

SB0570/183225/1

BY: Education, Energy, and the Environment Committee

AMENDMENTS TO SENATE BILL 570
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, strike “each” and substitute “certain”; in the same line, strike “company” and substitute “companies and authorizing certain gas companies”; in line 6, strike “each” and substitute “certain”; in the same line, strike “company” and substitute “companies”; in line 12, strike “requiring” and substitute “authorizing”; in line 14, strike “and” and substitute a comma; in the same line, after “Counsel,” insert “a certain company, a certain certified representative, and certain customers,”; in line 17, strike “cover” and substitute “assist certain companies in covering”; in the same line, after “costs;” insert “providing for the payment and recovery of certain costs;”; in lines 19 and 20, strike “the Maryland Environmental Service to issue certain procurements for certain projects” and substitute “a gas company to be responsible for certain costs associated with certain behind-the-meter projects”; and in line 20, after “employment” insert “and wage”.

On page 2, in line 5, strike “Environnent” and substitute “Environment”.

AMENDMENT NO. 2

On page 3, in line 24, after “REGULATIONS” insert “, INCLUDING ALL REQUIRED TRAINING FOR EMPLOYEES”.

On page 4, strike beginning with “REFLECTS” in line 11 down through “(7)” in line 15; and in lines 18 and 23, strike “(8)” and “(9)”, respectively, and substitute “(7)” and “(8)”, respectively; after line 25, insert:

“(E) “FINANCING PROGRAM” MEANS THE ENERGY INFRASTRUCTURE REINVESTMENT CATEGORY OF THE TITLE 17 CLEAN ENERGY FINANCING PROGRAM.”;

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in lines 26, 28, and 31, strike “(E)”, “(F)”, and “(G)”, respectively, and substitute “(F)”, “(G)”, and “(I)”, respectively; and after line 30, insert:

“(H) “GREENHOUSE GAS REDUCTION FUND” MEANS THE GREENHOUSE GAS REDUCTION FUND UNDER THE FEDERAL INFLATION REDUCTION ACT OF 2022.”.

On page 5, in lines 1, 3, 6, and 9, strike “(H)”, “(I)”, “(J)”, and “(K)”, respectively, and substitute “(J)”, “(K)”, “(L)”, and “(M)”, respectively; in line 18, after “(1)” insert “(I)”; in the same line, after “COMPANY” insert “**THAT SERVES AT LEAST 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY**”; in lines 19 and 21, strike “(I)” and “(II)”, respectively, and substitute “**1.**” and “**2.**”, respectively; and after line 22, insert:

“(II) ON OR BEFORE OCTOBER 1, 2024, A GAS COMPANY THAT SERVES FEWER THAN 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY MAY DEVELOP A PLAN FOR A PILOT SYSTEM OR SYSTEMS IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.”.

On page 6, in line 5, after “(1)” insert “(I)”; in the same line, after “COMPANY” insert “**THAT SERVES AT LEAST 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY**”; after line 7, insert:

“(II) A GAS COMPANY THAT SERVES FEWER THAN 75,000 CUSTOMERS IN ITS DISTRIBUTION TERRITORY MAY SUBMIT A PROPOSAL FOR A PILOT SYSTEM TO THE COMMISSION AFTER PROVIDING AT LEAST 60 DAYS’ NOTICE TO THE COMMISSION OF THE COMPANY’S INTENT TO FILE A PROPOSAL.”;

in line 13, strike “SOUGHT ACCESS TO” and substitute “**OBTAINED, OR IS REASONABLY CERTAIN TO OBTAIN,**”; strike beginning with “ENERGY” in line 15

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down through “**ENERGY**” in line 16; and strike beginning with “**UNDER**” in line 17 down through “**2022**” in line 18.

On page 8, in line 5, strike “**AND**” and substitute:

“(XXI) THE EXTENT TO WHICH THE PROPOSAL IS COST-EFFECTIVE FOR RATEPAYERS; AND”;

in line 6, strike “**(XXI)**” and substitute “**(XXII)**”; in line 10, strike “**ENSURES**” and substitute “**IS PROJECTED TO ENSURE**”; in line 25, after “**INTEREST**” insert “**AND IS COST-EFFECTIVE**”; in line 26, strike “**SHALL**” and substitute “**MAY**”; in the same line, after “**APPROVE**” insert “**, APPROVE WITH MODIFICATIONS, OR REJECT**”; in line 27, after “**(3)**” insert “**(I)**”; and in line 29, strike “**(I)**” and substitute “**1.**”.

On page 9, in lines 1, 2, 4, 6, 8, 9, and 11, strike “**1.**”, “**2.**”, “**(II)**”, “**(III)**”, “**(IV)**”, “**1.**”, and “**2.**”, respectively, and substitute “**A.**”, “**B.**”, “**2.**”, “**3.**”, “**4.**”, “**A.**”, and “**B.**”, respectively; in line 7, strike “**AND**”; in line 12, after “**TERRITORY**” insert “**; AND**”.

