPTABLE OR THAT EXISTING MARKET DESIGNS, PROCESSES, OR POLICIES WILL ADEQUATELY ADDRESS THE RISKS IDENTIFIED IN THE RISK REPORT, THE OFFICE MAY RECOMMEND THAT NO ACTIONS BE TAKEN.

(IV) THE OFFICE SHALL SUPPORT THE RECOMMENDATIONS BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND GREENHOUSE GAS EMISSIONS REDUCTIONS.

7–1204.

(A) (1) THE OFFICE SHALL:

(I) DEVELOP AND MAINTAIN THE TOOLS AND RESOURCES NECESSARY TO COMPLETE THE ANALYSES REQUIRED UNDER THIS SUBTITLE;

(II) COORDINATE WITH PJM INTERCONNECTION, LLC TO DEVELOP AND MAINTAIN THE TOOLS NECESSARY TO COMPLETE THE ANALYSES REQUIRED UNDER THIS SUBTITLE;

(III) HAVE THE ABILITY TO CONDUCT COST–BENEFIT ANALYSES OF ENERGY GENERATION RESOURCES IN WHOLESALE ENERGY MARKETS; AND

(IV) PROVIDE AN OPPORTUNITY FOR STAKEHOLDER FEEDBACK ON ANY REPORTS DEVELOPED BY THE OFFICE.

(2) (I) FOR THE RISK REPORT REQUIRED UNDER § 7–1203 OF THIS SUBTITLE, THE OFFICE SHALL CONDUCT A STAKEHOLDER PROCESS TO SOLICIT

FEEDBACK REGARDING THE DEVELOPMENT OF DATA INPUTS THAT WILL INFORM THE FORECASTS AND SCENARIOS FOR DEVELOPING THE RISK REPORT.

(II) THE OFFICE IS NOT REQUIRED TO UTILIZE THE FEEDBACK RECEIVED FROM THE STAKEHOLDER PROCESS CONDUCTED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION, BUT SHALL PROVIDE DOCUMENTATION OF THE STAKEHOLDER PROCESS IN THE RISK REPORT.

(3) (I) IN ADDITION TO THE PUBLIC HEARING REQUIRED IN § 7–1206 OF THIS SUBTITLE, AFTER THE PUBLICATION OF THE RISK REPORT OR ANY UPDATE TO THE REPORT, THE OFFICE SHALL CONDUCT A STAKEHOLDER PROCESS TO DEVELOP A REPORT THAT ASSESSES STRATEGIES TO ADDRESS THE IDENTIFIED RISKS AND RECOMMENDATIONS IN THE RISK REPORT.

(II) WHEN ASSESSING STRATEGIES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THERE SHALL BE CONSIDERATION OF:

1. NEW OR EXISTING PROGRAMS;

2. LEVERAGING TECHNOLOGY ENHANCEMENTS;

3. REVISED REGULATORY STRUCTURES;

4. STATE COORDINATION OF FEDERAL SOLUTIONS;

5. UTILIZING MARKET MECHANISMS; AND

6. ANY OTHER FACTORS CONSIDERED APPROPRIATE.

(B) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR THE RISK REPORT.

(C) (1) ON OR BEFORE NOVEMBER 1 EACH YEAR, THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE MAY JOINTLY REQUEST THE OFFICE TO ASSESS UP TO FIVE POLICY SCENARIOS.

(2) NOT LATER THAN 1 YEAR AFTER THE DATE THE OFFICE RECEIVES A REQUEST UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE OFFICE SHALL SUBMIT A REPORT OF THE RESULTS OF THE REQUESTED POLICY SCENARIOS TO THE SENATE COMMITTEE ON EDUCATION, ENERGY, AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE.

7–1205.

(A) ON OR BEFORE SEPTEMBER 1, 2028, AND EVERY 3 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT THE RISK REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(B) (1) THE OFFICE MAY SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ANY ADDITIONAL UPDATES TO THE RISK REPORT AT ANY TIME.

