

Bill No.: _____
Requested: _____
Committee: _____

Drafted by: Administration
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By: **Leave Blank (By Request – Administration)**

A BILL ENTITLED

1 AN ACT concerning

2 **Empowering New Energy Resources and Green Initiatives Toward a**
3 **Zero-Emission (ENERGIZE) Maryland Act**

4 FOR the purpose of renaming the “renewable energy portfolio standard” to be the “clean
5 energy portfolio standard”; altering the definition of “qualified offshore wind project”
6 for purposes of the clean energy portfolio standard; altering and extending the
7 minimum required percentage of energy that must be derived from clean energy
8 sources in certain years under the clean energy portfolio standard; altering the
9 contents of and approval criteria for an application for an offshore wind project;
10 altering the compliance fee for a shortfall from certain Tier 1 renewable source
11 requirements; establishing a process for the Public Service Commission to review
12 and approve an application for a proposed nuclear energy generation project;
13 requiring the Governor’s Office of Small, Minority, and Women Business Affairs, in
14 consultation with the Office of the Attorney General, to provide certain assistance to
15 potential applicants and minority investors; requiring that approved applicants for
16 a proposed nuclear energy generation project comply with the Minority Business
17 Enterprise Program; requiring a certain nuclear energy generation project to sell
18 certain energy, capacity, and ancillary services into certain markets and distribute
19 the proceeds in a certain manner; prohibiting a certain debt, obligation, or liability
20 from being considered a debt, obligation, or liability of the State; renaming the
21 “Maryland Offshore Wind Business Development Fund” to be the “Clean Energy
22 Business Development Fund”; reinstating and renaming the “Maryland Offshore

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Wind Business Development Advisory Committee” to be the “Clean Energy Business
2 Development Advisory Committee”; authorizing funds to be transferred by budget
3 amendment from the Dedicated Purpose Account in a certain fiscal year to
4 implement certain provisions of this Act; applying this Act retroactively; and
5 generally relating to the clean energy portfolio standard, offshore wind energy, and
6 nuclear energy.

7 BY repealing

8 Article – Public Utilities

9 Section 7–701(n)

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2024 Supplement)

12 BY renumbering

13 Article – Public Utilities

14 Section 7–701(c) through (e–1), (f) through (g–1), (h), (h–1), (i), (i–1), (j) through (m),
15 (o) through (p–1), and (q) through (t)

16 to be Section 7–701(e) through (z), respectively

17 Annotated Code of Maryland

18 (2020 Replacement Volume and 2024 Supplement)

19 BY repealing and reenacting, with amendments,

20 Article – Natural Resources

21 Section 5–102(a)(9)

22 Annotated Code of Maryland

23 (2023 Replacement Volume and 2024 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Public Utilities

26 Section 7–306.2(b)(1), 7–510.3(k)(1), 7–702, 7–703(a), (b)(20) through (25), and (d)
27 through (f), 7–704, 7–704.1(c)(6), (e)(1)(xiii), and (f)(1)(iii), 7–704.2(a) through
28 (c), 7–704.4(c)(2), 7–705, 7–706(a) and (b), 7–707(c)(1), (d)(2) and (3), and
29 (g)(4), 7–709(a) and (c)(1)(i), and 7–709.1(c), (d)(2), and (i)

30 Annotated Code of Maryland

31 (2020 Replacement Volume and 2024 Supplement)

32 BY repealing and reenacting, without amendments,

33 Article – Public Utilities

1 Section 7–701(a), 7–703(c), 7–704.1(f)(2), and 7–704.4(c)(1)
2 Annotated Code of Maryland
3 (2020 Replacement Volume and 2024 Supplement)

4 BY adding to
5 Article – Public Utilities
6 Section 7–701(c) and (d), 7–703(b)(26) through (30) and (g), and 7–704.1(f)(4); and
7 7–1201 through 7–1211 to be under the new subtitle “Subtitle 12. Nuclear
8 Energy Procurement”
9 Annotated Code of Maryland
10 (2020 Replacement Volume and 2024 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Public Utilities
13 Section 7–701(q)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2024 Supplement)
16 (As enacted by Section 2 of this Act)

17 BY repealing and reenacting, with amendments,
18 Article – State Government
19 Section 9–20C–01, 9–20C–02, and 9–20C–03(a)
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2024 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
23 That Section(s) 7–701(n) of Article – Public Utilities of the Annotated Code of Maryland be
24 repealed.

25 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 7–701(c) through
26 (e–1), (f) through (g–1), (h), (h–1), (i), (i–1), (j) through (m), (o) through (p–1), and (q) through
27 (t) of Article – Public Utilities of the Annotated Code of Maryland be renumbered to be
28 Section(s) 7–701(e) through (z), respectively.

29 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
30 as follows:

31 **Article – Natural Resources**

1 5–102.

2 (a) The General Assembly finds that:

3 (9) Forests are a renewable resource that help the State meet its renewable
4 energy goals that are consistent with the State’s:

5 (i) Green power goal for State facilities;

6 (ii) **[Renewable] CLEAN** Energy Portfolio Standard;

7 (iii) Healthy Air Act; and

8 (iv) Maryland Clean Energy Incentive Act of 2006; and

9 **Article – Public Utilities**

10 7–306.2.

11 (b) The General Assembly finds that:

12 (1) community solar energy generating systems:

13 (i) provide residents and businesses, including those that lease
14 property, increased access to local solar electricity while encouraging private investment in
15 solar resources;

16 (ii) enhance continued diversification of the State’s energy resource
17 mix to achieve the State’s **[renewable] CLEAN** energy portfolio standard and Greenhouse
18 Gas Emissions Reduction Act goals; and

19 (iii) provide electric companies and ratepayers the opportunity to
20 realize the many benefits associated with distributed energy; and

21 7–510.3.

1 (k) (1) Except for the purposes of meeting the requirements of the [renewable]
2 CLEAN energy portfolio standard under Subtitle 7 of this title, a community choice
3 aggregator may not be considered to be an electricity supplier under § 7–507(a) of this
4 subtitle.

5 7–701.

6 (a) In this subtitle the following words have the meanings indicated.

7 (C) **“CLEAN ENERGY PORTFOLIO STANDARD” OR “STANDARD” MEANS THE**
8 **PERCENTAGE OF ELECTRICITY SALES AT RETAIL IN THE STATE THAT IS TO BE**
9 **DERIVED FROM CLEAN ENERGY SOURCES IN ACCORDANCE WITH § 7–703(B) OF THIS**
10 **SUBTITLE.**

11 (D) **“CLEAN ENERGY SOURCE” MEANS:**

12 (1) **A TIER 1 RENEWABLE SOURCE;**

13 (2) **A TIER 2 RENEWABLE SOURCE; OR**

14 (3) **A NUCLEAR ENERGY GENERATING STATION, INCLUDING A SMALL**
15 **MODULAR REACTOR, CONNECTED WITH THE ELECTRIC DISTRIBUTION GRID**
16 **SERVING THE STATE.**

17 (q) **“Qualified offshore wind project” means a wind turbine electricity generation**
18 **facility, including the associated transmission–related interconnection facilities and**
19 **equipment, that:**

20 (1) is located:

21 (i) on the outer continental shelf of the Atlantic Ocean in an area
22 that the United States Department of the Interior designates for leasing; and

23 (ii) more than 10 miles off the coast of the State for a project selected
24 under § 7–704.4 of this subtitle or approved under § 7–704.1 of this subtitle after June 1,
25 2023; and

26 (2) interconnects to the **TRANSMISSION SYSTEM THROUGH:**

- 1 **(I) THE PJM Interconnection [grid:**
2 (i) at a point located on the Delmarva Peninsula]; or
3 (ii) an offshore wind transmission project selected under § 7–704.3
4 of this subtitle.
5 7–702.

6 (a) It is the intent of the General Assembly to:

- 7 (1) recognize the economic, environmental, fuel diversity, and security
8 benefits of [renewable] **CLEAN** energy resources;
9 (2) reduce greenhouse gas emissions and eliminate carbon–fueled
10 generation from the State’s electric grid by using these resources;
11 (3) establish a market for electricity from these resources in Maryland; and
12 (4) lower the cost to consumers of electricity produced from these resources.

13 (b) The General Assembly finds **AND DECLARES** that:

14 **(1) THE STATE HAS A GOAL OF ACHIEVING 100% CLEAN ELECTRICITY**
15 **BY 2035;**

16 **(2) AS OF JANUARY 1, 2025, THE RENEWABLE ENERGY PORTFOLIO**
17 **STANDARD AND OFFSHORE WIND ENERGY LEASES WILL NOT SATISFY THE GOAL**
18 **STATED IN ITEM (1) OF THIS SUBSECTION;**

19 **(3) TO ACHIEVE ITS CLEAN ENERGY GOAL, THE STATE MUST**
20 **FACILITATE THE CONSTRUCTION OF AT LEAST 3,000 MEGAWATTS OF ELECTRICITY**
21 **FROM CLEAN ENERGY GENERATION PROJECTS TO:**

22 **(I) REDUCE THE ADVERSE CLIMATE AND HEALTH IMPACTS OF**
23 **TRADITIONAL FOSSIL FUEL ENERGY SOURCES;**

1 **(II) PROMOTE THE DEVELOPMENT OF CLEAN ENERGY SOURCES**
2 **THAT INCREASE THE NATION’S INDEPENDENCE FROM FOREIGN SOURCES OF FOSSIL**
3 **FUELS;**

4 **(III) POSITION THE STATE TO TAKE ADVANTAGE OF THE**
5 **ECONOMIC DEVELOPMENT BENEFITS OF THE EMERGING SMALL MODULAR REACTOR**
6 **INDUSTRY; AND**

7 **(IV) PROVIDE A LONG–TERM HEDGE AGAINST VOLATILE PRICES**
8 **OF FOSSIL FUELS;**

9 **[(1)] (4)** the benefits of electricity from **[renewable] CLEAN** energy
10 resources, including long–term decreased emissions, a healthier environment, increased
11 energy security, and decreased reliance on and vulnerability from imported energy sources,
12 accrue to the public at large;

13 **[(2)] (5)** electricity suppliers and consumers share an obligation to
14 develop a minimum level of these resources in the electricity supply portfolio of the State;
15 and

16 **[(3)] (6)** the State needs to increase its reliance on **[renewable] CLEAN**
17 energy in order to:

18 (i) reduce greenhouse gas emissions and meet the State’s
19 greenhouse gas emissions reduction goals under § 2–1205 of the Environment Article; and

20 (ii) provide opportunities for small, minority, women–owned, and
21 veteran–owned businesses to participate in and develop a highly skilled workforce for clean
22 energy industries in the State.

23 7–703.

24 (a) (1) (i) The Commission shall implement a **[renewable] CLEAN** energy
25 portfolio standard that, except as provided under paragraphs (2) and (3) of this subsection,
26 applies to all retail electricity sales in the State by electricity suppliers.

1 (ii) If the standard becomes applicable to electricity sold to a
2 customer after the start of a calendar year, the standard does not apply to electricity sold
3 to the customer during that portion of the year before the standard became applicable.

