

HOUSE BILL 31

M5, C5

(PRE-FILED)

2lr0806
CF SB 256

By: **Delegate Charkoudian**

Requested: October 18, 2021

Introduced and read first time: January 12, 2022

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 2022

CHAPTER _____

1 AN ACT concerning

2 **Maryland Energy Administration – Resiliency Hub Grant Program and Fund**

3 FOR the purpose of establishing the Resiliency Hub Grant Program in the Maryland
4 Energy Administration; requiring the Administration to establish certain procedures
5 and criteria for the Program; establishing the Resiliency Hub Grant Program Fund
6 as a special, nonlapsing fund; requiring interest earnings of the Resiliency Hub
7 Grant Program Fund to be credited to the Resiliency Hub Grant Program Fund;
8 requiring that certain fines and penalties be credited to the Resiliency Hub Grant
9 Program Fund rather than the General Fund of the State; requiring the
10 Administration to provide certain Maryland Strategic Energy Investment Fund
11 funding to the Resiliency Hub Grant Program Fund; and generally relating to the
12 Resiliency Hub Grant Program and Fund.

13 BY repealing and reenacting, without amendments,
14 Article – Public Utilities
15 Section 2–110.1(a) and (b) and 7–306.2(a)(1) and (3)
16 Annotated Code of Maryland
17 (2020 Replacement Volume and 2021 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Public Utilities
20 Section 2–110.1(c) and 13–201
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2021 Supplement)

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.



1 BY repealing and reenacting, without amendments,
2 Article – State Finance and Procurement
3 Section 6–226(a)(2)(i)
4 Annotated Code of Maryland
5 (2021 Replacement Volume)

6 BY repealing and reenacting, with amendments,
7 Article – State Finance and Procurement
8 Section 6–226(a)(2)(ii)144. and 145.
9 Annotated Code of Maryland
10 (2021 Replacement Volume)

11 BY adding to
12 Article – State Finance and Procurement
13 Section 6–226(a)(2)(ii)146.
14 Annotated Code of Maryland
15 (2021 Replacement Volume)

16 BY adding to
17 Article – State Government
18 Section 9–2010, 9–2011, and 9–20B–05(f)(11)
19 Annotated Code of Maryland
20 (2021 Replacement Volume)

21 BY repealing and reenacting, with amendments,
22 Article – State Government
23 Section 9–20B–05(f)(10) and (11)
24 Annotated Code of Maryland
25 (2021 Replacement Volume)

26 BY repealing and reenacting, without amendments,
27 Article – State Government
28 Section 9–20B–05(i)
29 Annotated Code of Maryland
30 (2021 Replacement Volume)

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

33 **Article – Public Utilities**

34 2–110.1.

35 (a) There is a Public Utility Regulation Fund.

36 (b) The Fund consists of:

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

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

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

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

9 (c) Notwithstanding subsection (b) of this section, the Commission shall pay all
10 fines and penalties collected by the Commission under this article into the [General Fund
11 of the State] **RESILIENCY HUB GRANT PROGRAM FUND ESTABLISHED UNDER §**
12 **9–2011 OF THE STATE GOVERNMENT ARTICLE.**

13 7–306.2.

14 (a) (1) In this section the following words have the meanings indicated.

15 (3) “Community solar energy generating system” means a solar energy
16 system that:

17 (i) is connected to the electric distribution grid serving the State;

18 (ii) is located in the same electric service territory as its subscribers;

19 (iii) is attached to the electric meter of a subscriber or is a separate
20 facility with its own electric meter;

21 (iv) credits its generated electricity, or the value of its generated
22 electricity, to the bills of the subscribers to that system through virtual net energy
23 metering;

24 (v) has at least two subscribers but no limit to the maximum number
25 of subscribers;

26 (vi) does not have subscriptions larger than 200 kilowatts
27 constituting more than 60% of its subscriptions;

28 (vii) has a generating capacity that does not exceed 2 megawatts as
29 measured by the alternating current rating of the system’s inverter; and

30 (viii) may be owned by any person.

1 13–201.