(2) THE UPDATES SHALL INCLUDE:

(I) THE STATUS OF AND ANY CHANGES TO THE FORECASTS AND SCENARIOS DEVELOPED UNDER § 7–1203 OF THIS SUBTITLE;

(II) INFORMATION ON ANY NEW FORECASTS AND SCENARIOS THE OFFICE HAS DEVELOPED; AND

(III) ANY OTHER CHANGES TO THE INFORMATION OR RECOMMENDATIONS CONTAINED IN THE REPORT OR ANY PRECEDING UPDATES TO THE REPORT.

(C) ON OR BEFORE SEPTEMBER 1, 2028, AND EVERY 3 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THE REPORT REQUIRED UNDER § 7–1204(A)(3) OF THIS SUBTITLE.

7–1206.

(A) BEGINNING ON OR BEFORE SEPTEMBER 1, 2030, AND AT LEAST ONCE EVERY 3 YEARS THEREAFTER, AFTER RECEIVING A REQUEST BY THE OFFICE, THE COMMISSION, IN CONSULTATION WITH THE OFFICE, SHALL CONDUCT A PUBLIC PROCEEDING TO ASSESS THE RESULTS AND RECOMMENDATIONS CONTAINED IN THE RISK REPORT AND ANY UPDATES TO THE REPORT.

(B) THE PUBLIC PROCEEDING SHALL INCLUDE A PUBLIC HEARING AND AN OPPORTUNITY FOR PUBLIC COMMENT ON THE RECOMMENDATIONS OF THE RISK REPORT AND ANY UPDATES TO THE REPORT.

(C) THE OFFICE SHALL CONSIDER ANY FEEDBACK RECEIVED THROUGH THE PUBLIC PROCEEDING AND DETERMINE IF ANY FURTHER CHANGES TO THE RISK REPORT ARE NECESSARY.

(D) THE COMMISSION SHALL CONSIDER ANY FEEDBACK RECEIVED THROUGH THE PUBLIC PROCEEDING AND DETERMINE WHETHER ANY ACTION UNDER ITS JURISDICTION IS WARRANTED.

7–1207.

(A) THIS SECTION DOES NOT APPLY TO:

(1) THE REPORT REQUIRED UNDER § 7–1204(A)(3) OF THIS SUBTITLE; AND

(2) THE REPORT REQUIRED UNDER § 7–1204(C)(2) OF THIS SUBTITLE.

(B) EACH REPORT REQUIRED UNDER THIS SUBTITLE SHALL INCLUDE DOCUMENTATION OF STAKEHOLDER ENGAGEMENT AND ANY FEEDBACK RECEIVED RELATED TO THE DEVELOPMENT OF THAT REPORT.

~~**7–1203.**~~

~~(A) THE OFFICE SHALL DEVELOP A 25–YEAR COMPREHENSIVE ENERGY FORECAST.~~

~~(B) THE PURPOSE OF THE FORECAST IS TO ANALYZE ENERGY SCENARIOS AND POLICY OPTIONS FOR MEETING THE STATE'S ENERGY NEEDS AND GREENHOUSE GAS EMISSIONS REDUCTION GOALS WHILE ENSURING ELECTRIC DISTRIBUTION SYSTEM RELIABILITY AND COST–EFFECTIVENESS CONSISTENT WITH THE LONG–TERM ENERGY NEEDS OF THE STATE.~~

~~(C) THE FORECAST SHALL INCLUDE:~~

~~(1) REASONABLE PROJECTIONS FOR ELECTRICITY LOAD AND DEMAND FROM 2025 THROUGH 2050 THAT INCLUDE:~~

~~(I) STATEWIDE DEMAND ELEMENTS; AND~~

~~(II) DEMAND ELEMENTS FOR SPECIFIC ELECTRIC SERVICE TERRITORIES;~~

~~(2) SCENARIOS FOR MEETING:~~

~~(I) STATE ENERGY NEEDS AND GREENHOUSE GAS EMISSIONS REDUCTION GOALS; AND~~

~~(II) LOAD FORECASTS IN THE PJM REGION, AS DEFINED IN § 7–101 OF THIS TITLE; AND~~

~~(3) A STRATEGY TO MEET THE SCENARIO THAT THE OFFICE DETERMINES BEST MEETS THE NEEDS STATED IN ITEM (2) OF THIS SUBSECTION AND THAT INCLUDES:~~

