

# HOUSE BILL 864

M5, C5

(4lr0448)

## ENROLLED BILL

— *Economic Matters/Education, Energy, and the Environment* —

Introduced by **Delegates Crosby and Qi**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

## CHAPTER \_\_\_\_\_

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~~ certain electric cooperatives to include certain programs or services as part of  
12 their service to their customers as directed by the Commission; requiring the  
13 Commission to require certain electric companies and certain gas companies to  
14 include a certain disclosure on customer bills; requiring the Commission to establish  
15 and determine certain greenhouse gas emissions reduction targets; requiring certain

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### 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.

*Italics indicate opposite chamber/conference committee amendments.*



contractors used for certain programs under this Act to meet certain job requirements; requiring the Department of Housing and Community Development to develop a plan to coordinate and leverage funding sources to support certain energy efficiency and other home upgrades; requiring the Department of the Environment to prepare and submit to the Commission a certain analysis; requiring each electric company and each gas company to promote certain rebates, tax credits, and incentives; requiring the certification agency designated by the Board of Public Works and the Governor's Office of Small, Minority, and Women Business Affairs, in consultation with the Department of Housing and Community Development, the Office of the Attorney General, and the General Assembly to study certain energy efficiency and conservation services and submit its findings on or before a certain date; requiring the Commission to establish a certain working group to study and make recommendations on extending certain program assistance to certain moderate-income households; and generally relating to the efficient use and conservation of energy in support of greenhouse gas emissions reduction goals and targets.

BY repealing

Article – Public Utilities

Section 7–211 and 7–211.1

Annotated Code of Maryland

(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.

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

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

6               **(2) INCENTIVES DESIGNED TO:**

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

9                       **(II) ENSURE SYSTEM RELIABILITY.**

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

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

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

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

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

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

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

20       **(J) “GREENHOUSE GAS” INCLUDES:**

21               **(1) CARBON DIOXIDE;**

22               **(2) METHANE;**

23               **(3) NITROUS OXIDE;**

24               **(4) HYDROFLUOROCARBONS;**

25               **(5) PERFLUOROCARBONS; AND**

26               **(6) SULFUR HEXAFLUORIDE.**

(K) "GREENHOUSE GAS EMISSIONS REDUCTION" MEANS A REDUCTION IN GREENHOUSE GAS EMISSIONS, MEASURED IN METRIC TONS OF CARBON DIOXIDE EQUIVALENTS, INCLUDING:

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

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

(L) "LOW-INCOME PROGRAM" MEANS A PROGRAM THAT DELIVERS ENERGY EFFICIENCY, CONSERVATION, AND GREENHOUSE GAS EMISSIONS REDUCTION MEASURES TO REDUCE UTILITY EXPENSES FOR BUILDING OWNERS, MANAGERS, AND TENANTS OF HOUSING WITH RESIDENTS WHO QUALIFY FOR THE DEPARTMENT'S 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) "MIDSIZE ELECTRIC COOPERATIVE" MEANS AN ELECTRIC COOPERATIVE, INCLUDING A MEMBER-REGULATED COOPERATIVE, THAT:

(1) SERVES FEWER THAN 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY; BUT

(2) IS NOT A SMALL RURAL ELECTRIC COOPERATIVE.

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

~~(O)~~ (P) “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)~~ (Q) “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~~ REQUIRED UNDER 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 OTHER THAN A GAS COMPANY SUBJECT TO § 4-207(A) OF THIS ARTICLE, AND THE DEPARTMENT, AND, IF REQUIRED IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION, EACH MIDSIZE ELECTRIC COOPERATIVE 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~~  
REQUIRED UNDER TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE.

(B) AS DIRECTED BY THE COMMISSION, EACH GAS COMPANY SUBJECT TO §  
4-207(A) OF THIS ARTICLE, EACH MUNICIPAL ELECTRIC OR GAS UTILITY, AND EACH  
SMALL RURAL ELECTRIC COOPERATIVE, AND, IF REQUIRED IN ACCORDANCE WITH  
SUBSECTION (C) OF THIS SECTION, EACH MIDSIZE 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) (1) IN ACCORDANCE WITH THIS SUBSECTION, EACH MIDSIZE  
ELECTRIC COOPERATIVE SHALL BE SUBJECT TO EITHER SUBSECTION (A) OR  
SUBSECTION (B) OF THIS SECTION.