2 (a) This section does not apply to a violation of the following provisions of this
3 article:

4 (1) Title 5, Subtitle 4;

5 (2) Title 7, Subtitle 1;

6 (3) § 7–213 as it applies to electric cooperatives;

7 (4) Title 8, Subtitles 1 and 3;

8 (5) Title 9, Subtitle 3; and

9 (6) Title 8, Subtitle 4.

10 (b) (1) Except as provided in paragraph (2) of this subsection, the Commission
11 may impose a civil penalty not exceeding \$25,000 against a person who violates a provision
12 of this division, or an effective and outstanding direction, ruling, order, rule, or regulation
13 of the Commission.

14 (2) The civil penalty that the Commission may impose on a common carrier
15 for each violation may not exceed \$2,500.

16 (c) (1) A civil penalty may be imposed in addition to any other penalty
17 authorized by this division.

18 (2) Each violation is a separate offense.

19 (3) Each day or part of a day the violation continues is a separate offense.

20 (d) The Commission shall determine the amount of any civil penalty after
21 considering:

22 (1) the number of previous violations of any provision of this article;

23 (2) the gravity of the current violation;

24 (3) the good faith efforts of the violator in attempting to achieve compliance
25 after notification of the violation; and

26 (4) any other matter that the Commission considers appropriate and
27 relevant.

28 (e) (1) Except as provided in paragraphs (2) and (3) of this subsection, a civil
29 penalty collected under this section shall be paid into the [General Fund of the State]

**RESILIENCY HUB GRANT PROGRAM FUND ESTABLISHED UNDER § 9–2011 OF THE
STATE GOVERNMENT ARTICLE.**

(2) A civil penalty assessed for a violation of a service quality and reliability standard under § 7–213 of this article shall be paid into the Electric Reliability Remediation Fund under § 7–213(j) of this article.

(3) A civil penalty assessed for a violation of § 7–505(b)(7), § 7–507, § 7–603, § 7–604, or § 7–606 of this article, or a rule, an order, or a regulation adopted under any of those sections, shall be paid into the Retail Choice Customer Education and Protection Fund under § 7–310 of this article.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

144. the Health Equity Resource Community Reserve Fund;

[and]

145. the Access to Counsel in Evictions Special Fund; AND

146. THE RESILIENCY HUB GRANT PROGRAM FUND.

Article – State Government

9–2010.

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

(2) “EXTENDED GRID OUTAGE” MEANS A PLANNED OR UNPLANNED GRID OUTAGE LASTING MORE THAN 4 HOURS.

(3) “LOW-INCOME” MEANS A HOUSEHOLD WITH AN ANNUAL ADJUSTED GROSS INCOME AT OR BELOW 175% OF THE FEDERAL POVERTY LEVEL.

(4) "MICROGRID" MEANS TECHNOLOGY THAT:

(I) COMBINES CLEAN, DISTRIBUTED POWER GENERATION WITH ADVANCED CONTROL EQUIPMENT; AND

(II) ENABLES PORTIONS OF THE ELECTRIC GRID TO REMAIN ONLINE WHEN THE WIDER GRID IS DOWN.

(5) "MODERATE-INCOME" MEANS A HOUSEHOLD WITH AN ANNUAL ADJUSTED GROSS INCOME AT OR BELOW 80% OF THE LOCAL MEDIAN INCOME, AS DETERMINED BY THE LATEST MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT "INCOME LIMITS" DOCUMENT.

(6) "PROGRAM" MEANS THE RESILIENCY HUB GRANT PROGRAM.

(7) "RESILIENCY HUB" MEANS A LOCATION WHERE SOLAR PHOTOVOLTAIC AND BATTERY ENERGY STORAGE ARE DESIGNED TO PROVIDE ELECTRICITY TO MEET COMMUNITY NEEDS DURING EXTENDED GRID OUTAGES, INCLUDING PROVIDING:

(I) EMERGENCY HEATING AND COOLING;

(II) REFRIGERATION OF TEMPERATURE-SENSITIVE MEDICATIONS;

(III) OUTLETS OR OTHER PLUG POWER OPTIONS FOR CHARGING CELL PHONE AND COMPUTER BATTERIES; AND

(IV) VENTILATION AND EMERGENCY LIGHTING.

(B) THERE IS A RESILIENCY HUB GRANT PROGRAM IN THE ADMINISTRATION.

