

HOUSE BILL 88

M5, C5

(PRE-FILED)

2lr1074
CF SB 525

By: **Delegate Charkoudian**

Requested: October 29, 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 10, 2022

CHAPTER _____

1 AN ACT concerning

2 ~~Public Utilities~~ ~~Energy~~ Electric Distribution System Planning and Required
3 Labor Standards

4 FOR the purpose of ~~establishing the Distribution System Planning Workgroup to study~~
5 ~~issues related to energy distribution planning and implementation~~ establishing
6 certain State policy goals with regard to the State's electric distribution system;
7 ~~requiring the Public Service Commission to adopt regulations on or before a certain~~
8 ~~date related to energy distribution planning and implementation;~~ requiring the
9 Public Service Commission and the Maryland Energy Administration to coordinate
10 ~~efforts with utilities to apply~~ provide assistance and support to electric companies
11 for applying for and obtaining access to certain federal funds to meet the State's
12 policy goals for the electric distribution grid system; requiring the Administration to
13 identify certain funding sources; requiring certain electric companies to report to the
14 Commission and the Administration on certain funding information; establishing
15 labor standards for contractors and subcontractors participating in certain projects
16 undertaken by investor-owned electric companies or gas and electric companies; and
17 generally relating to ~~energy~~ electric distribution system planning and labor
18 standards.

19 BY adding to

20 Article – Public Utilities

21 Section 7–801 through ~~7–805~~ 7–804 to be under the new subtitle “Subtitle 8. ~~Energy~~
22 Electric Distribution System Planning and Labor Standards”

23 Annotated Code of Maryland

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.



(2020 Replacement Volume and 2021 Supplement)

BY adding to

Article – Labor and Employment

Section 3–416

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)

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

Article – Public Utilities

**SUBTITLE 8. ~~ENERGY~~ ELECTRIC DISTRIBUTION SYSTEM PLANNING AND LABOR
STANDARDS.**

7–801.

~~IN THIS SUBTITLE, “WORKGROUP” MEANS THE DISTRIBUTION SYSTEM
PLANNING WORKGROUP.~~

~~**7–802.**~~

IT IS THE GOAL OF THE STATE THAT THE ELECTRIC DISTRIBUTION ~~GRID~~
SYSTEM SUPPORT, IN A COST-EFFECTIVE MANNER, THE STATE’S POLICY GOALS
WITH REGARD TO:

(1) ~~DECARBONIZATION AND~~ GREENHOUSE GAS REDUCTION;

(2) RENEWABLE ENERGY;

(3) ~~EQUITY;~~

~~(4) FAMILY-SUSTAINING EMPLOYMENT~~ DECREASING DEPENDENCE
ON ELECTRICITY IMPORTED FROM OTHER STATES; AND

~~(5) (4)~~ ACHIEVING ENERGY DISTRIBUTION RESILIENCY,
EFFICIENCY, AND RELIABILITY IN A COST-EFFECTIVE MANNER.