(2) EACH MIDSIZE ELECTRIC COOPERATIVE SHALL OFFER PROGRAMS  
AND SERVICES TO CUSTOMERS IN ACCORDANCE WITH:

(I) SUBSECTION (B) OF THIS SECTION THROUGH DECEMBER 31,  
2026; AND

(II) ON OR AFTER JANUARY 1, 2027, AND AS THE COMMISSION  
DIRECTS, EITHER SUBSECTION (A) OR SUBSECTION (B) OF THIS SECTION.

(3) NOT LATER THAN OCTOBER 1, 2025, THE COMMISSION SHALL  
DETERMINE IF IT IS IN THE PUBLIC INTEREST FOR A MIDSIZE ELECTRIC  
COOPERATIVE TO OFFER PROGRAMS AND SERVICES TO CUSTOMERS IN ACCORDANCE  
WITH SUBSECTION (A) OR SUBSECTION (B) OF THIS SECTION STARTING JANUARY 1,  
2027, AND FOR ALL SUBSEQUENT YEARS.

(4) EACH MIDSIZE ELECTRIC COOPERATIVE SHALL PROVIDE THE  
FOLLOWING INFORMATION TO THE COMMISSION TO ASSIST IN MAKING A  
DETERMINATION UNDER PARAGRAPH (3) OF THIS SUBSECTION:

(I) ANTICIPATED COSTS AND BILL IMPACTS;

(II) A DESCRIPTION OF THE ANTICIPATED PROGRAM  
OFFERINGS;

(III) THE ANTICIPATED COST-EFFECTIVENESS OF THE  
RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL SECTOR SUBPORTFOLIOS BASED ON  
THE COST-EFFECTIVENESS TESTS IN § 7-225(D)(3)(I) OF THIS SUBTITLE;

1 (IV) THE ANTICIPATED ELECTRICITY SAVINGS AND  
2 GREENHOUSE GAS EMISSIONS REDUCTIONS; AND

3 (V) ANY OTHER INFORMATION THE COMMISSION REQUIRES.

4 (5) THE INFORMATION PROVIDED TO THE COMMISSION UNDER  
5 PARAGRAPH (4) OF THIS SUBSECTION SHALL BE BASED ON A PLAN TO OFFER  
6 PROGRAMS AND SERVICES TO CUSTOMERS THAT COMPLIES WITH THE  
7 REQUIREMENTS OF AN ELECTRIC COMPANY SUBJECT TO SUBSECTION (A) OF THIS  
8 SECTION FOR THE 3-YEAR PROGRAM CYCLE STARTING JANUARY 1, 2027.

9 (6) WHEN MAKING A PUBLIC INTEREST DETERMINATION UNDER  
10 PARAGRAPH (3) OF THIS SUBSECTION THE COMMISSION, AT A MINIMUM, SHALL  
11 CONSIDER THE REQUIREMENTS UNDER § 7-225(D)(3) OF THIS SUBTITLE THAT ARE  
12 CONSIDERED WHEN APPROVING A PLAN OF AN ELECTRIC COMPANY THAT IS SUBJECT  
13 TO SUBSECTION (A) OF THIS SECTION.

14 (7) STARTING OCTOBER 1, 2025, IF THE COMMISSION DETERMINES  
15 THAT IT IS IN THE PUBLIC INTEREST FOR A MIDSIZE ELECTRIC COOPERATIVE TO BE  
16 SUBJECT TO SUBSECTION (A) OF THIS SECTION, THE MIDSIZE ELECTRIC  
17 COOPERATIVE SHALL COMPLY WITH ALL REQUIREMENTS OF AN ELECTRIC COMPANY  
18 SUBJECT TO SUBSECTION (A) OF THIS SECTION FOR PROGRAM CYCLES STARTING ON  
19 AND AFTER JANUARY 1, 2027.