(C) THE PURPOSE OF THE PROGRAM IS TO DEVELOP RESILIENCY HUBS THAT SERVE LOW-INCOME AND MODERATE-INCOME HOUSEHOLDS AT NO COST TO THE HOUSEHOLDS.

(D) (1) BY REGULATION, THE ADMINISTRATION SHALL SET THE TERMS AND CONDITIONS FOR THE ISSUANCE OF GRANTS UNDER THE PROGRAM CONSISTENT WITH THIS SUBTITLE.

(2) THE REGULATIONS SHALL INCLUDE:

(I) A COMPETITIVE APPLICATION PROCESS FOR THE PROGRAM; AND

(II) CRITERIA AND PROCEDURES FOR AWARDING GRANTS TO ELIGIBLE RECIPIENTS THAT GIVE PRIORITY TO AWARDING GRANTS TO PROJECTS FOR MICROGRIDS THAT:

1. USE A COMMUNITY SOLAR ENERGY GENERATING SYSTEM, AS DEFINED IN § 7-306.2 OF THE PUBLIC UTILITIES ARTICLE; AND

2. PROVIDE MORE THAN 30% OF THE SYSTEM'S KILOWATT OUTPUT TO LOW-INCOME AND MODERATE-INCOME SUBSCRIBERS.

(E) THE FOLLOWING PERSONS ARE ELIGIBLE FOR A GRANT UNDER THE PROGRAM:

(1) BUSINESSES;

(2) NONPROFIT ENTITIES;

(3) UNITS OF STATE GOVERNMENT; AND

(4) LOCAL GOVERNMENTS.

(F) A PROJECT IS ELIGIBLE FOR A GRANT UNDER THE PROGRAM IF THE PROJECT:

(1) PROPOSES TO DEVELOP A RESILIENCY HUB;

(2) WILL OPERATE THE RESILIENCY HUB FOR A PERIOD OF AT LEAST ~~10~~ 5 YEARS; AND

(3) WILL SERVE A COMMUNITY OF MAJORITY LOW-INCOME OR MODERATE-INCOME HOUSEHOLDS.

(G) THE ADMINISTRATION SHALL:

(1) COORDINATE ADMINISTRATION OF THE PROGRAM WITH THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT; AND

(2) PROVIDE TO GRANT APPLICANTS INFORMATION ON OTHER SOURCES OF ASSISTANCE THAT MAY BENEFIT THE PROJECT, INCLUDING LOANS AND GRANTS AWARDED UNDER § 9-20B-05(I)(3) OF THIS TITLE.

(H) A PERSON WHO RECEIVES A GRANT UNDER THE PROGRAM SHALL:

(1) ~~ATTEST IN WRITING~~ ACQUIRE A WRITTEN ATTESTATION THAT ALL
INSTALLATION CONTRACTORS AND SUBCONTRACTORS WORKING ON THE PROJECT:

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

~~(II) PROVIDE CAREER ADVANCEMENT TRAINING;~~

~~(III)~~ (II) AFFORD EMPLOYEES THE RIGHT TO BARGAIN
COLLECTIVELY FOR WAGES AND BENEFITS;

~~(IV)~~ (III) PROVIDE PAID LEAVE;

~~(V)~~ (IV) ARE CONSIDERED “COVERED EMPLOYMENT” FOR
PURPOSES OF UNEMPLOYMENT INSURANCE BENEFITS IN ACCORDANCE WITH TITLE
8 OF THE LABOR AND EMPLOYMENT ARTICLE;

~~(VI)~~ (V) ENTITLE THE EMPLOYEES TO WORKERS’
COMPENSATION BENEFITS IN ACCORDANCE WITH TITLE 9 OF THE LABOR AND
EMPLOYMENT ARTICLE;

~~(VII)~~ (VI) HAVE BEEN IN COMPLIANCE WITH FEDERAL AND
STATE WAGE AND HOUR LAWS FOR THE LONGER OF THE IMMEDIATELY PRECEDING
3 YEARS OR FOR THE DURATION OF THE CONTRACTOR’S OR SUBCONTRACTOR’S
BUSINESS OPERATION; AND

~~(VIII)~~ (VII) OFFER EMPLOYER-PROVIDED HEALTH INSURANCE
BENEFITS WITH MONTHLY PREMIUMS THAT DO NOT EXCEED 8.5% OF THE
EMPLOYEE’S NET MONTHLY EARNINGS; AND

~~(IX) OFFER RETIREMENT BENEFITS; AND~~

(2) PROVIDE TO THE ADMINISTRATION A PROGRESS REPORT ON OR
BEFORE JANUARY 10, APRIL 10, JULY 10, AND OCTOBER 10 EACH YEAR.
9–2011.