4 (2) A [renewable] CLEAN energy portfolio standard may not apply to
5 electricity sales at retail by any electricity supplier:

6 (i) in excess of 300,000,000 kilowatt–hours of industrial process load
7 to a single customer in a year;

8 (ii) to residential customers in a region of the State in which
9 electricity prices for residential customers are subject to a freeze or cap contained in a
10 settlement agreement entered into under § 7–505 of this title until the freeze or cap has
11 expired; or

12 (iii) to a customer served by an electric cooperative under an
13 electricity supplier purchase agreement that existed on October 1, 2004, until the
14 expiration of the agreement, as the agreement may be renewed or amended.

15 (3) The portion of a [renewable] CLEAN energy portfolio standard that
16 represents offshore wind:

17 (i) applies only to the distribution sales of electric companies; and

18 (ii) may not apply to distribution sales by any electric company in
19 excess of:

20 1. 75,000,000 kilowatt–hours of industrial process load to a
21 single customer in a year; and

22 2. 3,000 kilowatt–hours of electricity in a month to a
23 customer who is an owner of agricultural land and files an Internal Revenue Service form
24 1040, schedule F.

25 (b) Except as provided in subsections (e) and (f) of this section, the [renewable]
26 CLEAN energy portfolio standard shall be as follows:

27 (20) **60.5% in 2025, INCLUDING AT LEAST:**

- 1 (i) 35.5% from Tier 1 renewable sources, including:
- 2 1. at least 7% derived from solar energy;
- 3 2. an amount set by the Commission under § 7–704.2(a) of
4 this subtitle, not to exceed 10%, derived from offshore wind energy; and
- 5 3. at least 0.25% derived from post–2022 geothermal
6 systems;
- 7 (ii) 2.5% from Tier 2 renewable sources;

8 (21) **63%** in 2026, **INCLUDING AT LEAST:**

- 9 (i) 38% from Tier 1 renewable sources, including:
- 10 1. at least 8% derived from solar energy;
- 11 2. an amount set by the Commission under § 7–704.2(a) of
12 this subtitle derived from offshore wind energy, including at least 400 megawatts of Round
13 2 offshore wind projects; and
- 14 3. at least 0.5% derived from post–2022 geothermal systems;
15 and
- 16 (ii) 2.5% from Tier 2 renewable sources; and

17 (22) **66.5%** in 2027, **INCLUDING AT LEAST:**

- 18 (i) 41.5% from Tier 1 renewable sources, including:
- 19 1. at least 9.5% derived from solar energy;
- 20 2. an amount set by the Commission under § 7–704.2(a) of
21 this subtitle derived from offshore wind energy, including at least 400 megawatts of Round
22 2 offshore wind projects; and

- 1 1. at least 14.5% derived from solar energy;
- 2 2. an amount set by the Commission under § 7–704.2(a) of
- 3 this subtitle derived from offshore wind energy, including at least 1,200 megawatts of
- 4 Round 2 offshore wind projects; and
- 5 3. at least 1% derived from post–2022 geothermal systems;
- 6 and
- 7 (ii) 2.5% from Tier 2 renewable sources;

8 **(26) 80% IN 2031, INCLUDING AT LEAST:**

9 **(I) 50% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

- 10 1. **AT LEAST 14.5% DERIVED FROM SOLAR ENERGY;**
- 11 2. **AN AMOUNT SET BY THE COMMISSION UNDER §**
- 12 **7–704.2(A) OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING**
- 13 **AT LEAST 1,200 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS; AND**
- 14 3. **AT LEAST 1% DERIVED FROM POST–2022**
- 15 **GEOTHERMAL SYSTEMS; AND**

16 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES;**

17 **(27) 85% IN 2032, INCLUDING AT LEAST:**

18 **(I) 50% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

- 19 1. **AT LEAST 14.5% DERIVED FROM SOLAR ENERGY;**
- 20 2. **AN AMOUNT SET BY THE COMMISSION UNDER §**
- 21 **7–704.2(A) OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING**
- 22 **AT LEAST 1,200 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS; AND**

1 **3. AT LEAST 1% DERIVED FROM POST-2022**
2 **GEOTHERMAL SYSTEMS; AND**

3 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES;**

4 **(28) 90% IN 2033, INCLUDING AT LEAST:**

5 **(I) 50% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

6 1. **AT LEAST 14.5% DERIVED FROM SOLAR ENERGY;**

7 2. **AN AMOUNT SET BY THE COMMISSION UNDER §**
8 **7-704.2(A) OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING**
9 **AT LEAST 1,200 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS; AND**

10 **3. AT LEAST 1% DERIVED FROM POST-2022**
11 **GEOTHERMAL SYSTEMS; AND**

12 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES;**

13 **(29) 95% IN 2034, INCLUDING AT LEAST:**

14 **(I) 50% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

15 1. **AT LEAST 14.5% DERIVED FROM SOLAR ENERGY;**

16 2. **AN AMOUNT SET BY THE COMMISSION UNDER §**
17 **7-704.2(A) OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING**
18 **AT LEAST 1,200 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS; AND**

19 **3. AT LEAST 1% DERIVED FROM POST-2022**
20 **GEOTHERMAL SYSTEMS; AND**

21 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES; AND**

22 **(30) 100% IN 2035 AND LATER, INCLUDING AT LEAST:**

23 **(I) 50% FROM TIER 1 RENEWABLE SOURCES, INCLUDING:**

- 1 **1. AT LEAST 14.5% DERIVED FROM SOLAR ENERGY;**
- 2 **2. AN AMOUNT SET BY THE COMMISSION UNDER §**
3 **7-704.2(A) OF THIS SUBTITLE DERIVED FROM OFFSHORE WIND ENERGY, INCLUDING**
4 **AT LEAST 1,200 MEGAWATTS OF ROUND 2 OFFSHORE WIND PROJECTS; AND**
- 5 **3. AT LEAST 1% DERIVED FROM POST-2022**
6 **GEOHERMAL SYSTEMS; AND**
- 7 **(II) 2.5% FROM TIER 2 RENEWABLE SOURCES.**

8 (c) Before calculating the number of credits required to meet the percentages
9 established under subsection (b) of this section, an electricity supplier shall exclude from
10 its total retail electricity sales all retail electricity sales described in subsection (a)(2) and
11 (3) of this section.

12 (d) (1) Subject to subsections (a) and (c) of this section, an electricity supplier
13 shall meet the [renewable] **CLEAN** energy portfolio standard for all Tier 1 and Tier 2
14 renewable sources except offshore wind by accumulating the equivalent amount of
15 renewable energy credits that equal the percentages required under this section.

16 (2) An electric company shall meet the [renewable] **CLEAN** energy portfolio
17 standard for offshore wind in accordance with § 7-704.2 of this subtitle.

18 (e) (1) The required percentage of an electric cooperative's [renewable] **CLEAN**
19 energy portfolio standard derived from solar energy shall be 2.5% in 2020 and later.

20 (2) The required percentage of a municipal electric utility's [renewable]
21 **CLEAN** energy portfolio standard shall be:

- 22 (i) in 2021:
 - 23 1. 20.4% from Tier 1 renewable sources, including:
 - 24 A. at least 1.95% derived from solar energy; and

1 B. an amount set by the Commission under § 7–704.2(a) of
2 this subtitle, not to exceed 2.5%, derived from offshore wind energy; and

3 2. 2.5% from Tier 2 renewable sources; and

4 (ii) in 2022 and later, 20.4% from Tier 1 renewable sources,
5 including:

6 1. at least 1.95% derived from solar energy; and

7 2. an amount set by the Commission under § 7–704.2(a) of
8 this subtitle, not to exceed 2.5%, derived from offshore wind energy.

9 (f) (1) (i) In this subsection the following words have the meanings
10 indicated.

11 (ii) “Area median income” has the meaning stated in § 4–1801 of the
12 Housing and Community Development Article.

13 (iii) “Low or moderate income housing” means housing that is
14 affordable for a household with an aggregate annual income that is below 120% of the area
15 median income.

16 (2) At least 25% of the required percentage of the [renewable] **CLEAN**
17 energy portfolio **STANDARD** for each year as set forth in subsection (b) of this section
18 derived from post–2022 geothermal systems shall be derived from systems that were
19 installed:

20 (i) at single or multifamily housing units that qualified as low or
21 moderate income housing on the date the system was installed on the property; or

22 (ii) at institutions that primarily serve low and moderate income
23 individuals and families, including:

24 1. schools with a majority of students who are eligible for free
25 and reduced price meals;

1 1. is connected with the electric distribution [grid] SYSTEM
2 serving Maryland; or

3 2. processes wastewater from Maryland residents.

4 (iii) If the owner of a solar generating system in this State chooses to
5 sell solar renewable energy credits from that system, the owner must first offer the credits
6 for sale to an electricity supplier or electric company that shall apply them toward
7 compliance with the [renewable] CLEAN energy portfolio standard under § 7-703 of this
8 subtitle.

9 (3) Energy from a Tier 1 renewable source under [§ 7-701(s)(8)] §
10 **7-701(Y)(8)** of this subtitle is eligible for inclusion in meeting the [renewable] CLEAN
11 energy portfolio standard if it is generated at a dam that existed as of January 1, 2004,
12 even if a system or facility that is capable of generating electricity did not exist on that
13 date.

14 (4) Energy from a Tier 2 renewable source under [§ 7-701(t)] §
15 **7-701(Z)** of this subtitle is eligible for inclusion in meeting the [renewable] CLEAN energy
16 portfolio standard if it is generated at a system or facility that existed and was operational
17 as of January 1, 2004, even if the facility or system was not capable of generating electricity
18 on that date.

19 (b) On or after January 1, 2004, an electricity supplier may:

20 (1) receive renewable energy credits; and

21 (2) accumulate renewable energy credits under this subtitle.

22 (c) (1) This subsection applies only to a generating facility that is placed in
23 service on or after January 1, 2004.

24 (2) (i) On or before December 31, 2005, an electricity supplier shall
25 receive 120% credit toward meeting the [renewable] CLEAN energy portfolio standard for
26 energy derived from wind.

1 (ii) After December 31, 2005, and on or before December 31, 2008,
2 an electricity supplier shall receive 110% credit toward meeting the [renewable] CLEAN
3 energy portfolio standard for energy derived from wind.

4 (3) On or before December 31, 2008, an electricity supplier shall receive
5 110% credit toward meeting the [renewable] CLEAN energy portfolio standard for energy
6 derived from methane under [§ 7-701(r)(4)] **§ 7-701(Y)(4)** of this subtitle.

7 (d) An electricity supplier shall receive credit toward meeting the [renewable]
8 CLEAN energy portfolio standard for electricity derived from the biomass fraction of
9 biomass co-fired with other fuels.

10 (e) (1) In this subsection, “customer” means:

11 (i) an industrial electric customer that is not on standard offer
12 service; or

13 (ii) a renewable on-site generator.

14 (2) This subsection does not apply to offshore wind renewable energy
15 credits.

16 (3) (i) A customer may independently acquire renewable energy credits
17 to satisfy the standards applicable to the customer’s load, including credits created by a
18 renewable on-site generator.

19 (ii) Credits that a customer transfers to its electricity supplier to
20 meet the standard and that the electricity supplier relies on in submitting its compliance
21 report may not be resold or retransferred by the customer or by the electricity supplier.

22 (4) A renewable on-site generator may retain or transfer at its sole option
23 any credits created by the renewable on-site generator, including credits for the portion of
24 its on-site generation from a Tier 1 renewable source or a Tier 2 renewable source that
25 displaces the purchase of electricity by the renewable on-site generator from the grid.