20 (8) ON OR BEFORE MARCH 1 EACH YEAR, STARTING IN 2026, EACH  
21 MIDSIZE ELECTRIC COOPERATIVE DIRECTED BY THE COMMISSION TO INCLUDE  
22 PROGRAMS OR SERVICES UNDER SUBSECTION (B) OF THIS SECTION SHALL SUBMIT  
23 TO THE COMMISSION A REPORT QUANTIFYING THE GAINS IN ENERGY EFFICIENCY  
24 AND REDUCTIONS IN GREENHOUSE GAS EMISSIONS ACHIEVED DURING THE  
25 PREVIOUS YEAR.

26 ~~(c)~~ (D) THE COMMISSION SHALL ENCOURAGE AND PROMOTE THE  
27 EFFICIENT USE AND CONSERVATION OF ENERGY IN SUPPORT OF THE GREENHOUSE  
28 GAS EMISSIONS REDUCTION GOALS AND TARGETS ~~SPECIFIED IN~~ REQUIRED UNDER  
29 TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE, ESTABLISHED BY THE  
30 COMMISSION UNDER § 7-223(B) OF THIS SUBTITLE, AND SPECIFIED IN § 7-224(A)(2)  
31 OF THIS SUBTITLE BY:

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

35 (2) ADOPTING RATE-MAKING POLICIES THAT PROVIDE, THROUGH A  
36 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.

(E) THE COMMISSION SHALL, BY REGULATION OR ORDER, REQUIRE EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO SUBSECTION (A) OF THIS SECTION THAT HAS SUBMITTED TO THE COMMISSION, ON OR BEFORE JULY 1, 2024, A PLAN FOR ACHIEVING ELECTRICITY OR GAS SAVINGS AND DEMAND REDUCTION TARGETS TO DISCLOSE THE FOLLOWING INFORMATION IN A FORM AND FORMAT READILY UNDERSTANDABLE TO THE AVERAGE CUSTOMER:

(1) THAT THE SURCHARGE IMPOSED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION INCLUDES THE COST OF PAYING DOWN THE UNPAID COSTS AND UNAMORTIZED COSTS THAT WERE ACCRUED OVER TIME BY PROGRAMS AND SERVICES REQUIRED BY THE COMMISSION DATING BACK TO 2008; AND

(2) THE PERIOD OF TIME THAT THE SURCHARGE WILL INCLUDE EXCESS CHARGES TO PAY DOWN THE UNPAID COSTS AND UNAMORTIZED COSTS.

1 7-223.

2 (A) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1  
3 EVERY 3 YEARS, STARTING IN 2027, THE COMMISSION SHALL, BY REGULATION OR  
4 ORDER, REQUIRE EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO  
5 § 7-222(A) OF THIS SUBTITLE TO DEVELOP AND IMPLEMENT A PLAN THAT:

6 (1) COVERS ~~EACH~~ APPROPRIATE RATEPAYER ~~CLASS~~ CLASSES;

7 (2) STARTING IN 2027, COVERS A 3-YEAR PROGRAM CYCLE; AND

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

13 (B) (1) FOR 2025 AND 2026, AND FOR EACH 3-YEAR PROGRAM CYCLE  
14 STARTING IN 2027, THE COMMISSION SHALL ESTABLISH A GREENHOUSE GAS  
15 EMISSIONS REDUCTION TARGET FOR EACH ELECTRIC COMPANY AND EACH GAS  
16 COMPANY SUBJECT TO § 7-222(A) OF THIS SUBTITLE AS PROVIDED IN THIS  
17 SUBSECTION.

18 (2) WHEN ESTABLISHING GREENHOUSE GAS EMISSIONS REDUCTION  
19 TARGETS UNDER THIS SUBSECTION, THE COMMISSION SHALL MEASURE THE  
20 GREENHOUSE GAS EMISSIONS FROM ELECTRICITY AND GAS, AND THE INTENSITIES  
21 OF THOSE EMISSIONS, USING CURRENT DATA ~~OBTAINED FROM PJM~~  
22 ~~INTERCONNECTION ON MARGINAL GREENHOUSE GAS EMISSIONS RATES FROM THE~~  
23 ~~PREVIOUS YEAR~~ AND PROJECTIONS FROM THE DEPARTMENT OF THE  
24 ENVIRONMENT.

