

HOUSE BILL 864

M5, C5

4lr0448

By: **Delegates Crosby and Qi**

Introduced and read first time: February 2, 2024

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2024

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 electric cooperatives to include certain programs or services as part of their
12 service to their customers as directed by the Commission; requiring the Commission
13 to establish and determine certain greenhouse gas emissions reduction targets;
14 requiring certain contractors used for certain programs under this Act to meet
15 certain job requirements; requiring the Department of Housing and Community
16 Development to develop a plan to coordinate and leverage funding sources to support
17 certain energy efficiency and other home upgrades; requiring the Department of the
18 Environment to prepare and submit to the Commission a certain analysis; requiring
19 each electric company and each gas company to promote certain rebates, tax credits,
20 and incentives; requiring the certification agency designated by the Board of Public
21 Works and the Governor's Office of Small, Minority, and Women Business Affairs,
22 in consultation with the Department of Housing and Community Development, the
23 Office of the Attorney General, and the General Assembly to study certain energy
24 efficiency and conservation services and submit its findings on or before a certain
25 date; requiring the Commission to establish a certain working group to study and

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 make recommendations on extending certain program assistance to certain
2 moderate-income households; and generally relating to the efficient use and
3 conservation of energy in support of greenhouse gas emissions reduction goals and
4 targets.

5 BY repealing
6 Article – Public Utilities
7 Section 7–211 and 7–211.1
8 Annotated Code of Maryland
9 (2020 Replacement Volume and 2023 Supplement)

10 BY renumbering
11 Article – Public Utilities
12 Section 7–211.2
13 to be Section 7–315
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2023 Supplement)

16 BY adding to
17 Article – Public Utilities
18 The new part designation “Part I. In General” to immediately precede Section 7–201;
19 and Section 7–220 through 7–228 to be under the new part “Part II. Energy
20 Efficiency and Conservation Plans”
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2023 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – Corporations and Associations
25 Section 5–637(b)
26 Annotated Code of Maryland
27 (2014 Replacement Volume and 2023 Supplement)

28 BY repealing and reenacting, with amendments,
29 Article – Public Utilities
30 Section 7–510.3(j)(2)
31 Annotated Code of Maryland
32 (2020 Replacement Volume and 2023 Supplement)

33 BY repealing and reenacting, with amendments,
34 Article – State Government
35 Section 9–20B–05(f)(4)
36 Annotated Code of Maryland
37 (2021 Replacement Volume and 2023 Supplement)

38 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
39 That Section(s) 7–211 and 7–211.1 of Article – Public Utilities of the Annotated Code of
40 Maryland be repealed.

1 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7–211.2 of Article
2 – Public Utilities of the Annotated Code of Maryland be renumbered to be Section(s) 7–315.

3 SECTION 3. AND BE IT FURTHER ENACTED, That the new part designation
4 “Part I. In General” be added to immediately precede Section 7–201 of Article – Public
5 Utilities of the Annotated Code of Maryland.

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

8 **Article – Corporations and Associations**

9 5–637.

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

12 (1) § 5–103;

13 (2) § 5–201;

14 (3) § 5–202;

15 (4) § 5–303;

16 (5) § 5–304;

17 (6) § 5–306;

18 (7) § 7–103;

19 (8) § 7–104;

20 (9) § 7–203;

21 (10) § 7–207;

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

23 **(12)** § 7–302;

24 **[(12)] (13)** Title 7, Subtitle 5, Part I and Part II;

25 **[(13)] (14)** Title 7, Subtitle 7; and

26 **[(14)] (15)** § 13–101.

Article – Public Utilities

1
2 7-218. RESERVED.

3 7-219. RESERVED.

4 PART II. ENERGY EFFICIENCY AND CONSERVATION PLANS.

5 7-220.