26 (5) A customer that satisfies the standard applicable to the customer’s load
27 under this subsection may not be required to contribute to a compliance fee recovered under
28 § 7-706 of this subtitle.

1 (6) The Commission shall adopt regulations governing the application and
2 transfer of credits under this subsection consistent with federal law.

3 (f) (1) In order to create a renewable energy credit, a Tier 1 renewable source
4 or Tier 2 renewable source must substantially comply with all applicable environmental
5 and administrative requirements, including air quality, water quality, solid waste, and
6 right-to-know provisions, permit conditions, and administrative orders.

7 (2) (i) This paragraph applies to Tier 1 renewable sources that
8 incinerate solid waste.

9 (ii) At least 80% of the solid waste incinerated at a Tier 1 renewable
10 source facility shall be collected from:

11 1. for areas in Maryland, jurisdictions that achieve the
12 recycling rates required under § 9-505 of the Environment Article; and

13 2. for other states, jurisdictions for which the electricity
14 supplier demonstrates recycling substantially comparable to that required under § 9-505
15 of the Environment Article, in accordance with regulations of the Commission.

16 (iii) An electricity supplier may report credits received under this
17 paragraph based on compliance by the facility with the percentage requirement of
18 subparagraph (ii) of this paragraph during the year immediately preceding the year in
19 which the electricity supplier receives the credit to apply to the standard.

20 (g) (1) Energy from a solar water heating system is eligible for inclusion in
21 meeting the [renewable] CLEAN energy portfolio standard.

22 (2) A person that owns and operates a solar water heating system shall
23 receive a renewable energy credit equal to the amount of energy, converted from BTUs to
24 kilowatt-hours, that is generated by the system that is used by the person for water
25 heating.

26 (3) The total amount of energy generated and consumed for a
27 nonresidential or commercial solar water heating system shall be measured by an on-site

1 meter that meets the required performance standards of the International Organization of
2 Legal Metrology.

3 (4) The total amount of energy generated and consumed by a residential
4 solar water heating system shall be:

5 (i) measured by a meter that meets the required standards of the
6 International Organization of Legal Metrology; or

7 (ii) 1. measured by the Solar Ratings and Certification
8 Corporation's OG-300 thermal performance rating for the system or an equivalent
9 certification that the Commission approves in consultation with the Administration; and

10 2. certified to the OG-300 standard of the Solar Ratings and
11 Certification Corporation or an equivalent certification body that the Commission approves
12 in consultation with the Administration.

13 (5) A residential solar water heating system shall be installed in
14 accordance with applicable State and local plumbing codes.

15 (6) A residential solar water heating system may not produce more than
16 five solar renewable energy credits in any 1 year.

17 (h) (1) Except as provided in paragraph (6) of this subsection, energy from a
18 geothermal heating and cooling system, including energy from a legacy geothermal system
19 and energy from a post-2022 geothermal system, is eligible for inclusion in meeting the
20 [renewable] CLEAN energy portfolio standard.

21 (2) A person shall receive a renewable energy credit equal to the amount of
22 energy, converted from BTUs to kilowatt-hours, that is generated by a geothermal heating
23 and cooling system for space heating and cooling or water heating if the person:

24 (i) owns and operates the system;

25 (ii) leases and operates the system; or

26 (iii) contracts with a third party who owns and operates the portion
27 of the system that consists of:

1 1. a closed loop or a series of closed loop systems in which
2 fluid is permanently confined within a pipe or tubing and does not come in contact with the
3 outside environment; or

4 2. an open loop system in which ground or surface water is
5 circulated in an environmentally safe manner directly into the facility and returned to the
6 same aquifer or surface water source.

7 (3) To determine the energy savings of a geothermal heating and cooling
8 system for a residence, the Commission shall:

9 (i) identify available energy consumption calculators developed by
10 the geothermal heating and cooling industry;

11 (ii) collect the following data provided in the renewable energy credit
12 application that:

13 1. describes the name of the applicant and the address at
14 which the geothermal heating and cooling system is installed; and

15 2. provides the annual BTU energy savings attributable to
16 home heating, cooling, and water heating; and

17 (iii) in determining the annual amount of renewable energy credits
18 awarded for the geothermal heating and cooling system, convert the annual BTUs into
19 annual megawatt-hours.

20 (4) To determine the energy savings of a nonresidential geothermal
21 heating and cooling system, the Commission shall:

22 (i) use the geothermal heating and cooling engineering technical
23 system designs provided with the renewable energy credit application; and

24 (ii) in determining the annual amount of renewable energy credits
25 awarded for the geothermal heating and cooling system, convert the annual BTUs into
26 annual megawatt-hours.

1 (5) A geothermal heating and cooling system shall be installed in
2 accordance with applicable State well construction and local building code standards.

3 (6) (i) A post–2022 geothermal system with a 360,000 BTU capacity is
4 eligible for inclusion in meeting the [renewable] CLEAN energy portfolio standard only if
5 the company installing the system provides for its employees:

- 6 1. family–sustaining wages;
- 7 2. employer–provided health care with affordable
8 deductibles and co–pays;
- 9 3. career advancement training, as provided in
10 subparagraph (ii) of this paragraph;
- 11 4. fair scheduling;
- 12 5. employer–paid workers’ compensation and unemployment
13 insurance;
- 14 6. a retirement plan;
- 15 7. paid time off; and
- 16 8. the right to bargain collectively for wages and benefits.

17 (ii) As part of the career advancement training the installation
18 company provides, the company shall ensure that a minimum of 10% of the employees
19 working on the installation are enrolled in an apprenticeship program approved by and
20 registered with the State or the federal government.

21 (iii) Compliance with this paragraph shall be regulated and enforced
22 by the Department of Labor.

23 (i) (1) Energy from a thermal biomass system is eligible for inclusion in
24 meeting the [renewable] CLEAN energy portfolio standard.

1 (2) (i) A person that owns and operates a thermal biomass system that
2 uses anaerobic digestion is eligible to receive a renewable energy credit.

3 (ii) A person that owns and operates a thermal biomass system that
4 uses a thermochemical process is eligible to receive a renewable energy credit if the person
5 demonstrates to the Maryland Department of the Environment that the operation of the
6 thermal biomass system:

7 1. is not significantly contributing to local or regional air
8 quality impairments; and

9 2. will substantially decrease emissions of oxides of nitrogen
10 beyond that achieved by a direct burn combustion unit through the use of precombustion
11 techniques, combustion techniques, or postcombustion techniques.

12 (3) A person that is eligible to receive a renewable energy credit under
13 paragraph (2) of this subsection shall receive a renewable energy credit equal to the amount
14 of energy, converted from BTUs to kilowatt–hours, that is generated by the thermal
15 biomass system and used on site.

16 (4) The total amount of energy generated and consumed for a residential,
17 nonresidential, or commercial thermal biomass system shall be measured by an on–site
18 meter that meets the required performance standards established by the Commission.

19 (5) The Commission shall adopt regulations for the metering, verification,
20 and reporting of the output of thermal biomass systems.

21 (j) (1) Energy from a wastewater heating or cooling system is eligible for
22 inclusion in meeting the [renewable] CLEAN energy portfolio standard.

23 (2) A person shall receive a renewable energy credit equal to the amount of
24 energy, converted from BTUs to kilowatt–hours, that is generated by a wastewater heating
25 or cooling system for space heating or cooling, industrial heating or cooling, or another
26 useful thermal purpose, if the person:

27 (i) owns and operates the system;

28 (ii) leases and operates the system; or

1 (iii) contracts with a third party who owns and operates the system.

2 (3) To determine the energy savings of a wastewater heating or cooling
3 system, the Commission shall:

4 (i) use the wastewater heating or cooling engineering technical
5 system designs provided with the renewable energy credit application; and

6 (ii) in determining the annual amount of renewable energy credits
7 awarded for the wastewater heating or cooling system, convert the annual BTUs into
8 annual megawatt-hours.

9 (4) The Commission shall adopt regulations for the metering, verification,
10 and reporting of the output of wastewater heating or cooling systems.

11 7-704.1.

12 (c) An application shall include:

13 (6) a commitment to:

14 (i) abide by the requirements set forth in subsection (f) of this
15 section; **[and]**

16 (ii) deposit at least \$6,000,000, in the manner required under
17 subsection (h) of this section, into the Maryland **[Offshore Wind] CLEAN ENERGY**
18 **Business Development Fund** established under § 9-20C-03 of the State Government
19 Article;

20 **(III) DEPOSIT INTO AN ESCROW ACCOUNT AN AMOUNT:**

21 **1. DETERMINED BY THE COMMISSION TO DISSUADE**
22 **WITHDRAWAL FROM THE OREC PROCESS; AND**

23 **2. NOT LESS THAN \$5,000 PER MEGAWATT OF**
24 **NAMEPLATE CAPACITY; AND**

1 **(IV) ABIDE BY A WITHDRAWAL PROCESS ESTABLISHED BY THE**
2 **COMMISSION, INCLUDING FORFEITURE OF ANY DEPOSIT REQUIRED BY THE**
3 **COMMISSION UNDER ITEM (III) OF THIS ITEM;**

4 (e) (1) The Commission shall use the following criteria to evaluate and
5 compare proposed offshore wind projects submitted during an application period:

6 (xiii) estimated ability to assist in meeting the [renewable] **CLEAN**
7 energy portfolio standard under § 7–703 of this subtitle; and

8 (f) (1) (iii) The Commission may not approve an applicant’s proposed
9 offshore wind project unless:

10 1. for a Round 1 offshore wind project application:

11 A. **OVER THE DURATION OF THE PROPOSED OREC**
12 **PRICING SCHEDULE** the projected net rate impact for an average residential customer,
13 based on annual consumption of 12,000 kilowatt–hours[,] **AND** combined with the projected
14 net rate impact of other Round 1 offshore wind projects, does not exceed [\$1.50 per month
15 in 2012 dollars, over the duration of the proposed OREC pricing schedule] **AN AMOUNT**
16 **DETERMINED BY THE COMMISSION;**

17 B. **OVER THE DURATION OF THE PROPOSED OREC**
18 **PRICING SCHEDULE** the projected net rate impact for all nonresidential customers,
19 considered as a blended average[,] **AND** combined with the projected net rate impact of
20 other Round 1 offshore wind projects, does not exceed [1.5%] **A PERCENTAGE**
21 **DETERMINED BY THE COMMISSION** of nonresidential customers’ total annual electric
22 bills[, over the duration of the proposed OREC pricing schedule]; and

23 C. the price specified in the proposed OREC pricing schedule
24 does not exceed [\$190 per megawatt–hour in 2012 dollars] **AN AMOUNT DETERMINED BY**
25 **THE COMMISSION;** and

26 2. for a Round 2 offshore wind project application:

27 A. **OVER THE DURATION OF THE PROPOSED OREC**
28 **PRICING SCHEDULE** the projected incremental net rate impact for an average residential
29 customer, based on annual consumption of 12 megawatt–hours[,] **AND** combined with the

1 projected incremental net rate impact of other Round 2 offshore wind projects, does not
2 exceed [88 cents per month in 2018 dollars, over the duration of the proposed OREC pricing
3 schedule] **AN AMOUNT DETERMINED BY THE COMMISSION;**

4 B. the projected incremental net rate impact for all
5 nonresidential customers, considered as a blended average[,] **AND** combined with the
6 projected net rate impact of other Round 2 offshore wind projects, does not exceed [0.9%] **A**
7 **PERCENTAGE DETERMINED BY THE COMMISSION** of nonresidential customers' total
8 annual electric bills during any year of the proposed OREC pricing schedule; and

9 C. the project is subject to a community benefit agreement.

10 (2) (i) When calculating the net benefits to the State under paragraph
11 (1)(ii) of this subsection, the Commission shall contract for the services of independent
12 consultants and experts.