25 ~~(3) AS A BASELINE FOR DETERMINING GREENHOUSE GAS EMISSIONS~~  
26 ~~REDUCTIONS UNDER THIS SUBSECTION, THE COMMISSION SHALL USE THE~~  
27 ~~GREENHOUSE GAS EMISSIONS RESULTING FROM THE DIRECT CONSUMPTION OF GAS~~  
28 ~~AND ELECTRICITY IN MARYLAND BUILDINGS IN 2020, AS DETERMINED BY THE~~  
29 ~~DEPARTMENT OF THE ENVIRONMENT.~~

30 ~~(4) FOR THE PERIOD 2025-2033, THE COMMISSION SHALL~~  
31 ~~DETERMINE AN OVERALL STATEWIDE GREENHOUSE GAS EMISSIONS REDUCTION~~  
32 ~~TARGET BASED ON AN AVERAGE ANNUAL REDUCTION OF AT LEAST 1.8% OF THE~~  
33 ~~BASELINE DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

34 (3) THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS  
35 ESTABLISHED UNDER THIS SUBSECTION SHALL BE MEASURED:

1                   (I)     IN METRIC TONS; AND

2                   (II)    RELATIVE TO THE GREENHOUSE GAS EMISSIONS  
3 ASSOCIATED WITH THE ELECTRIC COMPANY'S OR GAS COMPANY'S  
4 WEATHER-NORMALIZED GROSS RETAIL SALES AND LOSSES IN A BASELINE YEAR, AS  
5 DETERMINED BY THE COMMISSION.

6                   (4)    BY THE DATES SPECIFIED IN § 7-225(A) OF THIS SUBTITLE, THE  
7 COMMISSION SHALL ESTABLISH GREENHOUSE GAS EMISSIONS REDUCTION  
8 TARGETS FOR EACH ELECTRIC COMPANY PLAN THAT WILL ACHIEVE AT LEAST THE  
9 GREENHOUSE GAS EMISSIONS REDUCTION EQUIVALENT, MEASURED ON A  
10 LIFECYCLE BASIS USING THE EMISSION INTENSITIES UNDER PARAGRAPH (2) OF  
11 THIS SUBSECTION, OF THE FOLLOWING ANNUAL ELECTRICITY SAVINGS  
12 PERCENTAGES, CALCULATED AS A PERCENTAGE OF THE ELECTRIC COMPANY'S 2016  
13 WEATHER-NORMALIZED GROSS RETAIL SALES AND ELECTRICITY LOSSES:

14                   (I)     2.0% IN 2024;

15                   (II)    2.25% EACH YEAR IN 2025 AND 2026; AND

16                   (III)   2.5% EACH YEAR IN 2027 AND AFTER.

17                   (5)    ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY  
18 1 EVERY 3 YEARS, STARTING IN 2027, THE COMMISSION SHALL ESTABLISH  
19 GREENHOUSE GAS EMISSIONS REDUCTION TARGETS FOR EACH GAS COMPANY PLAN  
20 THAT WILL ACHIEVE AT LEAST THE GREENHOUSE GAS EMISSIONS REDUCTION  
21 EQUIVALENT, MEASURED ON A LIFECYCLE BASIS USING THE EMISSION INTENSITIES  
22 UNDER PARAGRAPH (2) OF THIS SUBSECTION, OF THE GAS SAVINGS ~~TARGETS~~  
23 ~~ESTABLISHED BY THE COMMISSION~~ ACHIEVED BY THE GAS COMPANY FOR THE  
24 2021-2023 PROGRAM CYCLE.

25                   (6)    THE COMMISSION SHALL TAKE INTO CONSIDERATION THE MOST  
26 RECENT FINAL PLAN ADOPTED UNDER § 2-1205 OF THE ENVIRONMENT ARTICLE  
27 WHEN ESTABLISHING THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS  
28 UNDER THIS SUBSECTION.