~~**7–803.**~~

~~(A) THERE IS A DISTRIBUTION SYSTEM PLANNING WORKGROUP.~~

~~(B) THE WORKGROUP CONSISTS OF THE FOLLOWING MEMBERS:~~

~~(1) THE SECRETARY OF THE ENVIRONMENT, OR THE SECRETARY'S
DESIGNEE;~~

~~(2) THE PEOPLE'S COUNSEL, OR THE PEOPLE'S COUNSEL'S
DESIGNEE;~~

~~(3) THE DIRECTOR OF THE MARYLAND ENERGY ADMINISTRATION,
OR THE DIRECTOR'S DESIGNEE; AND~~

~~(4) THE FOLLOWING MEMBERS, APPOINTED BY THE CHAIRMAN OF
THE COMMISSION:~~

~~(I) ONE REPRESENTATIVE OF EACH INVESTOR OWNED
ELECTRIC COMPANY WITH CUSTOMERS IN THE STATE;~~

~~(II) ONE REPRESENTATIVE OF RESIDENTIAL AND SMALL
COMMERCIAL ELECTRIC CUSTOMERS;~~

~~(III) ONE REPRESENTATIVE OF LOW INCOME COMMUNITIES;~~

~~(IV) ONE REPRESENTATIVE OF MINORITY COMMUNITIES;~~

~~(V) ONE REPRESENTATIVE OF ENVIRONMENTAL ADVOCACY
GROUPS;~~

~~(VI) ONE REPRESENTATIVE OF ENVIRONMENTAL JUSTICE
GROUPS;~~

~~(VII) ONE REPRESENTATIVE OF THE BALTIMORE DC METRO
BUILDING TRADES COUNCIL;~~

~~(VIII) ONE REPRESENTATIVE OF THE MARYLAND STATE AND
DISTRICT OF COLUMBIA AFL-CIO;~~

~~(IX) ONE REPRESENTATIVE OF THE DISTRIBUTED ENERGY
RESOURCE INDUSTRY;~~

~~(X) ONE REPRESENTATIVE OF THE ELECTRIC VEHICLE
INDUSTRY;~~

~~(XI) ONE INDIVIDUAL WITH EXPERTISE IN IMPLEMENTING
ENERGY DISTRIBUTION PLANNING; AND~~

~~(XII) ANY OTHER INDIVIDUALS IDENTIFIED BY THE COMMISSION.~~

~~(C) THE CHAIRMAN OF THE COMMISSION SHALL DESIGNATE THE CHAIR OF THE WORKGROUP.~~

~~(D) THE COMMISSION SHALL PROVIDE STAFF FOR THE WORKGROUP.~~

~~(E) A MEMBER OF THE WORKGROUP:~~

~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE WORKGROUP; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(F) THE WORKGROUP SHALL:~~

~~(1) STUDY AND MAKE RECOMMENDATIONS REGARDING ENERGY DISTRIBUTION PLANNING PROCESSES AND IMPLEMENTATION THAT PROMOTE:~~

~~(I) DECARBONIZATION, INCLUDING HIGH LEVELS OF DISTRIBUTED ENERGY RESOURCES AND ELECTRIC VEHICLES;~~

~~(II) GIVING PRIORITY TO VULNERABLE COMMUNITIES IN THE DEVELOPMENT OF DISTRIBUTED ENERGY RESOURCES AND ELECTRIC VEHICLE INFRASTRUCTURE;~~

~~(III) ENERGY EFFICIENCY AND CONSERVATION;~~

~~(IV) MEETING INCREASED LOAD REQUIREMENTS DUE TO THE ELECTRIFICATION OF BUILDINGS AND TRANSPORTATION;~~

~~(V) LABOR STANDARDS IN ALL ELEMENTS OF ELECTRIC GRID MODERNIZATION;~~

~~(VI) ELECTRIC GRID RESILIENCY AND ADAPTATION;~~

~~(VII) PEAK LOAD MANAGEMENT;~~

~~(VIII) INTEGRATION OF VEHICLES WITH THE ELECTRIC GRID AND OTHER BIDIRECTIONAL POWER FLOWS FROM STORAGE ASSETS;~~

~~(IX) EFFECTIVE USE OF DEMAND RESPONSE AND OTHER NONWIRE ALTERNATIVES;~~

~~(X) TRANSPARENT STAKEHOLDER PARTICIPATION IN ONGOING ENERGY DISTRIBUTION PLANNING PROCESSES; AND~~

~~(XI) COMPARISONS AMONG ALTERNATIVE APPROACHES, INCLUDING NONWIRE ALTERNATIVES AND NONCAPITAL OPTIONS, INCLUDING REPAIR, MAINTENANCE, AND OPERATION OF EXISTING RESOURCES IN A COST-EFFECTIVE MANNER; AND~~

~~(2) MAXIMIZE TRANSPARENCY FOR STAKEHOLDER PARTICIPATION, INCLUDING PROVIDING STAKEHOLDER ACCESS TO NONCONFIDENTIAL UTILITY INFORMATION.~~

~~(G) ON OR BEFORE JANUARY 1, 2023, THE WORKGROUP SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE COMMISSION.~~

~~(H) AFTER SUBMITTING THE REPORT REQUIRED UNDER SUBSECTION (G) OF THIS SECTION, THE WORKGROUP SHALL CONTINUE TO SERVE IN AN ONGOING ADVISORY CAPACITY TO THE COMMISSION FOR ENERGY DISTRIBUTION SYSTEM PLANNING.~~

~~7-804. 7-802.~~

~~(A) ON OR BEFORE DECEMBER 1, 2022 2023, AND EACH YEAR THEREAFTER, THE COMMISSION SHALL SUBMIT A REPORT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY WITH INFORMATION REGARDING THE CURRENT STATUS OF ELECTRIC DISTRIBUTION ~~GRID~~ SYSTEM EVOLUTION, INCLUDING INFORMATION ~~ADDRESSING THE TOPICS OUTLINED IN SUBSECTION (B) OF THIS SECTION.~~~~