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

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

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

13 (1) REDUCES OVERALL LIFETIME GREENHOUSE GAS EMISSIONS;

14 (2) REDUCES CUSTOMERS’ ENERGY COSTS; OR

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

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

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

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

26 (2) INCENTIVES DESIGNED TO:

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

1 (II) ENSURE SYSTEM RELIABILITY.

2 (F) "DEPARTMENT" MEANS THE DEPARTMENT OF HOUSING AND
3 COMMUNITY DEVELOPMENT.

4 (G) "ENERGY EFFICIENCY" MEANS THE USE OF LESS ENERGY TO PERFORM
5 THE SAME TASK OR PRODUCE THE SAME RESULT.

6 (H) "FRONT-OF-METER COMMUNITY PROGRAM" MEANS A PROGRAM THAT:

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

8 (2) IMPACTS THE UTILITY SIDE OF THE METER; AND

9 (3) DIRECTLY BENEFITS A SET OF CUSTOMERS.

10 (I) "FRONT-OF-METER UTILITY PROGRAM" MEANS A PROGRAM THAT
11 IMPACTS THE UTILITY SIDE OF A METER AND BENEFITS ALL UTILITY CUSTOMERS.

12 (J) "GREENHOUSE GAS" INCLUDES:

13 (1) CARBON DIOXIDE;

14 (2) METHANE;

15 (3) NITROUS OXIDE;

16 (4) HYDROFLUOROCARBONS;

17 (5) PERFLUOROCARBONS; AND

18 (6) SULFUR HEXAFLUORIDE.

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

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

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

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

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

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

10 (3) THE WEATHERIZATION ASSISTANCE PROGRAM.

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

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

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

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

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

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

26 (2) INCLUDE A COST RECOVERY PROPOSAL.

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

29 7-221.

30 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ENERGY EFFICIENCY
31 IS:

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

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

5 (3) ONE METHOD TO ACHIEVE MARYLAND'S CLIMATE COMMITMENTS
6 FOR REDUCING STATEWIDE GREENHOUSE GAS EMISSIONS, INCLUDING THOSE
7 ~~SPECIFIED IN~~ REQUIRED UNDER TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT
8 ARTICLE.

9 7-222.

10 (A) SUBJECT TO REVIEW AND APPROVAL BY THE COMMISSION, EACH
11 ELECTRIC COMPANY, EACH GAS COMPANY OTHER THAN A GAS COMPANY SUBJECT
12 TO § 4-207(A) OF THIS ARTICLE, AND THE DEPARTMENT SHALL DEVELOP AND
13 IMPLEMENT PROGRAMS AND SERVICES IN ACCORDANCE WITH §§
14 7-223, 7-224, AND 7-225 OF THIS SUBTITLE TO ENCOURAGE AND PROMOTE THE
15 EFFICIENT USE AND CONSERVATION OF ENERGY, DEMAND RESPONSE, AND
16 BENEFICIAL ELECTRIFICATION BY CONSUMERS, ELECTRIC COMPANIES, GAS
17 COMPANIES, AND THE DEPARTMENT IN SUPPORT OF THE GREENHOUSE GAS
18 EMISSIONS REDUCTION GOALS AND TARGETS ~~SPECIFIED IN~~ REQUIRED UNDER
19 TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE.

20 (B) AS DIRECTED BY THE COMMISSION, EACH GAS COMPANY SUBJECT TO §
21 4-207(A) OF THIS ARTICLE, EACH MUNICIPAL ELECTRIC OR GAS UTILITY, AND EACH
22 SMALL RURAL ELECTRIC COOPERATIVE SHALL INCLUDE ENERGY EFFICIENCY AND
23 CONSERVATION, DEMAND RESPONSE, AND BENEFICIAL ELECTRIFICATION
24 PROGRAMS OR SERVICES AS PART OF THEIR SERVICE TO THEIR CUSTOMERS.

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

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

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

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

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

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

7 B. WERE INCURRED BEFORE JANUARY 1, 2028; AND

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

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

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

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

20 7-223.