29                   (7)    FOR 2025 AND 2026:

30                   (I)     THE COMMISSION SHALL, AFTER MAKING APPROPRIATE  
31 FINDINGS, DETERMINE WHETHER EXISTING ELECTRIC COMPANY AND GAS COMPANY  
32 PLANS MUST BE MODIFIED TO COMPLY WITH § 7-225(D) OF THIS SUBTITLE; AND

33                   (II)    ELECTRIC COMPANIES AND GAS COMPANIES:

1                   **1. SHALL PROVIDE INFORMATION AS REQUIRED BY THE**  
2 **COMMISSION TO ASSIST IN MAKING THE DETERMINATION UNDER ITEM (I) OF THIS**  
3 **PARAGRAPH; AND**

4                   **2. ARE ONLY REQUIRED TO FILE NEW PLANS IN**  
5 **ACCORDANCE WITH THIS SECTION IF DIRECTED BY THE COMMISSION.**

6           **(C) THE COMMISSION MAY GIVE PRIORITY TO LONG-LIVED GREENHOUSE**  
7 **GAS EMISSIONS REDUCTION MEASURES IN THE PLANS BY ESTABLISHING A MINIMUM**  
8 **WEIGHTED AVERAGE MEASURE LIFE FOR THE PLAN OF EACH ELECTRIC COMPANY**  
9 **AND GAS COMPANY.**

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

12                   **(1) MAY, NOTWITHSTANDING ~~§ 7-222(C)(2)~~ § 7-222(D)(2) OF THIS**  
13 **SUBTITLE, INCLUDE RECOVERY OF THE REASONABLE AND PRUDENT COSTS FROM**  
14 **PROGRAMS THAT ARE NOT BEHIND-THE-METER PROGRAMS IN A BASE RATE**  
15 **PROCEEDING, SUBJECT TO COMMISSION APPROVAL; AND**

16                   **(2) MAY NOT INCLUDE THE INCREASED ADOPTION OF ELECTRIC**  
17 **VEHICLES.**

18           **(E) BEGINNING JANUARY 1, 2025, AT LEAST 80% OF THE GREENHOUSE GAS**  
19 **EMISSIONS REDUCTIONS COUNTED TOWARD EACH ELECTRIC COMPANY'S AND EACH**  
20 **GAS COMPANY'S GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED**  
21 **UNDER THIS SECTION SHALL COME FROM BEHIND-THE-METER PROGRAMS, WHICH**  
22 **MAY INCLUDE DEPLOYMENT OF ENERGY STORAGE FACILITIES.**

23 **7-224.**

24           **(A) (1) BEGINNING JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1**  
25 **EVERY 3 YEARS ~~THEREAFTER~~, STARTING IN 2027, THE DEPARTMENT SHALL**  
26 **PROCURE OR PROVIDE TO ~~LOW-AND-MODERATE-INCOME~~ LOW-INCOME**  
27 **INDIVIDUALS ENERGY EFFICIENCY AND CONSERVATION PROGRAMS AND SERVICES,**  
28 **DEMAND RESPONSE PROGRAMS AND SERVICES, AND BENEFICIAL ELECTRIFICATION**  
29 **PROGRAMS AND SERVICES THAT ACHIEVE THE GREENHOUSE GAS EMISSIONS**  
30 **REDUCTION TARGETS ESTABLISHED FOR THE DEPARTMENT UNDER PARAGRAPH (2)**  
31 **OF THIS SUBSECTION.**

32                   **(2) FOR THE PERIOD 2025-2033, THE PROGRAMS AND SERVICES**  
33 **REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ON A**

TRAJECTORY TO ACHIEVE GREENHOUSE GAS REDUCTIONS AFTER 2027 OF AT LEAST 0.9% OF THE BASELINE DETERMINED UNDER SUBSECTION (B) OF THIS SECTION.

(3) (I) WHEN ESTABLISHING GREENHOUSE GAS EMISSIONS REDUCTION TARGETS UNDER THIS SUBSECTION, THE COMMISSION SHALL MEASURE THE GREENHOUSE GAS EMISSIONS FROM ELECTRICITY USING CURRENT DATA AND PROJECTIONS FROM THE DEPARTMENT OF THE ENVIRONMENT.

(II) THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED UNDER THIS SUBSECTION SHALL BE MEASURED IN METRIC TONS.

~~(3)~~ (4) THE GREENHOUSE GAS REDUCTIONS ACHIEVED TO MEET THE TARGETS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL COUNT TOWARD THE ACHIEVEMENT OF THE GREENHOUSE GAS REDUCTION TARGET ESTABLISHED UNDER § 7-223(B) OF THIS SUBTITLE.

(5) THE TARGET GREENHOUSE GAS SAVINGS SHALL BE ACHIEVED BASED ON THE 3-YEAR AVERAGE OF THE DEPARTMENT'S PLAN SUBMITTED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.