13 (ii) When calculating the projected net average rate impacts for
14 Round 1 offshore wind projects under paragraph (1)(iii)1A and B of this subsection and for
15 Round 2 offshore wind projects under paragraph (1)(iii)2A and B of this subsection, the
16 Commission shall apply the same net OREC cost per megawatt-hour to residential and
17 nonresidential customers.

18 **(4) THE COMMISSION SHALL KEEP ANY AMOUNTS DETERMINED**
19 **UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION CONFIDENTIAL.**

20 7-704.2.

21 (a) (1) The Commission shall determine the offshore wind energy component
22 of the [renewable] **CLEAN** energy portfolio standard under § 7-703(b)(12) through (25) of
23 this subtitle based on the projected annual creation of ORECs by qualified offshore wind
24 projects.

25 (2) The Commission shall establish the [renewable] **CLEAN** energy
26 portfolio standard obligation for ORECs on a forward-looking basis that includes a surplus
27 to accommodate reasonable forecasting error in estimating overall electricity sales in the
28 State.

1 (3) Any positive adjustment to the [renewable] CLEAN energy portfolio
2 standard shall be on a forward-looking basis and sufficiently in advance to allow an electric
3 company to reflect OREC costs as a nonbypassable surcharge to distribution customers.

4 (4) The Commission shall adopt regulations that establish:

5 (i) the offshore wind purchase obligation sufficiently in advance to
6 allow an electric company to reflect OREC costs as a nonbypassable surcharge paid by all
7 distribution customers of the electric company;

8 (ii) a mechanism to adjust the [renewable] CLEAN energy portfolio
9 standard obligation in a given year to accommodate a shortfall of ORECs in one or more
10 earlier years that is the result of the variation between the quantity of ORECs calculated
11 from the [renewable] CLEAN energy portfolio standard obligation and the quantity of
12 ORECs approved in the Commission order for the same years; and

13 (iii) a nonbypassable surcharge that allows an electric company to
14 recover all costs associated with the purchase of ORECs from all distribution customers of
15 the electric company.

16 (b) The Commission shall adopt regulations:

17 (1) establishing an escrow account under Commission supervision; and

18 (2) defining rules that facilitate and ensure the secure and transparent
19 transfer of revenues and ORECs among the parties.

20 (c) (1) Each electric company shall purchase from the escrow account
21 established under this section the number of ORECs required to satisfy the offshore wind
22 energy component of the [renewable] CLEAN energy portfolio standard under §
23 7-703(b)(12) through (25) of this subtitle.

24 (2) (i) Subject to any escrow account reserve requirement the
25 Commission establishes, if there are insufficient ORECs available to satisfy the electric
26 companies' OREC obligation, the overpayment shall be distributed to electric companies to
27 be refunded or credited to each distribution customer based on the customer's consumption
28 of electricity supply that is subject to the [renewable] CLEAN energy portfolio standard.

1 (ii) Subject to any escrow account reserve requirement the
2 Commission establishes, the calculation of an electric company’s OREC purchase obligation
3 shall be based on final electricity sales data as reported by the PJM Interconnection as
4 measured at the customer meter.

5 (3) For each OREC for which a qualified offshore wind project receives
6 payment, a qualified offshore wind project shall:

7 (i) sell all energy, capacity, and ancillary services associated with
8 the creation of ORECs into the markets operated by PJM Interconnection; and

9 (ii) distribute the proceeds received from the sales to PJM
10 Interconnection markets, under item (i) of this paragraph to electric companies to be
11 refunded or credited to each distribution customer based on the customer’s consumption of
12 electricity supply that is subject to the [renewable] CLEAN energy portfolio standard.

13 (4) Notwithstanding § 7–709 of this subtitle, the Commission shall adopt
14 regulations regarding the transfer and expiration of ORECs created by a qualified offshore
15 wind project in excess of the OREC pricing schedule.

16 7–704.4.

17 (c) (1) The Department of General Services shall identify the amount of
18 energy necessary to meet the State’s energy needs.

19 (2) (i) The State shall use the energy procured under subsection (b) of
20 this section to meet the State’s energy needs and retire the associated renewable energy
21 credits to meet its obligations under the [renewable] CLEAN energy portfolio standard and
22 Chapter 38 of the Acts of the General Assembly of 2022.

23 (ii) The State shall be exempted from the [renewable] CLEAN energy
24 portfolio standard requirements under § 7–703 of this subtitle if the Department of General
25 Services procures 100% of the State’s energy needs from the power purchase agreement
26 required under subsection (b) of this section.

27 7–705.

1 (a) (1) Except as provided in paragraph (2) of this subsection, each electricity
2 supplier shall submit a report to the Commission each year in a form and by a date specified
3 by the Commission that:

4 (i) 1. demonstrates that the electricity supplier has complied
5 with the applicable [renewable] CLEAN energy portfolio standard under § 7–703 of this
6 subtitle and includes the submission of the required amount of renewable energy credits;
7 or

8 2. demonstrates the amount of electricity sales by which the
9 electricity supplier failed to meet the applicable [renewable] CLEAN energy portfolio
10 standard;

11 (ii) documents the level of participation of minority business
12 enterprises and minorities in the activities that support the creation of renewable energy
13 credits used to satisfy the standard under § 7–703 of this subtitle, including development,
14 installation, and operation of generating facilities that create credits;

15 (iii) documents the amounts and types of generation associated with
16 renewable energy credits purchased in compliance with § 7–707(b) of this subtitle during
17 the reporting period; and

18 (iv) documents the amount of renewable energy certificates that do
19 not qualify as renewable energy credits as defined in § 7–701 of this subtitle, including, for
20 each certificate:

21 1. the energy source associated with the certificate, including
22 its location, when it was constructed, and which electric distribution system received the
23 energy;

24 2. whether the purchase of the certificate was bundled with
25 a power purchase agreement from the energy source associated with the certificate;

26 3. whether the certificate was purchased directly from the
27 operator of the energy source or through a third party; and

28 4. any other information required by the Commission.

1 (2) Paragraph (1)(iii) and (iv) of this subsection does not apply to:

2 (i) the Department of General Services' sale of energy under §
3 7-704.4 of this subtitle; or

4 (ii) a community choice aggregator under § 7-510.3 of this title.

5 (b) (1) This subsection does not apply to a shortfall from the required Tier 1
6 renewable sources that is to be derived from post-2022 geothermal systems.

7 (2) If an electricity supplier fails to comply with the [renewable] CLEAN
8 energy portfolio standard for the applicable year, the electricity supplier shall pay into the
9 Maryland Strategic Energy Investment Fund established under § 9-20B-05 of the State
10 Government Article:

11 (i) except as provided in item (ii) of this paragraph, a compliance fee
12 of:

13 1. the following amounts for each kilowatt-hour of shortfall
14 from required Tier 1 renewable sources other than the shortfall from the required Tier 1
15 renewable sources that is to be derived from solar energy:

16 A. 4 cents through 2016;

17 B. 3.75 cents in 2017 and 2018;

18 C. 3 cents in 2019 through 2023;

19 D. 2.75 cents in 2024;

20 E. 2.5 cents in 2025;

21 F. 2.475 cents in 2026;

22 G. 2.45 cents in 2027;

23 H. 2.25 cents in 2028 and 2029; and

- 1 I. 2.235 cents in 2030 and later;
- 2 2. the following amounts for each kilowatt-hour of shortfall
- 3 from required Tier 1 renewable sources that is to be derived from solar energy:
- 4 A. 45 cents in 2008;
- 5 B. 40 cents in 2009 through 2014;
- 6 C. 35 cents in 2015 and 2016;
- 7 D. 19.5 cents in 2017;
- 8 E. 17.5 cents in 2018;
- 9 F. 10 cents in 2019;
- 10 G. 10 cents in 2020;
- 11 H. 8 cents in 2021;
- 12 I. 6 cents in 2022;
- 13 J. 6 cents in 2023;
- 14 K. 6 cents in 2024[;
- 15 L. 5.5 cents in 2025;
- 16 M. 4.5 cents in 2026;
- 17 N. 3.5 cents in 2027;
- 18 O. 3.25 cents in 2028;
- 19 P. 2.5 cents in 2029; and
- 20 Q. 2.25 cents in 2030] and later; and

1 (2) 9 cents in 2026;

2 (3) 8 cents in 2027; and

3 (4) 6.5 cents in 2028 and later.

4 **[(c)] (D)** The Commission may allow an electricity supplier to submit the report
5 required under § 7–505(b)(4) of this title to demonstrate compliance with the **[renewable]**
6 **CLEAN** energy portfolio standard.

7 **[(d)] (E)** An aggregator or broker who assists an electricity customer in
8 purchasing electricity but who does not supply the electricity or take title to or ownership
9 of the electricity may require the electricity supplier who supplies the electricity to
10 demonstrate compliance with this subtitle.

11 **[(e)] (F)** (1) Notwithstanding the requirements of § 7–703(b) of this subtitle,
12 if the actual or projected dollar–for–dollar cost incurred or to be incurred by an electricity
13 supplier solely for the purchase of Tier 1 renewable energy credits derived from solar energy
14 in any 1 year is greater than or equal to, or is anticipated to be greater than or equal to,
15 6.0% of the electricity supplier’s total annual electricity sales revenues in Maryland, the
16 electricity supplier may request that the Commission:

17 (i) delay by 1 year each of the scheduled percentages for solar energy
18 under § 7–703(b) of this subtitle that would apply to the electricity supplier; and

19 (ii) allow the **[renewable] CLEAN** energy portfolio standard for solar
20 energy for that year to continue to apply to the electricity supplier for the following year.

21 (2) In making its determination under paragraph (1) of this subsection, the
22 Commission shall consider the actual or projected dollar–for–dollar compliance costs of
23 other electricity suppliers.

24 (3) If an electricity supplier makes a request under paragraph (1) of this
25 subsection based on projected costs, the electricity supplier shall provide verifiable evidence
26 of the projections to the Commission at the time of the request.

1 (4) If the Commission allows a delay under paragraph (1) of this
2 subsection:

3 (i) the [renewable] **CLEAN** energy portfolio standard for solar
4 energy applicable to the electricity supplier under the delay continues for each subsequent
5 consecutive year that the actual or projected dollar-for-dollar costs incurred, or to be
6 incurred, by the electricity supplier solely for the purchase of solar renewable energy credits
7 is greater than or equal to, or is anticipated to be greater than or equal to, 6.0% of the
8 electricity supplier's total annual retail electricity sales revenues in Maryland; and

9 (ii) the [renewable] **CLEAN** energy portfolio standard for solar
10 energy applicable to the electricity supplier under the delay is increased to the next
11 scheduled percentage increase under § 7-703(b) of this subtitle for each year in which the
12 actual or projected dollar-for-dollar costs incurred, or to be incurred, by the electricity
13 supplier solely for the purchase of solar renewable energy credits is less than, or is
14 anticipated to be less than, 6.0% of the electricity supplier's total annual retail electricity
15 sales revenues in Maryland.

16 7-706.