21 (A) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1
22 EVERY 3 YEARS, STARTING IN 2027, THE COMMISSION SHALL, BY REGULATION OR
23 ORDER, REQUIRE EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO
24 § 7-222(A) OF THIS SUBTITLE TO DEVELOP AND IMPLEMENT A PLAN THAT:

25 (1) COVERS EACH RATEPAYER CLASS;

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

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

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

6 (2) WHEN ESTABLISHING GREENHOUSE GAS EMISSIONS REDUCTION
7 TARGETS UNDER THIS SUBSECTION, THE COMMISSION SHALL MEASURE THE
8 GREENHOUSE GAS EMISSIONS FROM ELECTRICITY AND GAS, AND THE INTENSITIES
9 OF THOSE EMISSIONS, USING CURRENT DATA OBTAINED FROM PJM
10 INTERCONNECTION ON MARGINAL GREENHOUSE GAS EMISSIONS RATES FROM THE
11 PREVIOUS YEAR AND PROJECTIONS FROM THE DEPARTMENT OF THE
12 ENVIRONMENT.

13 ~~(3) AS A BASELINE FOR DETERMINING GREENHOUSE GAS EMISSIONS~~
14 ~~REDUCTIONS UNDER THIS SUBSECTION, THE COMMISSION SHALL USE THE~~
15 ~~GREENHOUSE GAS EMISSIONS RESULTING FROM THE DIRECT CONSUMPTION OF GAS~~
16 ~~AND ELECTRICITY IN MARYLAND BUILDINGS IN 2020, AS DETERMINED BY THE~~
17 ~~DEPARTMENT OF THE ENVIRONMENT.~~

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

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

24 (I) IN METRIC TONS; AND

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

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

1 **(I) 2.0% IN 2024;**

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

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

4 **(5) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY**
5 **1 EVERY 3 YEARS, STARTING IN 2027, THE COMMISSION SHALL ESTABLISH**
6 **GREENHOUSE GAS EMISSIONS REDUCTION TARGETS FOR EACH GAS COMPANY PLAN**
7 **THAT WILL ACHIEVE AT LEAST THE GREENHOUSE GAS EMISSIONS REDUCTION**
8 **EQUIVALENT, MEASURED ON A LIFECYCLE BASIS USING THE EMISSION INTENSITIES**
9 **UNDER PARAGRAPH (2) OF THIS SUBSECTION, OF THE GAS SAVINGS TARGETS**
10 **ESTABLISHED BY THE COMMISSION FOR THE 2021–2023 PROGRAM CYCLE.**

11 **(6) THE COMMISSION SHALL TAKE INTO CONSIDERATION THE MOST**
12 **RECENT FINAL PLAN ADOPTED UNDER § 2–1205 OF THE ENVIRONMENT ARTICLE**
13 **WHEN ESTABLISHING THE GREENHOUSE GAS EMISSIONS REDUCTION TARGETS**
14 **UNDER THIS SUBSECTION.**

15 **(7) FOR 2025 AND 2026:**

16 **(I) THE COMMISSION SHALL, AFTER MAKING APPROPRIATE**
17 **FINDINGS, DETERMINE WHETHER EXISTING ELECTRIC COMPANY AND GAS COMPANY**
18 **PLANS MUST BE MODIFIED TO COMPLY WITH § 7–225(D) OF THIS SUBTITLE; AND**

19 **(II) ELECTRIC COMPANIES AND GAS COMPANIES:**

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

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

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

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

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

5 (2) MAY NOT INCLUDE THE INCREASED ADOPTION OF ELECTRIC
6 VEHICLES.

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

12 7-224.