(6) FOR 2025 AND 2026:

(I) THE COMMISSION SHALL, AFTER MAKING APPROPRIATE FINDINGS, DETERMINE WHETHER THE DEPARTMENT'S EXISTING 2024-2026 PLAN MUST BE MODIFIED TO COMPLY WITH:

1. THE TARGETS ESTABLISHED IN THIS SUBSECTION;  
AND

2. § 7-225(D) OF THIS SUBTITLE; AND

(II) THE DEPARTMENT:

1. SHALL PROVIDE INFORMATION AS REQUIRED BY THE COMMISSION TO ASSIST IN MAKING THE DETERMINATION IN ITEM (I) OF THIS PARAGRAPH; AND

2. IS ONLY REQUIRED TO FILE NEW PLANS IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION AND § 7-225 OF THIS SUBTITLE IF DIRECTED BY THE COMMISSION.

(B) AS A BASELINE FOR DETERMINING GREENHOUSE GAS EMISSIONS REDUCTION TARGETS UNDER THIS SECTION, THE COMMISSION SHALL USE THE GREENHOUSE GAS EMISSIONS RESULTING FROM THE DIRECT CONSUMPTION OF GAS

1 AND ELECTRICITY BY ~~LOW- AND MODERATE-INCOME~~ LOW-INCOME RESIDENTIAL  
2 HOUSEHOLDS IN ~~2020~~ 2016, AS DETERMINED BY THE DEPARTMENT OF THE  
3 ENVIRONMENT.

4 (C) (1) THE DEPARTMENT MAY PROCURE OR PROVIDE SAVINGS THAT  
5 ARE ACHIEVED THROUGH FUNDING SOURCES THAT MEET THE STANDARDS OF  
6 PROGRAM FUNDING THROUGH UTILITY RATES OR THE U.S. DEPARTMENT OF  
7 ENERGY.

8 (2) THE DEPARTMENT MAY USE THE SAVINGS ACHIEVED THROUGH  
9 ALL FUNDING SOURCES TOWARD CALCULATING THE TARGETED GREENHOUSE GAS  
10 REDUCTIONS IF THE FUNDING SOURCES MEET THE STANDARDS OF PROGRAMS  
11 FUNDED THROUGH:

12 (I) A SURCHARGE UNDER § 7-222 OF THIS SUBTITLE; OR

13 (II) THE U.S. DEPARTMENT OF ENERGY.

14 (D) ~~ON OR BEFORE SEPTEMBER 1~~ IF DIRECTED BY THE COMMISSION IN  
15 2024, AND ON OR BEFORE SEPTEMBER 1 EVERY 3 YEARS, BEGINNING STARTING IN  
16 2024 2026, THE DEPARTMENT SHALL SUBMIT ITS PLANS FOR ANY PROGRAMS OR  
17 SERVICES PROCURED OR PROVIDED UNDER SUBSECTION (A) OF THIS SECTION TO  
18 THE COMMISSION FOR REVIEW AND APPROVAL UNDER § 7-225 OF THIS SUBTITLE.

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

21 (1) THE BENEFITS OF WEATHERIZATION ASSISTANCE, INCLUDING  
22 UTILITY BILL REDUCTION AND PRESERVATION OF AFFORDABLE HOUSING STOCK,  
23 ACCRUE PRIMARILY TO LOW-INCOME TENANTS OCCUPYING A LEASED OR RENTED  
24 RESIDENCE; AND

25 (2) THE RENT ON THE RESIDENCE IS NOT INCREASED AND THE  
26 TENANT IS NOT EVICTED AS A RESULT OF WEATHERIZATION PROVIDED UNDER THIS  
27 SECTION.