17 (a) (1) Except as provided in paragraph (2) of this subsection, in accordance
18 with the obligation to provide standard offer service through the bid process created under
19 § 7-510 of this title, the Commission shall allow an electricity supplier to recover actual
20 dollar-for-dollar costs incurred, including a compliance fee under § 7-705 of this subtitle,
21 in complying with a State-mandated [renewable] **CLEAN** energy portfolio standard.

22 (2) In accordance with the Phase II settlement agreement approved by the
23 Commission in Order No. 78710 in Case No. 8908 on September 30, 2003, for any
24 full-service agreement executed before the [renewable] **CLEAN** energy **PORTFOLIO**
25 standard under this subtitle applies to an electric company, the electric company and its
26 wholesale electricity suppliers may pass through their commercially reasonable additional
27 costs, if any, associated with complying with the standard, through the end of the year of
28 standard offer service in which the requirement took effect.

29 (b) An electricity supplier may recover a compliance fee if:

1 (1) the payment of a compliance fee is the least-cost measure to customers
2 as compared to the purchase of Tier 1 renewable sources to comply with a [renewable]
3 CLEAN energy portfolio standard;

4 (2) there are insufficient Tier 1 renewable sources available for the
5 electricity supplier to comply with a [renewable] CLEAN energy portfolio standard; or

6 (3) a wholesale electricity supplier defaults or otherwise fails to deliver
7 renewable energy credits under a supply contract approved by the Commission.

8 7-707.

9 (c) An electricity supplier that supplies electricity to residential retail electric
10 customers may not market electricity as green power unless:

11 (1) the percentage of the electricity being offered, or the equivalent number
12 of renewable energy credits associated with the electricity being marketed as green power,
13 that is eligible for inclusion in meeting the [renewable] CLEAN energy portfolio standard
14 equals or exceeds the greater of:

15 (i) 51%; or

16 (ii) 1% higher than the [renewable] CLEAN energy portfolio
17 standard for the year the electricity is provided to the customer;

18 (d) (2) (i) Each year the Commission shall hold a proceeding to set a price
19 per megawatt-hour for electricity marketed as green power under this section that may
20 not be exceeded by an electricity supplier except as provided in paragraph (3) of this
21 subsection.

22 (ii) Subject to paragraph (4) of this subsection, the price set by the
23 Commission under subparagraph (i) of this paragraph may:

24 1. exceed the maximum price per megawatt-hour that is
25 authorized under § 7-510(d)(2)(i) of this title; and

26 2. differ based on the amount and source of the electricity
27 generation.

1 (iii) During a proceeding held under subparagraph (i) of this
2 paragraph, the Commission:

3 1. shall consider:

4 A. the price of the energy purchased, including the total cost
5 of the renewable energy credits;

6 B. the amount of electricity that is eligible for inclusion in
7 meeting the [renewable] CLEAN energy portfolio standard;

8 C. the state in which the electricity was generated; and

9 D. applicable market data; and

10 2. may consider whether the purchase of renewable energy
11 credits was bundled with a power purchase agreement from the energy sources associated
12 with the credit.

13 (3) (i) On request by an electricity supplier, the Commission shall hold
14 a proceeding to set a price per megawatt-hour for electricity marketed as green power for
15 that electricity supplier.

16 (ii) Subject to paragraph (4) of this subsection, at a proceeding held
17 under this paragraph the Commission may set a price per megawatt-hour that is higher
18 than the price determined in the proceeding held under paragraph (2) of this subsection for
19 an electricity supplier if:

20 1. the electricity supplier demonstrates to the Commission's
21 satisfaction, based on an independent third-party audit, that the actual cost to the
22 electricity supplier for the generation or supply of electricity exceeds that of the price
23 determined through the proceeding held in accordance with paragraph (2) of this
24 subsection;

25 2. the increased price reflects only the cost of the electricity
26 marketed as green power and is not associated with any of the electricity supplier's other
27 costs; and

1 3. the electricity supplier demonstrates to the Commission’s
2 satisfaction that the electricity supplier has a significant long-term investment in
3 renewable energy that meets the [renewable] CLEAN energy portfolio standard under §
4 7–703 of this subtitle.

5 (iii) During a proceeding held under this paragraph, the Commission
6 shall consider:

7 1. whether the purchase of renewable energy credits was
8 bundled with a power purchase agreement from the energy sources associated with the
9 credit;

10 2. the price of the energy purchased, including the total cost
11 of the renewable energy credits or power purchase agreements;

12 3. the amount of electricity that is eligible for inclusion in
13 meeting the [renewable] CLEAN energy portfolio standard;

14 4. the state in which the electricity was generated; and

15 5. applicable market data.

16 (g) In addition to the disclosure required under subsection (f) of this section, the
17 Commission shall adopt regulations that require an electricity supplier, other than the
18 Department of General Services when the Department of General Services sells energy
19 under § 7–704.4 of this subtitle or a community choice aggregator under § 7–510.3 of this
20 title, that offers green power for sale to residential retail customers to include in the
21 electricity supplier’s marketing materials a disclosure, written in plain language, that
22 explains:

23 (4) the percentage of electricity that would be provided by the electricity
24 supplier that is eligible for inclusion in meeting the [renewable] CLEAN energy portfolio
25 standard; and

26 7–709.

1 (a) An electricity supplier may use accumulated renewable energy credits to meet
2 the [renewable] CLEAN energy portfolio standard, including credits created by a renewable
3 on-site generator.

4 (c) (1) (i) If an electricity supplier purchases solar renewable energy
5 credits directly from a renewable on-site generator with a capacity that exceeds 10
6 kilowatts to meet the solar component of the Tier 1 [renewable] CLEAN energy portfolio
7 standard, the duration of the contract term for the solar renewable energy credits may not
8 be less than 15 years.

9 7-709.1.

10 (c) (1) Under the Program, a certified system shall generate certified SRECs.

11 (2) Except as provided in paragraph (3) of this subsection, the provisions of
12 this subtitle relating to renewable energy credits shall apply to certified SRECs.

13 (3) A certified SREC shall have a compliance value of 150% for electricity
14 suppliers to put toward meeting the [renewable] CLEAN energy portfolio standard for
15 energy derived from solar energy under § 7-703 of this subtitle.

16 (d) To be eligible for certification under the Program, a solar energy generating
17 system shall:

18 (2) be eligible for inclusion in meeting the [renewable] CLEAN energy
19 portfolio standard;

20 (i) (1) A certified system shall continue to be eligible to generate certified
21 SRECs for 15 years after the date of certification by the Commission, or January 1, 2025,
22 whichever is later, after which the system shall be eligible to generate noncertified solar
23 renewable energy credits as long as the system meets the requirements as a Tier 1
24 renewable source under this subtitle.

25 (2) The Commission shall:

26 (i) on or before January 1, 2025, begin determining eligibility of
27 solar energy generating systems to be certified under the Program; and

1 (ii) on or before July 1, 2026, implement a revised system to review
2 and ensure compliance with the [renewable] CLEAN energy portfolio standard.

3 (3) An electricity supplier may apply the certified SRECs generated in
4 accordance with this section toward the [renewable] CLEAN energy portfolio standard
5 starting with the 2025 compliance year.

6 (4) Notwithstanding any other law, the Commission shall allow electricity
7 suppliers to demonstrate compliance with the [renewable] CLEAN energy portfolio
8 standard for the 2025 compliance year by submitting information between July 1, 2026,
9 and December 31, 2026, using the revised system developed in accordance with paragraph
10 (2)(ii) of this subsection.

11 **SUBTITLE 12. NUCLEAR ENERGY PROCUREMENT.**

12 **7-1201.**

13 **(A) AFTER THE EFFECTIVE DATE OF COMMISSION REGULATIONS**
14 **IMPLEMENTING THIS SUBTITLE, A PERSON MAY SUBMIT AN APPLICATION TO THE**
15 **COMMISSION FOR APPROVAL OF A PROPOSED NUCLEAR ENERGY GENERATION**
16 **PROJECT.**

17 **(B) (1) ON RECEIPT OF AN APPLICATION FOR APPROVAL OF A PROPOSED**
18 **NUCLEAR ENERGY GENERATION PROJECT, THE COMMISSION SHALL:**

19 **(I) OPEN AN APPLICATION PERIOD WHERE OTHER INTERESTED**
20 **PERSONS MAY SUBMIT APPLICATIONS FOR APPROVAL OF A PROPOSED NUCLEAR**
21 **ENERGY GENERATION PROJECT; AND**

22 **(II) PROVIDE NOTICE THAT THE COMMISSION IS ACCEPTING**
23 **APPLICATIONS FOR APPROVAL OF PROPOSED NUCLEAR ENERGY GENERATION**
24 **PROJECTS.**

25 **(2) THE COMMISSION SHALL SET THE CLOSING DATE FOR THE**
26 **APPLICATION PERIOD TO BE NOT SOONER THAN 90 DAYS AFTER THE NOTICE**
27 **PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

1 **(C) THE COMMISSION SHALL PROVIDE AT LEAST TWO ADDITIONAL**
2 **APPLICATION PERIODS BEFORE JANUARY 1, 2031.**

3 **(D) THE COMMISSION MAY PROVIDE ADDITIONAL APPLICATION PERIODS**
4 **THAT MEET THE REQUIREMENTS OF THIS SECTION.**

5 **7-1202.**

6 **UNLESS EXTENDED BY MUTUAL CONSENT OF THE PARTIES, THE COMMISSION**
7 **SHALL APPROVE, CONDITIONALLY APPROVE, OR DENY AN APPLICATION WITHIN 1**
8 **YEAR AFTER THE CLOSE OF THE APPLICATION PERIOD.**

9 **7-1203.**

10 **AN APPLICATION SHALL INCLUDE:**

11 **(1) A DETAILED DESCRIPTION AND FINANCIAL ANALYSIS OF THE**
12 **PROPOSED NUCLEAR ENERGY GENERATION PROJECT;**

13 **(2) THE PROPOSED METHOD OF FINANCING THE PROJECT,**
14 **INCLUDING DOCUMENTATION DEMONSTRATING THAT THE APPLICANT HAS APPLIED**
15 **FOR ALL CURRENT ELIGIBLE STATE AND FEDERAL GRANTS, REBATES, TAX CREDITS,**
16 **LOAN GUARANTEES, AND OTHER PROGRAMS AVAILABLE TO OFFSET THE COST OF**
17 **THE PROJECT OR PROVIDE TAX ADVANTAGES;**

18 **(3) A COMMITMENT THAT THE APPLICANT WILL USE BEST EFFORTS**
19 **TO APPLY FOR ALL ELIGIBLE STATE AND FEDERAL GRANTS, REBATES, TAX CREDITS,**
20 **LOAN GUARANTEES, OR OTHER SIMILAR BENEFITS AS THOSE BENEFITS BECOME**
21 **AVAILABLE;**

22 **(4) A COST-BENEFIT ANALYSIS THAT SHALL INCLUDE AT A MINIMUM:**

23 **(I) A DETAILED INPUT-OUTPUT ANALYSIS OF THE IMPACT OF**
24 **THE PROJECT ON INCOME, EMPLOYMENT, WAGES, AND TAXES IN THE STATE;**

25 **(II) DETAILED INFORMATION CONCERNING ASSUMED**
26 **EMPLOYMENT IMPACTS IN THE STATE, INCLUDING THE EXPECTED DURATION OF**