~~(I) INFORMATION ON THE SCENARIO'S IMPACT ON ENERGY RELIABILITY AND GREENHOUSE GAS EMISSIONS REDUCTIONS;~~

~~(II) THE FINANCIAL IMPACT OF THE SCENARIO ON THE STATE AND RATEPAYERS;~~

~~(III) 1. SHORT– AND LONG–TERM RECOMMENDATIONS FOR THE GENERATION, DISTRIBUTION, TRANSMISSION, AND STORAGE OF ELECTRICITY, SUPPORTED BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND GREENHOUSE GAS EMISSIONS REDUCTIONS; AND~~

~~2. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO IMPLEMENT THE SHORT– AND LONG–TERM RECOMMENDATIONS;~~

~~(IV) LOCATIONAL VALUE ESTIMATIONS INCLUDING PRIORITY GENERATION AND TRANSMISSION ZONES ATTRACTIVE FOR RESOURCE DEVELOPMENT;~~

~~(V) A SUMMARY OF RELEVANT REGULATORY AND ADMINISTRATIVE PROCEDURES THAT COULD BE STREAMLINED OR MODERNIZED FOR GREATER EFFICIENCY;~~

~~(VI) THE USE OF ALL BEST AVAILABLE TECHNOLOGIES AND TECHNOLOGIES THAT MAY BECOME AVAILABLE IN THE FUTURE;~~

~~(VII) SENSITIVITIES RELATED TO VARIOUS LEVELS OF ELECTRIFICATION AND THE ADOPTION OF LOAD FLEXIBILITY AND DISTRIBUTED ENERGY RESOURCES;~~

~~(VIII) METHODS FOR ACHIEVING 60%, 80%, AND 100% OF THE STATE'S ENERGY NEEDS THROUGH IN–STATE GENERATION;~~

~~(IX) AN INDEPENDENT RATEPAYER IMPACT ANALYSIS;~~

~~(X) RELATED INVESTMENTS IN ELECTRICITY AND GAS INFRASTRUCTURE, INCLUDING ANY INTERPLAY BETWEEN THE TWO;~~

~~(XI) ECONOMIC DEVELOPMENT AND WORKFORCE OPPORTUNITIES;~~

~~(XII) STATE FINANCING OPTIONS, INCLUDING STATE PROCUREMENT AND MULTISTATE PROCUREMENT;~~

~~(XIII) UTILITY BUSINESS MODELS, TARIFFS, AND COST RECOVERY;~~

~~(XIV) SUPPORTIVE MARKET STUDIES;~~

~~(XV) PLANS FOR LEVERAGING AVAILABLE FEDERAL FUNDS; AND~~

~~(XVI) KEY FINDINGS FROM THE STUDY REQUIRED UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(D) (1) ON OR BEFORE SEPTEMBER 30, 2026, THE OFFICE SHALL CONDUCT A STUDY TO SUPPORT THE DEVELOPMENT OF THE FORECAST.~~

~~(2) THE OFFICE SHALL HIRE A PRIVATE CONSULTANT TO MEET THE REQUIREMENTS OF THIS SECTION.~~

~~(3) AS PART OF THE STUDY:~~

~~(I) THE COMMISSION SHALL STUDY:~~

~~1. THE VIABILITY OF ENERGY STORAGE AS A TRANSMISSION ASSET;~~

~~2. THE NECESSITY OF AN INDEPENDENT DISTRIBUTION OPERATOR; AND~~

~~3. IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, RECONDUCTORING OPPORTUNITIES IN THE STATE;~~

~~(II) THE MARYLAND ENERGY ADMINISTRATION SHALL STUDY THE FEASIBILITY OF PLACING SMALL MODULAR REACTORS ON FORMER ELECTRICITY GENERATION SITES; AND~~