~~(B) ON OR BEFORE JANUARY 1, 2024, WITH INPUT FROM THE WORKGROUP, THE COMMISSION SHALL ADOPT REGULATIONS REGARDING ENERGY ON ELECTRIC DISTRIBUTION SYSTEM PLANNING PROCESSES AND IMPLEMENTATION THAT PROMOTE, AS SPECIFIC GOALS, THE FOLLOWING:~~

~~(1) DECARBONIZATION MEASURES TO DECREASE GREENHOUSE GAS EMISSIONS INCIDENT TO ELECTRIC DISTRIBUTION, INCLUDING HIGH LEVELS OF DISTRIBUTED ENERGY RESOURCES AND ELECTRIC VEHICLES;~~

~~(2) GIVING PRIORITY TO VULNERABLE COMMUNITIES IN THE DEVELOPMENT OF DISTRIBUTED ENERGY RESOURCES AND ELECTRIC VEHICLE INFRASTRUCTURE;~~

~~(3) ENERGY EFFICIENCY ~~AND CONSERVATION~~;~~

~~(4) MEETING INCREASED LOAD DUE TO ELECTRIFICATION OF BUILDINGS AND TRANSPORTATION ANTICIPATED INCREASES IN LOAD;~~

1 (5) ~~LABOR STANDARDS IN ALL ELEMENTS OF~~ INCORPORATION OF
2 ENERGY STORAGE TECHNOLOGY AS APPROPRIATE AND PRUDENT TO:

3 (I) SUPPORT EFFICIENCY AND RELIABILITY OF THE ELECTRIC
4 DISTRIBUTION SYSTEM; AND

5 (II) PROVIDE ADDITIONAL CAPACITY TO ACCOMMODATE
6 INCREASED DISTRIBUTED RENEWABLE ELECTRICITY GENERATION IN CONNECTION
7 WITH ELECTRIC DISTRIBUTION ~~GRID~~ SYSTEM MODERNIZATION;

8 (6) EFFICIENT MANAGEMENT OF LOAD VARIABILITY;

9 ~~(6)~~ (7) ELECTRIC DISTRIBUTION ~~GRID~~ SYSTEM RESILIENCY AND
10 ADAPTATION RELIABILITY;

11 ~~(7)~~ PEAK LOAD MANAGEMENT;

12 (8) ~~INTEGRATION OF VEHICLES WITH THE ELECTRIC GRID AND~~
13 ~~OTHER BIDIRECTIONAL POWER FLOWS FROM STORAGE ASSETS;~~

14 (9) ~~EFFECTIVE USE OF~~ DEMAND RESPONSE AND OTHER NONWIRE
15 AND NONCAPITAL ALTERNATIVES;

16 (10) INCREASED USE OF DISTRIBUTED ENERGY RESOURCES,
17 INCLUDING ELECTRIC VEHICLES;

18 ~~(10)~~ (11) TRANSPARENT STAKEHOLDER PARTICIPATION IN ONGOING
19 ENERGY ~~ELECTRIC~~ DISTRIBUTION SYSTEM PLANNING PROCESSES; AND

20 (12) ANY OTHER ISSUES THE COMMISSION CONSIDERS APPROPRIATE.

21 ~~(11) COMPARISONS AMONG ALTERNATIVE APPROACHES, INCLUDING~~
22 ~~NONWIRE ALTERNATIVES AND NONCAPITAL OPTIONS, INCLUDING REPAIR,~~
23 ~~MAINTENANCE, AND OPERATION OF EXISTING RESOURCES IN A COST-EFFECTIVE~~
24 ~~MANNER.~~

25 ~~(C) THE REGULATIONS ADOPTED UNDER SUBSECTION (B) OF THIS SECTION~~
26 ~~SHALL:~~

27 (1) ~~BE DEVELOPED WITH CONSIDERATION OF THE STATE'S~~
28 ~~GREENHOUSE REDUCTION GOALS;~~

~~(2) ACCOUNT FOR BENEFITS THAT MAY NOT BE READILY QUANTIFIABLE;~~

~~(3) IDENTIFY LEAST REGRETS INVESTMENTS;~~

~~(4) ESTABLISH METRICS FOR ASSESSING BENEFITS;~~

~~(5) UTILIZE A DISCOUNT RATE THAT REFLECTS STATE REGULATORY AND ENVIRONMENTAL GOALS;~~

~~(6) ACCOUNT FOR INCREMENTAL UTILITY OPERATIONS AND MAINTENANCE COSTS, INCREMENTAL UTILITY CAPITAL COSTS, AND INCREMENTAL TRANSMISSION AND ENERGY DISTRIBUTION COSTS; AND~~