1 EMPLOYMENT OPPORTUNITIES, THE SALARY OF EACH POSITION, AND OTHER
2 SUPPORTING EVIDENCE OF EMPLOYMENT IMPACTS;

3 (III) AN ANALYSIS OF THE ANTICIPATED ENVIRONMENTAL
4 BENEFITS, HEALTH BENEFITS, AND ENVIRONMENTAL IMPACTS OF THE PROJECT TO
5 THE CITIZENS OF THE STATE;

6 (IV) AN ANALYSIS OF ANY IMPACT ON RESIDENTIAL,
7 COMMERCIAL, AND INDUSTRIAL RATEPAYERS OVER THE LIFE OF THE PROJECT;

8 (V) AN ANALYSIS OF ANY LONG-TERM EFFECT ON ENERGY AND
9 CAPACITY MARKETS AS A RESULT OF THE PROJECT;

10 (VI) AN ANALYSIS OF ANY IMPACT ON BUSINESSES IN THE STATE;
11 AND

12 (VII) OTHER BENEFITS RESULTING FROM THE PROJECT, SUCH AS
13 INCREASED IN-STATE CONSTRUCTION, OPERATION AND MAINTENANCE NEEDS, AND
14 EQUIPMENT PURCHASES;

15 (5) A PROPOSED LONG-TERM PRICING SCHEDULE FOR THE PROJECT
16 THAT SHALL SPECIFY A PRICE FOR THE GENERATION ATTRIBUTES, INCLUDING THE
17 ENERGY, CAPACITY, ANCILLARY SERVICES, AND ENVIRONMENTAL ATTRIBUTES;

18 (6) A DECOMMISSIONING AND WASTE STORAGE PLAN FOR THE
19 PROJECT, INCLUDING PROVISIONS FOR DECOMMISSIONING OR WASTE STORAGE AS
20 REQUIRED BY THE U.S. NUCLEAR REGULATORY COMMISSION;

21 (7) A COMMITMENT TO:

22 (I) ABIDE BY THE REQUIREMENTS SET FORTH IN § 7-1206 OF
23 THIS SUBTITLE; AND

24 (II) DEPOSIT AT LEAST \$6,000,000 INTO THE MARYLAND CLEAN
25 ENERGY BUSINESS DEVELOPMENT FUND ESTABLISHED UNDER § 9-20C-03 OF THE
26 STATE GOVERNMENT ARTICLE;

1 **(8) A DESCRIPTION OF THE APPLICANT’S PLAN FOR ENGAGING SMALL**
2 **BUSINESSES, AS DEFINED IN § 14–501 OF THE STATE FINANCE AND PROCUREMENT**
3 **ARTICLE;**

4 **(9) IF APPLICABLE, THE STATEMENT SPECIFIED IN § 7–1204(C)(2) OF**
5 **THIS SUBTITLE; AND**

6 **(10) ANY OTHER INFORMATION THE COMMISSION REQUIRES.**

7 **7–1204.**

8 **(A) THE COMMISSION SHALL USE THE FOLLOWING CRITERIA TO EVALUATE**
9 **AND COMPARE PROPOSED NUCLEAR ENERGY GENERATION PROJECTS SUBMITTED**
10 **DURING AN APPLICATION PERIOD:**

11 **(1) THE LOWEST COST IMPACT ON RATEPAYERS OF THE PRICE SET**
12 **UNDER A PROPOSED PRICING SCHEDULE;**

13 **(2) POTENTIAL REDUCTIONS IN TRANSMISSION CONGESTION PRICES**
14 **WITHIN THE STATE;**

15 **(3) POTENTIAL CHANGES IN CAPACITY PRICES WITHIN THE STATE;**

16 **(4) POTENTIAL REDUCTIONS IN LOCATIONAL MARGINAL PRICING;**

17 **(5) POTENTIAL LONG–TERM CHANGES IN CAPACITY PRICES WITHIN**
18 **THE STATE FROM THE PROJECT AS IT COMPARES TO CONVENTIONAL ENERGY**
19 **SOURCES;**

20 **(6) THE EXTENT TO WHICH THE COST–BENEFIT ANALYSIS SUBMITTED**
21 **UNDER § 7–1203 OF THIS SUBTITLE DEMONSTRATES POSITIVE NET ECONOMIC,**
22 **ENVIRONMENTAL, AND HEALTH BENEFITS TO THE STATE;**

23 **(7) THE EXTENT TO WHICH AN APPLICANT’S PLAN FOR ENGAGING**
24 **SMALL BUSINESSES MEETS THE GOALS SPECIFIED IN TITLE 14, SUBTITLE 5 OF THE**
25 **STATE FINANCE AND PROCUREMENT ARTICLE;**

1 **(8) THE EXTENT TO WHICH AN APPLICANT’S PLAN PROVIDES FOR THE**
2 **USE OF SKILLED LABOR, PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND**
3 **MANUFACTURING COMPONENTS OF THE PROJECT, THROUGH OUTREACH, HIRING,**
4 **OR REFERRAL SYSTEMS THAT ARE AFFILIATED WITH REGISTERED APPRENTICESHIP**
5 **PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT**
6 **ARTICLE;**

7 **(9) THE EXTENT TO WHICH AN APPLICANT’S PLAN PROVIDES FOR THE**
8 **USE OF AN AGREEMENT DESIGNED TO ENSURE THE USE OF SKILLED LABOR AND TO**
9 **PROMOTE THE PROMPT, EFFICIENT, AND SAFE COMPLETION OF THE PROJECT,**
10 **PARTICULARLY WITH REGARD TO THE CONSTRUCTION, MANUFACTURING, AND**
11 **MAINTENANCE OF THE PROJECT;**

12 **(10) THE EXTENT TO WHICH AN APPLICANT’S PLAN PROVIDES FOR**
13 **COMPENSATION TO ITS EMPLOYEES AND SUBCONTRACTORS CONSISTENT WITH**
14 **WAGES OUTLINED UNDER §§ 17–201 THROUGH 17–227 OF THE STATE FINANCE AND**
15 **PROCUREMENT ARTICLE;**

16 **(11) SITING AND PROJECT FEASIBILITY;**

17 **(12) THE EXTENT TO WHICH THE PROJECT WOULD REQUIRE**
18 **TRANSMISSION OR DISTRIBUTION INFRASTRUCTURE IMPROVEMENTS IN THE**
19 **STATE;**

20 **(13) THE ESTIMATED ABILITY OF THE PROJECT TO ASSIST IN MEETING**
21 **THE 100% CLEAN ENERGY GOAL UNDER § 7–703 OF THIS TITLE; AND**

22 **(14) ANY OTHER CRITERIA THAT THE COMMISSION DETERMINES ARE**
23 **APPROPRIATE.**

24 **(B) IN EVALUATING AND COMPARING AN APPLICANT’S PROPOSED NUCLEAR**
25 **ENERGY GENERATION PROJECT UNDER SUBSECTION (A) OF THIS SECTION, THE**
26 **COMMISSION MAY CONTRACT FOR THE SERVICES OF INDEPENDENT CONSULTANTS**
27 **AND EXPERTS.**

28 **(C) (1) IN THIS PARAGRAPH, “MINORITY” MEANS AN INDIVIDUAL WHO IS**
29 **A MEMBER OF ANY OF THE GROUPS LISTED IN § 14–301(k)(1)(i) OF THE STATE**
30 **FINANCE AND PROCUREMENT ARTICLE.**

1 **(2) IF AN APPLICANT IS SEEKING INVESTORS IN A PROPOSED**
2 **NUCLEAR ENERGY GENERATION PROJECT, THE APPLICANT SHALL TAKE THE**
3 **FOLLOWING STEPS BEFORE THE COMMISSION MAY APPROVE THE PROPOSED**
4 **PROJECT TO:**

5 **(I) MAKE SERIOUS, GOOD-FAITH EFFORTS TO SOLICIT AND**
6 **INTERVIEW A REASONABLE NUMBER OF MINORITY INVESTORS;**

7 **(II) AS PART OF THE APPLICATION, SUBMIT A STATEMENT TO**
8 **THE COMMISSION THAT LISTS THE NAMES AND ADDRESSES OF ALL MINORITY**
9 **INVESTORS INTERVIEWED AND WHETHER OR NOT ANY OF THOSE INVESTORS HAVE**
10 **PURCHASED AN EQUITY SHARE IN THE ENTITY SUBMITTING THE APPLICATION;**

11 **(III) SIGN A MEMORANDUM OF UNDERSTANDING WITH THE**
12 **COMMISSION THAT REQUIRES THE APPLICANT TO AGAIN MAKE SERIOUS,**
13 **GOOD-FAITH EFFORTS TO SOLICIT AND INTERVIEW A REASONABLE NUMBER OF**
14 **MINORITY INVESTORS IN ANY FUTURE ATTEMPTS TO RAISE VENTURE CAPITAL OR**
15 **ATTRACT NEW INVESTORS TO THE PROJECT;**

16 **(IV) SIGN A MEMORANDUM OF UNDERSTANDING WITH THE**
17 **COMMISSION THAT REQUIRES THE APPLICANT TO USE BEST EFFORTS AND**
18 **EFFECTIVE OUTREACH TO OBTAIN, AS A GOAL, CONTRACTORS AND**
19 **SUBCONTRACTORS FOR THE PROJECT THAT ARE MINORITY BUSINESS**
20 **ENTERPRISES, TO THE EXTENT PRACTICABLE, AS SUPPORTED BY A DISPARITY**
21 **STUDY; AND**

22 **(V) SIGN A MEMORANDUM OF UNDERSTANDING WITH THE**
23 **COMMISSION AND SKILLED LABOR ORGANIZATIONS THAT REQUIRES THE**
24 **APPLICANT TO FOLLOW THE PORTIONS OF THE APPLICANT'S PLAN THAT RELATE TO**
25 **THE CRITERIA SET FORTH IN SUBSECTION (A)(8) AND (9) OF THIS SECTION.**

26 **(3) THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN**
27 **BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY**
28 **GENERAL, SHALL PROVIDE ASSISTANCE TO ALL POTENTIAL APPLICANTS AND**
29 **POTENTIAL MINORITY INVESTORS TO SATISFY THE REQUIREMENTS UNDER**
30 **PARAGRAPH (2)(I) AND (III) OF THIS SUBSECTION.**

1 **7-1205.**

2 (A) THE COMMISSION MAY NOT APPROVE AN APPLICANT'S PROPOSED
3 NUCLEAR ENERGY GENERATION PROJECT UNLESS:

4 (1) THE PROJECT IS CONNECTED TO THE ELECTRIC DISTRIBUTION
5 SYSTEM SERVING THE STATE;

6 (2) OVER THE DURATION OF THE PROPOSED LONG-TERM PRICING
7 SCHEDULE, THE PROJECTED NET RATE IMPACT FOR AN AVERAGE RESIDENTIAL
8 CUSTOMER, BASED ON ANNUAL CONSUMPTION OF 12,000 KILOWATT-HOURS AND
9 COMBINED WITH THE PROJECTED NET RATE IMPACT OF OTHER NUCLEAR ENERGY
10 GENERATION PROJECTS, DOES NOT EXCEED AN AMOUNT DETERMINED BY THE
11 COMMISSION;

12 (3) OVER THE DURATION OF THE PROPOSED LONG-TERM PRICING
13 SCHEDULE, THE PROJECTED NET RATE IMPACT FOR ALL NONRESIDENTIAL
14 CUSTOMERS, CONSIDERED AS A BLENDED AVERAGE AND COMBINED WITH THE
15 PROJECTED NET RATE IMPACT OF OTHER NUCLEAR ENERGY GENERATION
16 PROJECTS, DOES NOT EXCEED A PERCENTAGE DETERMINED BY THE COMMISSION
17 OF NONRESIDENTIAL CUSTOMERS' TOTAL ANNUAL ELECTRIC BILLS; AND

18 (4) THE PRICE SPECIFIED IN THE PROPOSED LONG-TERM PRICING
19 SCHEDULE DOES NOT EXCEED AN AMOUNT DETERMINED BY THE COMMISSION.