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

(2) “FUND” MEANS THE RESILIENCY HUB GRANT PROGRAM FUND.

(3) “PROGRAM” MEANS THE RESILIENCY HUB GRANT PROGRAM
ESTABLISHED UNDER § 9–2010 OF THIS SUBTITLE.

1 **(B) THERE IS A RESILIENCY HUB GRANT PROGRAM FUND.**

2 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS UNDER THE**
3 **PROGRAM.**

4 **(D) THE ADMINISTRATION SHALL ADMINISTER THE FUND.**

5 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
6 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

7 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
8 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

9 **(F) THE FUND CONSISTS OF:**

10 **(1) GRANT FUNDING OBTAINED UNDER SUBSECTION (K) OF THIS**
11 **SECTION;**

12 **(2) FUNDS DISTRIBUTED TO THE FUND UNDER § 9-20B-05 OF THIS**
13 **TITLE AND §§ 2-110.1 AND 13-201 OF THE PUBLIC UTILITIES ARTICLE;**

14 **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

15 **(4) INTEREST EARNINGS; AND**

16 **(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
17 **THE BENEFIT OF THE FUND.**

18 **(G) THE FUND MAY BE USED ONLY FOR:**

19 **(1) GRANTS AWARDED UNDER THE PROGRAM; AND**

20 **(2) COSTS ASSOCIATED WITH ADMINISTERING THE PROGRAM AND**
21 **THE FUND.**

22 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
23 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

24 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
25 **THE FUND.**

26 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
27 **WITH THE STATE BUDGET.**

(J) MONEY EXPENDED FROM THE FUND FOR THE PROGRAM IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THE PROGRAM.

(K) THE ADMINISTRATION AND THE MARYLAND DEPARTMENT OF EMERGENCY MANAGEMENT, IN COORDINATION WITH ANY OTHER APPROPRIATE UNIT OF STATE GOVERNMENT, SHALL IDENTIFY AND APPLY FOR GRANT FUNDING, INCLUDING FEDERAL GRANT FUNDING, TO SUPPORT THE PROGRAM.

9–20B–05.

(f) The Administration shall use the Fund:

(10) subject to subsections (f–2) and (f–3) of this section, to invest in pre–apprenticeship, youth apprenticeship, and registered apprenticeship programs to establish career paths in the clean energy industry under § 11–708.1 of the Labor and Employment Article, as follows:

(i) \$1,250,000 for grants to pre–apprenticeship jobs training programs under § 11–708.1(c)(3) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;

(ii) \$6,000,000 for grants to youth apprenticeship jobs training programs and registered apprenticeship jobs training programs under § 11–708.1(c)(5) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; and

(iii) \$750,000 for the recruitment of individuals, including veterans and formerly incarcerated individuals, to the pre–apprenticeship jobs training programs and the registered apprenticeship jobs training programs under § 11–708.1 of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; [and]

(11) TO PROVIDE AT LEAST \$500,000 EACH YEAR TO THE RESILIENCY HUB GRANT PROGRAM FUND UNDER § 9–2011 OF THIS TITLE; AND

[(11)] (12) to pay the expenses of the Program.

(i) (1) In this subsection, “low–income” means having an annual household income that is at or below 175% of the federal poverty level.

(2) Except as provided in paragraph (3) of this subsection, compliance fees paid under § 7–705(b) of the Public Utilities Article may be used only to make loans and grants to support the creation of new Tier 1 renewable energy sources in the State that are owned by or directly benefit low–income residents of the State.

(3) Compliance fees paid under § 7–705(b)(2)(i)2 of the Public Utilities Article shall be accounted for separately within the Fund and may be used only to make loans and grants to support the creation of new solar energy sources in the State that are owned by or directly benefit low-income residents of the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.