~~(7) ACCOUNT FOR:~~

~~(I) REDUCTIONS IN OPERATION AND MAINTENANCE COSTS, GENERATION CAPACITY COSTS, ENERGY COSTS, TRANSMISSION AND ENERGY DISTRIBUTION COSTS AND LOSSES, ANCILLARY SERVICES COSTS, CUSTOMER OUTAGES, AND ENVIRONMENTAL COMPLIANCE COSTS; AND~~

~~(II) INCREASES IN SYSTEM RELIABILITY, SAFETY, RESILIENCE, DISTRIBUTED ENERGY RESOURCE INTEGRATION, POWER QUALITY, CUSTOMER SATISFACTION, CUSTOMER FLEXIBILITY AND CHOICE, AND OTHER ENVIRONMENTAL BENEFITS.~~

~~(D) IN RATE CASES, UTILITIES SHALL BEAR THE BURDEN OF DEMONSTRATING COMPLIANCE WITH THE COMMISSION'S REGULATIONS THROUGH QUANTIFICATION OF BENEFITS AND OBJECTIVE AND VERIFIABLE STANDARDS.~~

7-803.

~~(E)~~ (A) THE GENERAL ASSEMBLY STRONGLY ENCOURAGES THE ELECTRIC COMPANIES OF THE STATE TO PURSUE DILIGENTLY FEDERAL FUNDS TO MEET THE STATE'S POLICY GOALS FOR THE ELECTRIC DISTRIBUTION SYSTEM, INCLUDING FUNDS MADE AVAILABLE UNDER §§ 40101, 40103, AND 40107 OF THE FEDERAL INFRASTRUCTURE INVESTMENT AND JOBS ACT.

(B) THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION SHALL COORDINATE EFFORTS WITH UTILITIES TO APPLY PROVIDE ASSISTANCE AND SUPPORT TO ELECTRIC COMPANIES FOR APPLYING FOR AND OBTAINING ACCESS TO FEDERAL AND OTHER AVAILABLE FUNDS, INCLUDING THOSE MADE AVAILABLE UNDER § 40101 OF THE FEDERAL INFRASTRUCTURE INVESTMENT AND JOBS ACT,

~~TO MEET THE STATE'S POLICY GOALS FOR THE ELECTRIC DISTRIBUTION GRID TO~~
MEET THE STATE'S POLICY GOALS FOR THE ELECTRIC DISTRIBUTION SYSTEM.

(C) THE MARYLAND ENERGY ADMINISTRATION SHALL IDENTIFY FUNDING SOURCES THAT MAY BE AVAILABLE TO ELECTRIC COMPANIES TO IMPLEMENT THE STATE'S POLICY GOALS UNDER § 7-802 OF THIS SUBTITLE, INCLUDING FUNDING FOR:

(1) INCREASING THE EFFICIENCY OF ELECTRIC DISTRIBUTION SYSTEMS, INCLUDING THROUGH INSTALLATION AND INTEGRATION OF ENERGY STORAGE DEVICES AND OPERATIONAL CHANGES AND UPGRADES;

(2) GRID HARDENING ACTIVITIES TO REDUCE THE OCCURRENCE OF OR CONSEQUENCES OF EVENTS THAT DISRUPT OPERATIONS OF THE ELECTRIC DISTRIBUTION SYSTEM DUE TO EXTREME WEATHER OR NATURAL DISASTERS;

(3) OTHER DISTRIBUTION SYSTEM-RELATED UPGRADE ACTIVITIES AVAILABLE FOR FUNDING UNDER § 40101, § 40103, OR § 40107 OF THE FEDERAL INFRASTRUCTURE INVESTMENT AND JOBS ACT; AND

(4) OTHER SPECIFIC ACTIVITIES THAT THE COMMISSION IDENTIFIES.