13 (A) (1) BEGINNING JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1
14 EVERY 3 YEARS THEREAFTER, STARTING IN 2027, THE DEPARTMENT SHALL
15 PROCURE OR PROVIDE TO ~~LOW- AND MODERATE-INCOME~~ LOW-INCOME
16 INDIVIDUALS ENERGY EFFICIENCY AND CONSERVATION PROGRAMS AND SERVICES,
17 DEMAND RESPONSE PROGRAMS AND SERVICES, AND BENEFICIAL ELECTRIFICATION
18 PROGRAMS AND SERVICES THAT ACHIEVE THE GREENHOUSE GAS EMISSIONS
19 REDUCTION TARGETS ESTABLISHED FOR THE DEPARTMENT UNDER PARAGRAPH (2)
20 OF THIS SUBSECTION.

21 (2) FOR THE PERIOD 2025-2033, THE PROGRAMS AND SERVICES
22 REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ON A
23 TRAJECTORY TO ACHIEVE GREENHOUSE GAS REDUCTIONS AFTER 2027 OF AT LEAST
24 0.9% OF THE BASELINE DETERMINED UNDER SUBSECTION (B) OF THIS SECTION.

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

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

31 ~~(3)~~ (4) THE GREENHOUSE GAS REDUCTIONS ACHIEVED TO MEET
32 THE TARGETS ESTABLISHED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL
33 COUNT TOWARD THE ACHIEVEMENT OF THE GREENHOUSE GAS REDUCTION TARGET
34 ESTABLISHED UNDER § 7-223(B) OF THIS SUBTITLE.

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

4 **(6) FOR 2025 AND 2026:**

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

8 **1. THE TARGETS ESTABLISHED IN THIS SUBSECTION;**
9 **AND**

10 **2. § 7-225(D) OF THIS SUBTITLE; AND**

11 **(II) THE DEPARTMENT:**

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

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

18 **(B) AS A BASELINE FOR DETERMINING GREENHOUSE GAS EMISSIONS**
19 **REDUCTION TARGETS UNDER THIS SECTION, THE COMMISSION SHALL USE THE**
20 **GREENHOUSE GAS EMISSIONS RESULTING FROM THE DIRECT CONSUMPTION OF GAS**
21 **AND ELECTRICITY BY ~~LOW- AND MODERATE-INCOME~~ LOW-INCOME RESIDENTIAL**
22 **HOUSEHOLDS IN ~~2020~~ 2016, AS DETERMINED BY THE DEPARTMENT OF THE**
23 **ENVIRONMENT.**

24 **(C) (1) THE DEPARTMENT MAY PROCURE OR PROVIDE SAVINGS THAT**
25 **ARE ACHIEVED THROUGH FUNDING SOURCES THAT MEET THE STANDARDS OF**
26 **PROGRAM FUNDING THROUGH UTILITY RATES OR THE U.S. DEPARTMENT OF**
27 **ENERGY.**

28 **(2) THE DEPARTMENT MAY USE THE SAVINGS ACHIEVED THROUGH**
29 **ALL FUNDING SOURCES TOWARD CALCULATING THE TARGETED GREENHOUSE GAS**
30 **REDUCTIONS IF THE FUNDING SOURCES MEET THE STANDARDS OF PROGRAMS**
31 **FUNDED THROUGH:**

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

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

2 (D) ~~ON OR BEFORE SEPTEMBER 1~~ IF DIRECTED BY THE COMMISSION IN
3 2024, AND ON OR BEFORE SEPTEMBER 1 EVERY 3 YEARS, BEGINNING STARTING IN
4 ~~2024~~ 2026, THE DEPARTMENT SHALL SUBMIT ITS PLANS FOR ANY PROGRAMS OR
5 SERVICES PROCURED OR PROVIDED UNDER SUBSECTION (A) OF THIS SECTION TO
6 THE COMMISSION FOR REVIEW AND APPROVAL UNDER § 7-225 OF THIS SUBTITLE.

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

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

13 (2) THE RENT ON THE RESIDENCE IS NOT INCREASED AND THE
14 TENANT IS NOT EVICTED AS A RESULT OF WEATHERIZATION PROVIDED UNDER THIS
15 SECTION.

