

HOUSE BILL 1419

C5

5lr3419

By: **Delegate Fraser-Hidalgo**

Introduced and read first time: February 7, 2025

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2025

CHAPTER _____

1 AN ACT concerning

2 **Electric Distribution System Support Services – ~~Cost Recovery and~~ Energy**
3 **Storage and Data Use**

4 FOR the purpose of ~~requiring the Public Service Commission to approve the use of~~
5 ~~regulatory asset accounting in recovering certain costs associated with electric~~
6 ~~distribution system support services programs and incentives if the Commission~~
7 ~~makes a certain determination~~; providing that a certain person or company may not
8 be considered an electric company or electricity supplier solely because of the
9 person's or company's participation in a certain pilot program; stating that a certain
10 provision of law may not be construed to prohibit certain entities from offering
11 certain energy storage; requiring, on request of an electric company, the Commission
12 to authorize the use of certain data for the administration of certain programs or
13 tariffs; requiring the Commission to evaluate certain energy storage installation
14 programs in other states and coordinate with electric companies and stakeholders to
15 design certain programs; and generally relating to electric distribution system
16 support services.

17 BY repealing and reenacting, without amendments,

18 Article – Public Utilities

19 Section 7-1005(a)

20 Annotated Code of Maryland

21 (2020 Replacement Volume and 2024 Supplement)

22 BY adding to

23 Article – Public Utilities

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 Section 7–1005(g), (h), and (i)
 2 Annotated Code of Maryland
 3 (2020 Replacement Volume and 2024 Supplement)

4 BY repealing and reenacting, with amendments,
 5 Article – Public Utilities
 6 Section 7–1007
 7 Annotated Code of Maryland
 8 (2020 Replacement Volume and 2024 Supplement)

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

11 **Article – Public Utilities**

12 7–1005.

13 (a) The Commission shall develop a program for each investor–owned electric
 14 company to establish a pilot program or temporary tariff to compensate owners and
 15 aggregators of distributed energy resources for electric distribution system support services
 16 through an incentive mechanism determined by the Commission.

17 **(G) A PERSON OR COMPANY PARTICIPATING AS AN AGGREGATOR OF**
 18 **DISTRIBUTED ENERGY RESOURCES IN A PILOT PROGRAM APPROVED UNDER THIS**
 19 **SECTION MAY NOT BE CONSIDERED AN ELECTRIC COMPANY OR ELECTRICITY**
 20 **SUPPLIER SOLELY BECAUSE OF THE PERSON’S OR COMPANY’S PARTICIPATION IN**
 21 **THE PROGRAM.**

22 **(H) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT AN**
 23 **ELECTRIC COMPANY, PRIVATE ENTITY, OR AGGREGATOR OF DISTRIBUTED ENERGY**
 24 **RESOURCES FROM OFFERING ENERGY STORAGE TO RESIDENTIAL CUSTOMERS**
 25 **SEPARATE FROM THE PILOT PROGRAM OR TEMPORARY TARIFF.**

26 **(I) ON REQUEST OF AN ELECTRIC COMPANY, THE COMMISSION SHALL**
 27 **AUTHORIZE THE ELECTRIC COMPANY TO USE USAGE DATA AND PRODUCTION DATA**
 28 **COLLECTED FROM CUSTOMER–OWNED DISTRIBUTED ENERGY RESOURCES FOR THE**
 29 **ADMINISTRATION OF A PILOT PROGRAM OR TEMPORARY TARIFF ESTABLISHED IN**
 30 **ACCORDANCE WITH THIS SECTION.**

31 7–1007.

32 (a) An investor–owned electric company may recover all reasonable costs incurred
 33 in:

34 (1) participating in and administering a program under § 7–1005 of this
 35 subtitle; and

(2) offering an upfront incentive or rebate under § 7–1006 of this subtitle.

~~(b) NOTWITHSTANDING ANY PROVISION OF THIS SUBTITLE, IF THE COMMISSION DETERMINES THAT THE COSTS LISTED IN SUBSECTION (A) OF THIS SECTION ARE CONSISTENT WITH THE GOALS OF §§ 7-1005 AND 7-1006 OF THIS SUBTITLE, THE COMMISSION SHALL APPROVE THE USE OF REGULATORY ASSET ACCOUNTING IN RECOVERING THE COSTS.~~

~~(c)~~ To the extent feasible, the costs listed in subsection (a) of this section shall be recovered by the investor–owned electric company within the calendar year in which those costs were incurred.

~~{(c)}~~ ~~(d)~~ Notwithstanding any provision of this subtitle, an investor–owned electric company may pursue and use a performance incentive mechanism to cover the cost of using distributed energy resources or an aggregator of distributed ENERGY resources under this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The General Assembly finds that the use of distributed energy storage in the State would provide reliability and electric system benefits in Maryland.

(b) By January 1, 2026, the Public Service Commission shall evaluate programs enacted in other states to facilitate the installation of energy storage within homes and businesses.

(c) After completing the evaluation required under subsection (b) of this section, the Commission shall coordinate with electric companies and other stakeholders to design, by June 1, 2026, programs to advance and expand home– and business–sited energy storage in the State.

SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.