(D) AS NEEDED TO PROMOTE THE STATE'S POLICY GOALS UNDER § 7-802 OF THIS SUBTITLE, THE COMMISSION:

(1) SHALL REQUIRE EACH ELECTRIC COMPANY TO REPORT TO THE COMMISSION AND THE MARYLAND ENERGY ADMINISTRATION ON:

(I) THE FUNDING FOR WHICH THE ELECTRIC COMPANY HAS APPLIED;

(II) THE PURPOSES FOR WHICH THE FUNDING IS INTENDED TO BE USED;

(III) THE STATUS OF THE FUNDING APPLICATIONS; AND

(IV) CONDITIONS THAT MUST BE MET TO OBTAIN THE FUNDING; AND

(2) MAY ADOPT REGULATIONS OR ISSUE ORDERS THAT REQUIRE ELECTRIC COMPANIES TO APPLY FOR FEDERAL AND OTHER AVAILABLE FUNDS IN A TIMELY MANNER.

7-804.

1 ON OR BEFORE JULY 1, 2025, THE COMMISSION SHALL ADOPT REGULATIONS
2 OR ISSUE ORDERS TO IMPLEMENT SPECIFIC POLICIES FOR ELECTRIC DISTRIBUTION
3 SYSTEM PLANNING AND IMPROVEMENTS IN ORDER TO PROMOTE THE STATE'S
4 POLICY GOALS UNDER § 7-802 OF THIS SUBTITLE.

5 ~~7-805.~~

6 Article – Labor and Employment

7 3-416.

8 (A) THIS SECTION APPLIES:

9 (1) TO A PROJECT UNDERTAKEN BY AN INVESTOR-OWNED ELECTRIC
10 COMPANY OR GAS AND ELECTRIC COMPANY ~~INVOLVING~~ THAT:

11 (I) INVOLVES THE CONSTRUCTION, RECONSTRUCTION,
12 INSTALLATION, DEMOLITION, RESTORATION, OR ALTERATION OF ANY ELECTRIC
13 INFRASTRUCTURE OF THE COMPANY, AND ANY RELATED TRAFFIC CONTROL
14 ACTIVITIES; AND

15 (II) IS FUNDED BY FEDERAL FUNDS TO MEET THE STATE'S
16 POLICY GOALS FOR THE ELECTRIC DISTRIBUTION SYSTEM UNDER TITLE 7,
17 SUBTITLE 8 OF THE PUBLIC UTILITIES ARTICLE, INCLUDING FUNDS MADE
18 AVAILABLE UNDER § 40101, § 40103, OR § 40107 OF THE FEDERAL
19 INFRASTRUCTURE INVESTMENT AND JOBS ACT; AND

20 (2) ONLY TO THE PORTION OF THE PROJECT SUPPORTED BY THE
21 FEDERAL FUNDS.

22 (B) AN INVESTOR-OWNED ELECTRIC COMPANY OR GAS AND ELECTRIC
23 COMPANY SHALL REQUIRE A CONTRACTOR OR SUBCONTRACTOR ON A PROJECT
24 DESCRIBED IN SUBSECTION (A) OF THIS SECTION TO:

25 (1) PAY THE AREA PREVAILING WAGE FOR EACH TRADE EMPLOYED,
26 INCLUDING WAGES AND FRINGE BENEFITS;

27 (2) OFFER HEALTH CARE AND RETIREMENT BENEFITS TO THE
28 EMPLOYEES WORKING ON THE PROJECT;

29 (3) PARTICIPATE IN AN APPRENTICESHIP PROGRAM REGISTERED
30 WITH THE STATE FOR EACH TRADE EMPLOYED ON THE PROJECT;

(4) ESTABLISH AND EXECUTE A PLAN FOR OUTREACH, RECRUITMENT, AND RETENTION OF STATE RESIDENTS TO PERFORM WORK ON THE PROJECT, WITH AN ASPIRATIONAL GOAL OF 25% OF TOTAL WORK HOURS PERFORMED BY MARYLAND RESIDENTS, INCLUDING RESIDENTS WHO ARE:

(I) RETURNING CITIZENS;

(II) WOMEN;

(III) MINORITY INDIVIDUALS; OR

(IV) VETERANS;

(5) HAVE BEEN IN COMPLIANCE WITH FEDERAL AND STATE WAGE AND HOUR LAWS FOR THE PREVIOUS 3 YEARS;

(6) BE SUBJECT TO ALL STATE REPORTING AND COMPLIANCE REQUIREMENTS; AND

(7) MAINTAIN ALL APPROPRIATE LICENSES IN GOOD STANDING.

SECTION 2. AND BE IT FURTHER ENACTED, That on or before December 31, 2022, the Public Service Commission shall provide an interim report on the status of matters required to be reported under § 7-802 of the Public Utilities Article, as enacted by this Act, to the House Economic Matters Committee and the Senate Finance Committee, in accordance with § 2-1257 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
~~October~~ July 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.