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

20 (1) WAS INTENTIONALLY ADDED; OR

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

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

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

26 (2) PROVIDE CAREER ADVANCEMENT TRAINING;

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

29 (4) PROVIDE PAID LEAVE;

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

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

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

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

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

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

15 **(I) HEALTH AND SAFETY UPGRADES;**

16 **(II) WEATHERIZATION;**

17 **(III) ENERGY EFFICIENCY; AND**

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

20 **(2) THE PLAN SHALL COORDINATE FUNDING AMONG:**

21 **(I) THE STRATEGIC ENERGY INVESTMENT FUND;**

22 **(II) FEDERAL WEATHERIZATION ASSISTANCE PROGRAMS;**

23 **(III) RATEPAYER CONTRIBUTIONS TO:**

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

26 **2. THE MULTIFAMILY ENERGY EFFICIENCY AND**
27 **HOUSING AFFORDABILITY PROGRAM;**

28 **(IV) THE MARYLAND AFFORDABLE HOUSING TRUST FUND;**

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

- 3 1. COMMUNITY DEVELOPMENT BLOCK GRANTS;
4 2. THE HOME INVESTMENT PARTNERSHIP GRANTS
5 PROGRAM; AND
6 3. LEAD HAZARD CONTROL AND HEALTHY HOMES
7 GRANTS;

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

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

11 (VIII) THE ENERGY EFFICIENCY AND CONSERVATION BLOCK
12 GRANT PROGRAM;

13 (IX) STATE APPROPRIATIONS;

14 (X) FUNDS FROM THE FEDERAL INFLATION REDUCTION ACT OF
15 2022; AND

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

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

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

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

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

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

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

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

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

12 7-225.

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

21 (B) (1) (I) ~~ON OR BEFORE JULY 1~~ IF DIRECTED BY THE COMMISSION
 22 IN 2024, AND ON OR BEFORE JULY 1 EVERY 3 YEARS, BEGINNING STARTING IN 2024
 23 2026, EACH ELECTRIC COMPANY AND EACH GAS COMPANY SUBJECT TO § 7-222(A)
 24 OF THIS SUBTITLE THAT SUBMITTED A PLAN FOR ACHIEVING ELECTRICITY SAVINGS
 25 AND DEMAND REDUCTION TARGETS TO THE COMMISSION BEFORE JULY 1, 2024,
 26 AND THE DEPARTMENT, SHALL CONSULT WITH THE TECHNICAL STAFF OF THE
 27 COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL, THE MARYLAND ENERGY
 28 ADMINISTRATION, AND THE DEPARTMENT OF THE ENVIRONMENT REGARDING THE
 29 DESIGN AND ADEQUACY OF ITS PLANS FOR ACHIEVING THE GREENHOUSE GAS
 30 EMISSIONS REDUCTION TARGETS ESTABLISHED BY THE COMMISSION UNDER §
 31 7-223(A) § 7-223(B) OF THIS SUBTITLE AND SPECIFIED IN § 7-224(A)(2) OF THIS
 32 SUBTITLE.

33 (II) ON OR BEFORE OCTOBER 1, 2024, AND ON OR BEFORE JULY
 34 1 EVERY 3 YEARS, ~~BEGINNING STARTING IN 2027~~ 2026, EACH ELECTRIC COMPANY
 35 AND EACH GAS COMPANY SUBJECT TO § 7-222(A) OF THIS SUBTITLE THAT DID NOT
 36 SUBMIT A PLAN FOR ACHIEVING ELECTRICITY SAVINGS AND DEMAND REDUCTION

1 TARGETS TO THE COMMISSION BEFORE JULY 1, 2024, SHALL COMPLY WITH THE
2 CONSULTING REQUIREMENTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

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

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

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

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

24 (3) (I) EACH PLAN SHALL:

25 1. INCLUDE:

26 A. A DESCRIPTION OF THE PROPOSED PROGRAMS AND
27 SERVICES;

28 B. ANTICIPATED COSTS;

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

31 D. ANY OTHER INFORMATION REQUESTED BY THE
32 COMMISSION; AND

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

4 (II) A PLAN OF THE DEPARTMENT SHALL INCLUDE:

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

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

12 3. A PROPOSED AVERAGE LIFETIME MEASURE
13 THRESHOLD THAT:

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

16 B. IS DEVELOPED THROUGH A STAKEHOLDER
17 ENGAGEMENT PROCESS.

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

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

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

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

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

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

7 **A. PARTICIPANT NONENERGY BENEFITS;**

8 **B. UTILITY NONENERGY BENEFITS; AND**

9 **C. SOCIETAL NONENERGY BENEFITS; AND**

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

14 **A. PARTICIPANT NONENERGY BENEFITS; AND**

15 **B. UTILITY NONENERGY BENEFITS;**

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

17 **(III) THE IMPACT ON JOBS;**

18 **(IV) THE IMPACT ON THE ENVIRONMENT; AND**

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

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

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

28 **1. SUBJECT TO SUBPARAGRAPH (II) OF THIS**
29 **PARAGRAPH, THE COST-EFFECTIVENESS OF THE PLAN BY USING THE PRIMARY**

1 STATE JURISDICTION–SPECIFIC TEST, AS DEVELOPED, UPDATED, OR APPROVED BY
2 THE COMMISSION;

- 3 2. THE IMPACT ON RATES OF EACH RATEPAYER CLASS;
- 4 3. THE IMPACT ON JOBS;
- 5 4. THE IMPACT ON THE ENVIRONMENT; AND
- 6 5. THE IMPACT ON THE GREENHOUSE GAS EMISSIONS
7 TARGETS SPECIFIED IN TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE,
8 ESTABLISHED BY THE COMMISSION UNDER § 7–223(B) OF THIS SUBTITLE, AND
9 SPECIFIED IN § 7–224(A)(2) OF THIS SUBTITLE.

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

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

18 **7–226.**

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

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

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

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

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

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

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

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

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

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

23 **7-227.**

24 **(A) NOTWITHSTANDING ANY OTHER LAW, THE COMMISSION MAY NOT**
25 **REQUIRE OR ALLOW AN ELECTRIC COMPANY OR A GAS COMPANY TO REQUIRE A**
26 **CUSTOMER TO AUTHORIZE THE ELECTRIC COMPANY OR GAS COMPANY TO CONTROL**
27 **THE AMOUNT OF THE CUSTOMER'S ELECTRICITY USAGE OR GAS USAGE.**

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

32 **7-228.**

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

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

9 7-510.3.

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

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

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

18 Article – State Government

19 9-20B-05.

20 (f) The Administration shall use the Fund:

21 (4) to provide rate relief by offsetting electricity rates of residential
22 customers, including an offset of surcharges imposed on ratepayers under [§ 7-211] **TITLE**
23 **7, SUBTITLE 2, PART II** of the Public Utilities Article;

24 SECTION 5. AND BE IT FURTHER ENACTED, That:

25 (a) The certification agency designated by the Board of Public Works under §
26 14-303(b) of the State Finance and Procurement Article and the Governor's Office of Small,
27 Minority, and Women Business Affairs, in consultation with the Department of Housing
28 and Community Development, the Office of the Attorney General, and the General
29 Assembly, shall initiate a study regarding the energy efficiency and conservation services
30 used by the Department of Housing and Community Development to evaluate whether the
31 enactment of remedial measures to assist minority and women-owned businesses in the
32 energy efficiency and conservation services industry and market would comply with the
33 U.S. Supreme Court decision in *City of Richmond v. J. A. Croson Co.*, 488 U.S. 469 (1989),
34 and any subsequent federal or constitutional requirements.

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

6 SECTION 6. AND BE IT FURTHER ENACTED, That:

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

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

15 (c) The study and recommendations shall include:

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

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

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

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

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

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.