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

32 (1) WAS INTENTIONALLY ADDED; OR

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

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

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

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

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

**(4) PROVIDE PAID LEAVE;**

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

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

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

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

**(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:**

1 (I) THE STRATEGIC ENERGY INVESTMENT FUND;

2 (II) FEDERAL WEATHERIZATION ASSISTANCE PROGRAMS;

3 (III) RATEPAYER CONTRIBUTIONS TO:

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

6 2. THE MULTIFAMILY ENERGY EFFICIENCY AND  
7 HOUSING AFFORDABILITY PROGRAM;

8 (IV) THE MARYLAND AFFORDABLE HOUSING TRUST FUND;

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

11 1. COMMUNITY DEVELOPMENT BLOCK GRANTS;

12 2. THE HOME INVESTMENT PARTNERSHIP GRANTS  
13 PROGRAM; AND

14 3. LEAD HAZARD CONTROL AND HEALTHY HOMES  
15 GRANTS;

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

18 (VII) THE HEALTHY HOMES FOR HEALTHY KIDS PROGRAM;

19 (VIII) THE ENERGY EFFICIENCY AND CONSERVATION BLOCK  
20 GRANT PROGRAM;

21 (IX) STATE APPROPRIATIONS;

22 (X) FUNDS FROM THE FEDERAL INFLATION REDUCTION ACT OF  
23 2022; AND

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

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

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

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

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

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

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

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

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

7-225.

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

(B) (1) (I) ~~ON OR BEFORE JULY 1~~ IF DIRECTED BY THE COMMISSION IN 2024, AND ON OR BEFORE JULY 1 EVERY 3 YEARS, ~~BEGINNING STARTING IN 2024~~ 2026, EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO § 7-222(A) OF THIS SUBTITLE THAT SUBMITTED A PLAN FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1, 2024, AND THE DEPARTMENT, SHALL CONSULT WITH THE TECHNICAL STAFF OF THE COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL, THE MARYLAND ENERGY ADMINISTRATION, AND THE DEPARTMENT OF THE ENVIRONMENT REGARDING THE DESIGN AND ADEQUACY OF ITS PLANS FOR ACHIEVING THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED BY THE COMMISSION UNDER ~~§ 7-223(A)~~ § 7-223(B) OF THIS SUBTITLE AND SPECIFIED IN § 7-224(A)(2) OF THIS SUBTITLE.

(II) ON OR BEFORE OCTOBER 1, 2024, AND ON OR BEFORE JULY 1 EVERY 3 YEARS, ~~BEGINNING STARTING IN 2027~~ 2026, EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO § 7-222(A) OF THIS SUBTITLE THAT DID NOT SUBMIT A PLAN FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1, 2024, SHALL COMPLY WITH THE CONSULTING REQUIREMENTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(2) EACH ELECTRIC COMPANY, AND EACH GAS COMPANY, ~~AND THE DEPARTMENT~~ SUBJECT TO § 7-222(A) OF THIS SUBTITLE SHALL PROVIDE THE TECHNICAL STAFF OF THE COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL, THE MARYLAND ENERGY ADMINISTRATION, AND THE DEPARTMENT OF THE ENVIRONMENT WITH ANY ADDITIONAL INFORMATION REGARDING ITS PLAN, AS REQUESTED.

(C) (1) (I) ~~ON OR BEFORE SEPTEMBER 1~~ IF DIRECTED BY THE COMMISSION IN 2024, AND ON OR BEFORE SEPTEMBER 1 EVERY 3 YEARS, ~~BEGINNING STARTING IN 2024~~ 2026, EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO § 7-222(A) OF THIS SUBTITLE THAT SUBMITTED A PLAN FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1, 2024, AND THE DEPARTMENT, SHALL SUBMIT ITS PLAN TO THE COMMISSION.

(II) ON OR BEFORE DECEMBER 1, 2024, AND ON OR BEFORE SEPTEMBER 1 EVERY 3 YEARS, ~~BEGINNING STARTING IN 2027~~ 2026, EACH ELECTRIC COMPANY AND EACH GAS COMPANY THAT DID NOT SUBMIT A PLAN FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1, 2024, SHALL SUBMIT ITS PLAN TO THE COMMISSION.