20 (B) WHEN CALCULATING THE PROJECTED NET AVERAGE RATE IMPACTS
21 FOR NUCLEAR ENERGY GENERATION PROJECTS UNDER THIS SECTION, THE
22 COMMISSION SHALL APPLY THE SAME NET LONG-TERM COST PER
23 MEGAWATT-HOUR TO RESIDENTIAL AND NONRESIDENTIAL CUSTOMERS.

24 **7-1206.**

25 (A) AN APPLICATION FOR A PROPOSED NUCLEAR ENERGY GENERATION
26 PROJECT IS SUBJECT TO A COMMUNITY BENEFIT AGREEMENT.

27 (B) A COMMUNITY BENEFIT AGREEMENT SHALL:

1 **(1) BE APPLICABLE TO THE DEVELOPMENT OF A NUCLEAR ENERGY**
2 **GENERATION PROJECT;**

3 **(2) PROMOTE INCREASED OPPORTUNITIES FOR LOCAL BUSINESSES**
4 **AND SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE**
5 **CLEAN ENERGY INDUSTRY;**

6 **(3) ENSURE THE TIMELY, SAFE, AND EFFICIENT COMPLETION OF THE**
7 **PROJECT BY:**

8 **(I) FACILITATING A STEADY SUPPLY OF HIGHLY SKILLED**
9 **CRAFT WORKERS WHO SHALL BE PAID NOT LESS THAN THE PREVAILING WAGE RATE**
10 **DETERMINED BY THE COMMISSIONER OF LABOR AND INDUSTRY UNDER TITLE 17,**
11 **SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND**

12 **(II) GUARANTEEING THAT THE CONSTRUCTION WORK**
13 **PERFORMED IN CONNECTION WITH THE PROJECT WILL BE SUBJECT TO AN**
14 **AGREEMENT THAT:**

15 **1. IS WITH ONE OR MORE LABOR ORGANIZATIONS; AND**

16 **2. ESTABLISHES, IN ACCORDANCE WITH THIS SECTION,**
17 **THE TERMS AND CONDITIONS OF EMPLOYMENT AT THE CONSTRUCTION SITE OF THE**
18 **PROJECT OR A PORTION OF THE PROJECT;**

19 **(4) PROMOTE SAFE COMPLETION OF THE PROJECT BY ENSURING**
20 **THAT AT LEAST 80% OF THE CRAFT WORKERS ON THE PROJECT HAVE COMPLETED**
21 **AN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION 10-HOUR OR 30-HOUR**
22 **COURSE;**

23 **(5) PROMOTE CAREER TRAINING OPPORTUNITIES IN THE**
24 **MANUFACTURING, MAINTENANCE, AND CONSTRUCTION INDUSTRIES FOR LOCAL**
25 **RESIDENTS, VETERANS, WOMEN, AND MINORITIES;**

26 **(6) PROVIDE FOR BEST EFFORTS AND EFFECTIVE OUTREACH TO**
27 **OBTAIN, AS A GOAL, THE USE OF A WORKFORCE INCLUDING MINORITIES, TO THE**
28 **EXTENT PRACTICABLE;**

1 **(7) REFLECT A 21ST-CENTURY LABOR-MANAGEMENT APPROACH BY**
2 **DEVELOPERS AND SUPPLIERS BASED ON COOPERATION, HARMONY, AND**
3 **PARTNERSHIP THAT PROACTIVELY SEEKS TO ENSURE THAT WORKERS CAN FREELY**
4 **CHOOSE TO BOTH ORGANIZE AND COLLECTIVELY BARGAIN;**

5 **(8) PROVIDE PLANS TO USE DOMESTIC IRON, STEEL, AND**
6 **MANUFACTURED GOODS TO THE GREATEST EXTENT PRACTICABLE BY DISCLOSING**
7 **CONTRACTED SUPPLIERS;**

8 **(9) USE LOCALLY AND DOMESTICALLY MANUFACTURED**
9 **CONSTRUCTION MATERIALS AND COMPONENTS;**

10 **(10) MAXIMIZE THE USE OF SKILLED LOCAL LABOR, PARTICULARLY**
11 **WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING COMPONENTS OF THE**
12 **PROJECT, USING METHODS INCLUDING OUTREACH, HIRING, OR REFERRAL**
13 **METHODS THAT ARE AFFILIATED WITH REGISTERED APPRENTICESHIP PROGRAMS**
14 **UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND EMPLOYMENT ARTICLE;**

15 **(11) GUARANTEE AGAINST STRIKES, LOCKOUTS, AND SIMILAR**
16 **DISRUPTIONS;**

17 **(12) ENSURE THAT ALL WORK ON THE PROJECT FULLY CONFORMS TO**
18 **ALL RELEVANT STATE AND FEDERAL LAWS, RULES, AND REGULATIONS;**

19 **(13) CREATE MUTUALLY BINDING PROCEDURES FOR RESOLVING**
20 **LABOR DISPUTES ARISING DURING THE TERM OF THE PROJECT;**

21 **(14) SET FORTH OTHER MECHANISMS FOR LABOR-MANAGEMENT**
22 **COOPERATION ON MATTERS OF MUTUAL INTEREST AND CONCERN, INCLUDING**
23 **PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH; AND**

24 **(15) BIND ALL CONTRACTORS AND SUBCONTRACTORS TO THE TERMS**
25 **OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE PROVISIONS IN**
26 **ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS.**

27 **7-1207.**

1 **(A) AN ORDER THE COMMISSION ISSUES APPROVING A PROPOSED**
2 **NUCLEAR ENERGY GENERATION PROJECT SHALL:**

3 **(1) SPECIFY THE LONG-TERM PRICING SCHEDULE;**

4 **(2) SPECIFY THE DURATION OF THE LONG-TERM PRICING SCHEDULE,**
5 **NOT TO EXCEED 30 YEARS;**

6 **(3) PROVIDE THAT:**

7 **(I) A PAYMENT MAY NOT BE MADE UNDER A LONG-TERM**
8 **PRICING SCHEDULE UNTIL ELECTRICITY SUPPLY IS GENERATED BY THE PROJECT;**
9 **AND**

10 **(II) RATEPAYERS AND THE STATE SHALL BE HELD HARMLESS**
11 **FOR ANY COST OVERRUNS ASSOCIATED WITH THE PROJECT; AND**

12 **(4) REQUIRE THAT ANY DEBT INSTRUMENT ISSUED IN CONNECTION**
13 **WITH THE PROJECT INCLUDE LANGUAGE SPECIFYING THAT THE DEBT INSTRUMENT**
14 **DOES NOT ESTABLISH A DEBT, OBLIGATION, OR LIABILITY OF THE STATE.**

15 **(B) AN ORDER APPROVING A PROPOSED NUCLEAR ENERGY GENERATION**
16 **PROJECT VESTS THE OWNER OF THE PROJECT WITH THE RIGHT TO RECEIVE**
17 **PAYMENTS ACCORDING TO THE TERMS IN THE ORDER.**

18 **(C) ON OR BEFORE MARCH 1 EACH YEAR, THE COMMISSION SHALL REPORT**
19 **TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
20 **GOVERNMENT ARTICLE, TO THE SENATE COMMITTEE ON EDUCATION, ENERGY,**
21 **AND THE ENVIRONMENT AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON:**

22 **(1) APPLICANT COMPLIANCE WITH THE MINORITY BUSINESS**
23 **ENTERPRISE PARTICIPATION GOALS UNDER § 7-1204(C) OF THIS SUBTITLE; AND**

24 **(2) WITH RESPECT TO THE COMMUNITY BENEFIT AGREEMENT UNDER**
25 **§ 7-1206 OF THIS SUBTITLE:**

1 **(I) THE AVAILABILITY AND USE OF OPPORTUNITIES FOR LOCAL**
2 **BUSINESSES AND SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED**
3 **BUSINESSES;**

4 **(II) THE SUCCESS OF EFFORTS TO PROMOTE CAREER TRAINING**
5 **OPPORTUNITIES IN THE MANUFACTURING, MAINTENANCE, AND CONSTRUCTION**
6 **INDUSTRIES FOR LOCAL RESIDENTS, VETERANS, WOMEN, AND MINORITIES; AND**

7 **(III) COMPLIANCE WITH THE MINORITY WORKFORCE GOAL**
8 **UNDER § 7-1206(B) OF THIS SUBTITLE.**

9 **7-1208.**

10 **(A) (1) IF THE COMMISSION APPROVES PROPOSALS THAT**
11 **DEMONSTRATE, BASED ON THE CRITERIA SPECIFIED IN § 7-1203 OF THIS SUBTITLE,**
12 **POSITIVE NET ECONOMIC, ENVIRONMENTAL, AND HEALTH BENEFITS TO THE STATE,**
13 **THE COMMISSION SHALL APPROVE ORDERS TO FACILITATE THE FINANCING OF**
14 **NUCLEAR ENERGY GENERATION PROJECTS.**

15 **(2) WHEN CALCULATING THE NET BENEFITS TO THE STATE UNDER**
16 **PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY CONTRACT FOR THE**
17 **SERVICES OF INDEPENDENT CONSULTANTS AND EXPERTS.**

18 **(B) THE COMMISSION MAY NOT APPROVE AN ORDER TO FACILITATE THE**
19 **FINANCING OF A NUCLEAR ENERGY GENERATION PROJECT UNLESS THE PROJECT IS**
20 **SUBJECT TO A COMMUNITY BENEFIT AGREEMENT UNDER § 7-1206 OF THIS**
21 **SUBTITLE.**

22 **7-1209.**

23 **(A) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL ASSEMBLY**
24 **FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE PROGRAM**
25 **UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT**
26 **ARTICLE ARE INCORPORATED IN THIS SECTION.**

27 **(B) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE UNITED**
28 **STATES CONSTITUTION, APPROVED APPLICANTS FOR A PROPOSED NUCLEAR**

1 ENERGY GENERATION PROJECT SHALL COMPLY WITH THE STATE'S MINORITY
2 BUSINESS ENTERPRISE PROGRAM.

3 (C) (1) WITHIN 6 MONTHS AFTER THE ISSUANCE OF AN ORDER THAT
4 APPROVES A NUCLEAR ENERGY GENERATION PROJECT AND INCLUDES A
5 LONG-TERM PRICING COMPONENT, THE GOVERNOR'S OFFICE OF SMALL,
6 MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE
7 OF THE ATTORNEY GENERAL AND THE APPROVED APPLICANT, SHALL ESTABLISH A
8 CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS
9 ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR EACH PHASE OF THE
10 NUCLEAR ENERGY GENERATION PROJECT.

11 (2) TO THE EXTENT PRACTICABLE, THE GOALS AND PROCEDURES SET
12 IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION SHALL BE BASED ON
13 THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND
14 PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT SUBTITLE.