~~(III) THE POWER PLANT RESEARCH PROGRAM SHALL STUDY STATE LAND SUITABLE FOR SOLAR ENERGY DEVELOPMENT.~~

~~(4) THE STUDY SHALL:~~

~~(I) INCLUDE AN ANALYSIS, MADE IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, OF METHODS FOR REDUCING~~

~~TRANSMISSION–CONSTRAINED AREAS THROUGH THE USE OF EXISTING RIGHTS–OF–WAY;~~

~~(II) INCLUDE THE FEASIBILITY AND EFFICACY OF:~~

~~1. BROADENING THE STATE'S POWER PURCHASE AGREEMENT AUTHORITY;~~

~~2. DEVELOPING ELECTRICITY PROCUREMENT PLANS TO ENSURE ADEQUATE, RELIABLE, AFFORDABLE, EFFICIENT, AND ENVIRONMENTALLY SUSTAINABLE ELECTRICITY SERVICE AT THE LOWEST TOTAL COST OVER TIME, TAKING INTO ACCOUNT ANY PRICE STABILITY BENEFITS; AND~~

~~3. CONDUCTING COMPETITIVE PROCUREMENT PROCESSES TO PROCURE THE RESOURCES IDENTIFIED IN THE PROCUREMENT PLANS UNDER ITEM (II) OF THIS ITEM; AND~~

~~(III) INCLUDE AND INCORPORATE THE RESULTS OF THE STUDIES REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(5) ON OR BEFORE DECEMBER 31, 2026, THE OFFICE SHALL SUBMIT A REPORT OF ITS FINDINGS AND ANY RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE.~~

~~7–1204.~~

~~(A) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR THE STRATEGY AND SCENARIOS INCLUDED IN THE FORECAST UNDER § 7–1203 OF THIS SUBTITLE, AND FOR ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST, THAT:~~

~~(1) ENABLES COST–BENEFIT ANALYSES OF ELECTRICITY PRICES BY RESOURCE MIX TYPE;~~

~~(2) CONSIDERS THE TIMELINE FOR COMMERCIALIZATION OF ENERGY TECHNOLOGIES AND WHEN THOSE TECHNOLOGIES MAY BECOME COST–EFFECTIVE;~~

~~(3) PROVIDES LOCATIONAL VALUE PLANNING;~~

~~(4) HAS THE ABILITY TO RUN POLICY SCENARIOS ANNUALLY IN ORDER TO PROVIDE EFFECTIVE FEEDBACK TO THE GENERAL ASSEMBLY;~~

~~**(5) CONSIDERS WHETHER THE TRANSITION TO DISTRIBUTED RENEWABLE ENERGY IS DELIVERING SUFFICIENT ELECTRIC DISTRIBUTION SYSTEM RELIABILITY OR WHETHER THERE ARE VULNERABILITIES THAT NEED TO BE ADDRESSED;**~~

~~**(6) STRENGTHENS THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;**~~

~~**(7) ENHANCES THE ELECTRIC DISTRIBUTION SYSTEM AND DEMAND–SIDE MANAGEMENT; AND**~~

~~**(8) MAY BE UPDATED ANNUALLY BASED ON STRATEGIES, POLICY DECISIONS, AND PERIODIC REASSESSMENTS OF THE STATE'S ENERGY PORTFOLIO TO REMAIN UP–TO–DATE WITH THE EVOLUTION OF ENERGY GENERATION AND TRANSMISSION.**~~

~~**(B) THE OFFICE SHALL PROVIDE A 45–DAY PERIOD FOR PUBLIC COMMENT ON ANY MODELING COMPLETED UNDER THIS SECTION.**~~

~~**7–1205.**~~

~~**ON OR BEFORE SEPTEMBER 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT ON:**~~

~~**(1) THE STATUS OF THE FORECAST DEVELOPED UNDER § 7–1203 OF THIS SUBTITLE AND ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST; AND**~~

~~**(2) (I) ANY ENERGY MODELING COMPLETED UNDER § 7–1204 OF THIS SUBTITLE IN THE IMMEDIATELY PRECEDING 2–YEAR PERIOD; AND**~~