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

(3) (I) EACH PLAN SHALL:

1. INCLUDE:

A. A DESCRIPTION OF THE PROPOSED PROGRAMS AND SERVICES;

B. ANTICIPATED COSTS;

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

D. ANY OTHER INFORMATION REQUESTED BY THE COMMISSION; AND

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

(II) A PLAN OF THE DEPARTMENT SHALL INCLUDE:

1. A DEFINITION OF “~~LOW-OR-MODERATE-INCOME~~ LOW-INCOME INDIVIDUAL” TO BE USED IN THE PROCUREMENT OR PROVISION OF ENERGY EFFICIENCY, CONSERVATION, AND GREENHOUSE GAS EMISSIONS REDUCTION PROGRAMS AND SERVICES;

2. A DESCRIPTION OF THE STEPS PROPOSED TO ENSURE INSULATION MATERIALS MEET THE REQUIREMENTS UNDER § 7-224 OF THIS SUBTITLE; AND

3. A PROPOSED AVERAGE LIFETIME MEASURE THRESHOLD THAT:

A. ENCOURAGES THE DELIVERY OF INSULATION AND WEATHERIZATION MEASURES; AND

B. IS DEVELOPED THROUGH A STAKEHOLDER ENGAGEMENT PROCESS.

**(III) A PLAN OF AN ELECTRIC COMPANY SHALL INCLUDE THE PROVISION OR PROCUREMENT OF PROGRAMS AND SERVICES FOR RESIDENTIAL BENEFICIAL ELECTRIFICATION.**

**(D) (1) THE COMMISSION SHALL REVIEW THE PLAN OF EACH ELECTRIC COMPANY, EACH GAS COMPANY, AND THE DEPARTMENT TO DETERMINE WHETHER THE PLAN IS ADEQUATE AND COST-EFFECTIVE IN 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)~~ §§ 7-223(B) AND 7-224(A)(2) OF THIS SUBTITLE.**

**(2) THE COMMISSION SHALL CONSIDER ANY WRITTEN FINDINGS PROVIDED BY THE MARYLAND ENERGY ADMINISTRATION, THE DEPARTMENT OF THE ENVIRONMENT, AND THE OFFICE OF PEOPLE'S COUNSEL REGARDING THE 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)~~ §§ 7-223(B) AND 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~~ REQUIRED UNDER § 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~~ REQUIRED UNDER § 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.

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

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

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

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

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

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

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

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

7-227.

(A) NOTWITHSTANDING ANY OTHER LAW, THE COMMISSION MAY NOT REQUIRE OR ALLOW AN ELECTRIC COMPANY OR A GAS COMPANY TO REQUIRE A CUSTOMER TO AUTHORIZE THE ELECTRIC COMPANY OR GAS COMPANY TO CONTROL 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, Minority, and Women Business Affairs, in consultation with the Department of Housing and Community Development, the Office of the Attorney General, and the General Assembly, shall initiate a study regarding the energy efficiency and conservation services used by the Department of Housing and Community Development to evaluate whether the enactment of remedial measures to assist minority and women-owned businesses in the energy efficiency and conservation services industry and market would comply with the U.S. Supreme Court decision in *City of Richmond v. J. A. Croson Co.*, 488 U.S. 469 (1989), and any subsequent federal or constitutional requirements.

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

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) The Public Service Commission shall establish a working group on the EmPOWER Maryland Program and moderate-income households.

(b) The purpose of the working group is to study and make recommendations to the Public Service Commission and the General Assembly on coordination of activities and benefits under the EmPOWER Maryland Program between utility companies subject to this Act and the Department of Housing and Community Development so that moderate-income households may obtain the most efficient and cost-effective assistance under the Program.

(c) The study and recommendations shall include:

(1) development of a practical definition of “moderate-income” for use in assessing the scope of available activities, potentially beneficial extensions of activities, and associated costs under the EmPOWER Maryland Program;

(2) an assessment of existing utility-based activities funded by the Program and available to moderate-income households;

(3) proposals for extending utility-based activities and coordinating those activities with corresponding activities of the Department of Housing and Community Development with respect to low-income households under the Program;

(4) an assessment of benefits and costs associated with extending and expanding activities under item (3) of this subsection;

(5) identification of areas of potential overlap between utility-based and Department-based activities that may be harmonized to avoid duplicating efforts and promote more efficient means to provide assistance to moderate-income households; and

(6) identification and development of regulatory and legislative changes needed to implement recommended coordination, extension, and expansion of Program activities to benefit moderate-income households.

(d) On or before July 1, 2025, the Commission shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly on the results of the working group study and recommendations.

SECTION ~~6~~ 7. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct, with no further action required by the General Assembly, cross-references and terminology rendered incorrect by this Act. The publisher shall adequately describe any correction that is made in an editor's note following the section affected.

SECTION ~~7~~ 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.