15 (3) EVERY 6 MONTHS FOLLOWING THE ISSUANCE OF AN ORDER THAT
16 APPROVES A NUCLEAR ENERGY GENERATION PROJECT AND INCLUDES A
17 LONG-TERM PRICING COMPONENT, AN APPROVED APPLICANT SHALL SUBMIT A
18 REPORT ON ITS PROGRESS ESTABLISHING AND IMPLEMENTING MINORITY BUSINESS
19 ENTERPRISE GOALS AND PROCEDURES TO THE COMMISSION.

20 7-1210.

21 (A) THE COMMISSION SHALL ADOPT REGULATIONS THAT:

22 (1) ESTABLISH THE NUCLEAR ENERGY LONG-TERM PRICING
23 PURCHASE OBLIGATION SUFFICIENTLY IN ADVANCE TO ALLOW AN ELECTRIC
24 COMPANY TO REFLECT NUCLEAR ENERGY LONG-TERM PRICING COSTS AS A
25 NONBYPASSABLE SURCHARGE PAID BY ALL DISTRIBUTION CUSTOMERS OF THE
26 ELECTRIC COMPANY;

27 (2) ESTABLISH A NONBYPASSABLE SURCHARGE THAT ALLOWS AN
28 ELECTRIC COMPANY TO RECOVER ALL COSTS ASSOCIATED WITH THE PURCHASE OF
29 NUCLEAR ENERGY FROM ALL DISTRIBUTION CUSTOMERS OF THE ELECTRIC
30 COMPANY;

1 **(3) ESTABLISH AN ESCROW ACCOUNT THAT IS UNDER COMMISSION**
2 **SUPERVISION; AND**

3 **(4) DEFINE RULES THAT FACILITATE AND ENSURE THE SECURE AND**
4 **TRANSPARENT TRANSFER OF REVENUES AND LONG-TERM PRICING PAYMENTS**
5 **AMONG PARTIES.**

6 **(B) (1) EACH ELECTRIC COMPANY SHALL PROCURE FROM THE ESCROW**
7 **ACCOUNT ESTABLISHED BY REGULATION UNDER THIS SECTION A VOLUME OF**
8 **NUCLEAR ENERGY EQUAL TO THE ELECTRIC COMPANY'S RESPECTIVE PERCENTAGE**
9 **OF RETAIL ELECTRIC SALES EACH YEAR.**

10 **(2) (I) SUBJECT TO ANY ESCROW ACCOUNT RESERVE**
11 **REQUIREMENT THE COMMISSION ESTABLISHES, IF THERE IS INSUFFICIENT**
12 **NUCLEAR ENERGY AVAILABLE TO SATISFY THE ELECTRIC COMPANIES' NUCLEAR**
13 **ENERGY OBLIGATION, THE OVERPAYMENT SHALL BE DISTRIBUTED TO ELECTRIC**
14 **COMPANIES TO BE REFUNDED OR CREDITED TO EACH DISTRIBUTION CUSTOMER**
15 **BASED ON THE CUSTOMER'S CONSUMPTION OF ELECTRICITY SUPPLY THAT IS**
16 **SUBJECT TO THE CLEAN ENERGY PORTFOLIO STANDARD.**

17 **(II) SUBJECT TO ANY ESCROW ACCOUNT RESERVE**
18 **REQUIREMENT THE COMMISSION ESTABLISHES, THE CALCULATION OF AN**
19 **ELECTRIC COMPANY'S NUCLEAR ENERGY PURCHASE OBLIGATION SHALL BE BASED**
20 **ON FINAL ELECTRICITY SALES DATA AS REPORTED BY PJM INTERCONNECTION AND**
21 **MEASURED AT THE CUSTOMER METER.**

22 **(3) FOR EACH LONG-TERM PRICING SCHEDULE FOR WHICH A**
23 **NUCLEAR ENERGY GENERATION PROJECT RECEIVES PAYMENT, THE PROJECT**
24 **SHALL:**

25 **(I) SELL ALL ENERGY, CAPACITY, AND ANCILLARY SERVICES**
26 **ASSOCIATED WITH THE CREATION OF THE LONG-TERM PRICING INTO THE MARKETS**
27 **OPERATED BY PJM INTERCONNECTION; AND**

28 **(II) DISTRIBUTE THE PROCEEDS RECEIVED FROM THE SALES**
29 **UNDER ITEM (I) OF THIS PARAGRAPH TO ELECTRIC COMPANIES TO BE REFUNDED**
30 **OR CREDITED TO EACH DISTRIBUTION CUSTOMER BASED ON THE CUSTOMER'S**

1 CONSUMPTION OF ELECTRICITY SUPPLY THAT IS SUBJECT TO THE CLEAN ENERGY
2 PORTFOLIO STANDARD.

3 (C) A DEBT, OBLIGATION, OR LIABILITY OF A NUCLEAR ENERGY
4 GENERATION PROJECT OR OF AN OWNER OR OPERATOR OF A NUCLEAR ENERGY
5 GENERATION PROJECT MAY NOT BE CONSIDERED A DEBT, OBLIGATION, OR
6 LIABILITY OF THE STATE.

7 7-1211.

8 ON OR BEFORE JULY 1, 2027, THE COMMISSION SHALL ADOPT REGULATIONS
9 TO CARRY OUT THIS SUBTITLE.

10 **Article – State Government**

11 9-20C-01.

12 (a) In this subtitle the following words have the meanings indicated.

13 (b) “Administration” means the Maryland Energy Administration.

14 (c) “Advisory Committee” means the Maryland [Offshore Wind] CLEAN
15 ENERGY Business Development Advisory Committee established under § 9-20C-02 of this
16 subtitle.

17 (d) “Director” means the Director of the Maryland Energy Administration.

18 (e) “Emerging business” means a business that is at least 51% owned and
19 controlled by an individual or individuals who are certified to have a personal net worth,
20 as defined in § 14-301 of the State Finance and Procurement Article, that does not exceed
21 \$6,500,000 as adjusted each year for inflation according to the Consumer Price Index.

22 (f) “Fund” means the Maryland [Offshore Wind] CLEAN ENERGY Business
23 Development Fund established under § 9-20C-03 of this subtitle.

24 (g) “Minority” means an individual who is a member of any of the groups listed in
25 § 14-301(k)(1)(i) of the State Finance and Procurement Article.

1 9–20C–02.

2 (a) There is a Maryland [Offshore Wind] **CLEAN ENERGY** Business
3 Development Advisory Committee.

4 (b) The Advisory Committee shall make recommendations to the Administration
5 on the most effective manner to use money in the Fund consistent with the purposes of the
6 Fund.

7 (c) The Advisory Committee consists of the following members:

8 (1) two members of the Senate of Maryland, one from each of the principal
9 political parties, appointed by the President of the Senate;

10 (2) two members of the House of Delegates, one from each of the principal
11 political parties, appointed by the Speaker of the House;

12 (3) the Director or the Director’s designee;

13 (4) the Secretary of Commerce, or the Secretary’s designee;

14 (5) the Special Secretary of the Governor’s Office of Small, Minority, and
15 Women Business Affairs, or the Special Secretary’s designee; and

16 (6) the following [12] members, appointed by the Governor:

17 (i) [1] **ONE** representative of a public institution of higher education
18 in the State;

19 (ii) [1] **ONE** representative of a historically black or African
20 American university in the State;

21 (iii) [1] **ONE** representative of the State’s community colleges;

22 (iv) [1] **ONE** representative of the Maryland Independent Colleges
23 and Universities Association;

1 (v) [1] ONE representative of the Maryland Small Business
2 Development Center Network;

3 (vi) [1] ONE representative of the Maryland Business Coalition for
4 Offshore Wind;

5 (vii) [1] ONE representative of a business incubator in the State with
6 experience in providing services to minority business enterprises as defined in § 14–301 of
7 the State Finance and Procurement Article, or to emerging businesses, including emerging
8 businesses owned by minorities;

9 (viii) [1] ONE individual with experience in providing business
10 financing to minority business enterprises as defined in § 14–301 of the State Finance and
11 Procurement Article, or to emerging businesses, including emerging businesses owned by
12 minorities;

13 (ix) [1] ONE representative of an offshore wind developer;

14 (x) [1] ONE representative of an original equipment manufacturer;

15 (xi) [1] ONE individual who is a minority business advocate; [and]

16 (XII) TWO REPRESENTATIVES OF THE NUCLEAR ENERGY
17 INDUSTRY;

18 (XIII) TWO REPRESENTATIVES OF THE SOLAR ENERGY INDUSTRY;

19 (XIV) ONE REPRESENTATIVE OF THE ENERGY STORAGE
20 INDUSTRY; AND

21 [(xii)] (XV) [1] ONE individual with experience in [offshore wind]
22 supply chain issues.

23 (d) The Governor shall appoint the chair of the Advisory Committee.

24 (e) The Administration shall provide staff for the Advisory Committee.

25 (f) A member of the Advisory Committee:

1 (1) may not receive compensation as a member of the Advisory Committee;
2 but

3 (2) is entitled to reimbursement for expenses under the Standard State
4 Travel Regulations, as provided in the State budget.

5 (g) (1) On or before December 31, ~~[2013]~~ **2026**, the Advisory Committee shall
6 provide written recommendations to the Administration regarding the most effective use
7 of money in the Fund in order to maximize opportunities for emerging businesses in the
8 State, including minority–owned emerging businesses, to participate in ~~[the offshore wind~~
9 ~~industry]~~ **CLEAN ENERGY INDUSTRIES**.

10 (2) In making a recommendation under paragraph (1) of this subsection,
11 the Advisory Committee shall consider opportunities to maximize leveraging opportunities,
12 mentoring and protege models, innovation clusters, existing incubator and business
13 development programs, and the appropriate role of partnerships with the State’s
14 universities and community colleges.

15 **[(3) On or before December 31, 2014, the Advisory Committee shall provide**
16 **updated recommendations to the Administration.]**

17 (h) On completion and submission of the written recommendations required
18 under subsection (g) of this section, the Advisory Committee shall terminate its operation
19 and cease to meet.

20 9–20C–03.

21 (a) There is a Maryland ~~[Offshore Wind]~~ **CLEAN ENERGY** Business
22 Development Fund in the Administration.

23 SECTION 4. AND BE IT FURTHER ENACTED, That the publisher of the
24 Annotated Code of Maryland, in consultation with and subject to the approval of the
25 Department of Legislative Services, shall correct, with no further action required by the
26 General Assembly, cross–references and terminology rendered incorrect by this Act. The
27 publisher shall adequately describe any correction that is made in an editor’s note following
28 the section affected.

1 SECTION 5. AND BE IT FURTHER ENACTED, That a presently existing obligation
2 or contract right may not be impaired in any way by this Act.

3 SECTION 6. AND BE IT FURTHER ENACTED, That for fiscal year 2026, funds
4 from the Dedicated Purpose Account may be transferred by budget amendment, in
5 accordance with § 7–310 of the State Finance and Procurement Article, to implement the
6 requirements of §§ 7–1201, 7–1204, and 7–1211 of the Public Utilities Article, as enacted
7 by Section 1 of this Act.

8 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall be construed to
9 apply retroactively and shall be applied to and interpreted to affect all clean energy
10 portfolio standard compliance years that begin on or after January 1, 2025.

11 SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2025.