~~**(II) ANY PUBLIC COMMENTS SUBMITTED IN RELATION TO THE MODELING.**~~

~~**7–1206.**~~

~~**(A) ON OR BEFORE DECEMBER 1, 2025, THE COMMISSION, IN CONSULTATION WITH THE OFFICE, SHALL ADOPT REGULATIONS REQUIRING EACH ELECTRIC COMPANY TO DEVELOP AN INTEGRATED RESOURCE PLAN TO:**~~

~~**(1) FACILITATE ACHIEVING THE STATE'S GREENHOUSE GAS EMISSIONS REDUCTIONS GOALS;**~~

~~(2) FULFILL THE COMPANY'S OBLIGATION TO CHARGE JUST AND REASONABLE RATES;~~

~~(3) MINIMIZE OR MITIGATE IMPACTS ON RATEPAYERS IN THE STATE;~~

~~(4) ENSURE BOTH SHORT–TERM AND LONG–TERM ELECTRIC DISTRIBUTION SYSTEM RELIABILITY, INCLUDING MEETING THE RESOURCE ADEQUACY NEEDS OF THE STATE;~~

~~(5) STRENGTHEN THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;~~

~~(6) ENHANCE THE ELECTRIC DISTRIBUTION SYSTEM AND DEMAND–SIDE MANAGEMENT; AND~~

~~(7) MINIMIZE LOCALIZED AIR POLLUTANTS AND OTHER GREENHOUSE GAS EMISSIONS, WITH PRIORITY INITIALLY GIVEN TO UNDERSERVED COMMUNITIES OR OVERBURDENED COMMUNITIES AS DEFINED IN § 1–701 OF THE ENVIRONMENT ARTICLE.~~

~~(B) (1) ON OR BEFORE JULY 1, 2026, EACH ELECTRIC COMPANY SHALL SUBMIT TO THE COMMISSION THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.~~

~~(2) ON OR BEFORE JULY 1, 2031, AND EVERY 5 YEARS THEREAFTER, EACH ELECTRIC COMPANY SHALL PROVIDE TO THE COMMISSION AN UPDATE ON THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) (1) The Public Service Commission shall study the effectiveness of an independent distribution operator.

(2) On or before December 31, 2026, the Public Service Commission shall submit to the General Assembly, in accordance with § 2–1257 of the State Government Article, a report on the study required under paragraph (1) of this subsection.

(b) (1) The Department of Transportation shall study methods for reducing transmission–constrained areas through the use of existing rights–of–way.

(2) On or before December 31, 2026, the Department of Transportation shall submit to the General Assembly, in accordance with § 2–1257 of the State Government Article, a report on the study required under paragraph (1) of this subsection.

(c) (1) (i) The Maryland Energy Administration shall obtain existing power flow analyses for electric system reliability in the State that are related to currently known electric generation facility retirements.

(ii) If the Maryland Energy Administration is unable to obtain the existing power flow analyses under subparagraph (i) of this paragraph, then the Administration, with the support of the Public Service Commission, shall develop a power flow analysis for electric system reliability in the State that is related to currently known electric generation facility retirements.

(iii) On or before January 1, 2026, the Maryland Energy Administration shall submit to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly a report on the power flow analyses required under this paragraph.

(2) (i) On or before December 31, 2025, and on or before December 31, 2026, the Maryland Energy Administration shall provide to the General Assembly, in accordance with § 2–1257 of the State Government Article, an update on the status of the National Renewable Energy Laboratory's analysis on resource adequacy conducted at the request of the Administration.

(ii) On receipt of the National Renewable Energy Laboratory's final analysis on resource adequacy, the Maryland Energy Administration shall submit a final report on the analysis to the General Assembly, in accordance with § 2–1257 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before September 1, 2027, the Strategic Energy Planning Office shall submit to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly a status update on the development of the Comprehensive Wholesale Energy Markets and Bulk Power System Risk Report developed under § 7–1203 of the Public Utilities Article, as enacted by Section 1 of this Act.

SECTION ~~2.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.