5. DETERMINE WHETHER THE PROPOSAL IS COST-EFFECTIVE IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(II) A PROPOSAL UNDER THIS SECTION IS COST-EFFECTIVE IF THE COMMISSION DETERMINES THAT:

1. THE PROJECTED BENEFITS ARE GREATER THAN THE PROJECTED COSTS FOR ALL RATEPAYERS IN THE GAS COMPANY’S SERVICE TERRITORY;

2. THE GAS COMPANY HAS OBTAINED, OR IS REASONABLY CERTAIN TO OBTAIN, FEDERAL FUNDING UNDER THE FINANCING

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PROGRAM OR THE GREENHOUSE GAS REDUCTION FUND TO SUPPORT THE COSTS OF A PILOT SYSTEM; AND

3. THE FEDERAL FUNDING THAT THE GAS COMPANY HAS OBTAINED, OR IS REASONABLY CERTAIN TO OBTAIN, TO SUPPORT THE COSTS OF A PILOT SYSTEM WOULD NOT BE MORE COST-EFFECTIVE IN MEETING OTHER GREENHOUSE GAS REDUCTION OR ELECTRIFICATION MEASURES IN THE STATE”;

in line 26, after “INITIATED” insert “AND OPERATIONAL”; in line 29, after “ADMINISTRATION” insert a comma; in the same line, strike “AND”; and in the same line, after “COUNSEL,” insert “THE ELECTRIC, GAS, OR WATER COMPANY THAT OWNS AND MANAGES THE PILOT SYSTEM, A CERTIFIED REPRESENTATIVE OF THE EMPLOYEES OF THE ELECTRIC COMPANY, GAS COMPANY, OR WATER COMPANY THAT OWNS AND MANAGES THE PILOT SYSTEM, AND PARTICIPATING CUSTOMERS,”.

On page 10, after line 3, insert:

“(III) IF A DETERMINATION IS MADE THAT A PILOT SYSTEM WILL NOT BE MADE PERMANENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION MAY APPROVE RECOVERY OF ALL PRUDENTLY INCURRED COSTS NECESSARY FOR A GAS COMPANY TO COMPLY WITH THE DETERMINATION.

(3) THE COMMISSION SHALL ADOPT REGULATIONS ADDRESSING THE DECOMMISSIONING OR DISCONTINUANCE OF A PILOT SYSTEM, INCLUDING REGULATIONS ENSURING THAT THE CUSTOMERS WHO PARTICIPATED IN THE PILOT SYSTEM DO NOT INCUR ADDITIONAL EXPENSES FOR THE DECOMMISSIONING OR INSTALLATION OF AN APPLIANCE THAT IS USED IN THE PILOT SYSTEM AND IS DECOMMISSIONED BEFORE THE END OF ITS USEFUL LIFE.”;

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and in line 26, after “**ARTICLE**” insert “**OR ANY OTHER SOURCE OF STATE OR FEDERAL FUNDING**”.

On page 11, in line 3, after “**ARE**” insert “**NECESSARY TO MEET THE REQUIREMENTS UNDER THIS SECTION,**”; in the same line, after “**REASONABLE**” insert a comma; in line 5, strike “**SHALL**” and substitute “**MAY**”; in line 10, after “**(1)**” insert “**(I)**”; in line 14, strike “**COVER**” and substitute “**ASSIST AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY IN COVERING**”; in line 15, strike “**AND WEATHERIZATION**”; after line 19, insert:

“(II) FUNDS FROM THE FEDERAL INFLATION REDUCTION ACT MAY NOT EXCEED:

- 1. \$14,000 PER RESIDENTIAL UNIT; AND**
- 2. \$9,000,000 IN TOTAL.”;**

in line 20, after “**(2)**” insert “**(I)**”; in line 22, strike “**\$12,000,000**” and substitute “**\$9,000,000**”; after line 24, insert:

“(II) FUNDS RESERVED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE ALLOCATED NOT LATER THAN JUNE 30, 2028, AND SPENT NOT LATER THAN JUNE 30, 2030.”;

in line 32, strike “**THE MARYLAND ENVIRONMENTAL SERVICE**” and substitute “**A GAS COMPANY IMPLEMENTING A PILOT SYSTEM SHALL**”; and in line 33, strike “**SHALL ISSUE PROCUREMENTS**” and substitute “**BE RESPONSIBLE FOR CONSTRUCTION, INCLUDING ANY NECESSARY RENOVATIONS,**”.

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On page 12, after line 1, insert:

“(2) PURSUE ALL TAX CREDITS AND FEDERAL FUNDING AVAILABLE FOR FRONT-OF-THE-METER AND BEHIND-THE-METER PROJECTS; AND

(3) COORDINATE WITH THE ADMINISTRATION TO ACCESS FUNDS AVAILABLE UNDER THE FEDERAL INFLATION REDUCTION ACT, REBATES AND CREDITS AVAILABLE UNDER THE EMPOWER MARYLAND PROGRAM, AND ANY OTHER AVAILABLE FUNDS.

(C) (1) AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY THAT OWNS AND MANAGES A PILOT SYSTEM SHALL PAY FOR ANY COST NOT COVERED BY THE FUNDS AND TAX CREDITS SPECIFIED IN SUBSECTIONS (A) AND (B) OF THIS SECTION.

(2) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ANY COSTS INCURRED BY AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY AFTER ALL FUNDS AND TAX CREDITS SPECIFIED UNDER SUBSECTIONS (A) AND (B) OF THIS SECTION HAVE BEEN APPLIED MAY BE RECOVERED WITHIN 1 YEAR OF INCURRING THE COSTS THROUGH RATE ADJUSTMENTS OR ANOTHER MECHANISM APPROVED BY THE COMMISSION.

(D) IF AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY IS REQUIRED TO OWN BEHIND-THE-METER INFRASTRUCTURE FOR A SPECIFIED PERIOD OF TIME TO QUALIFY FOR A FUNDING SOURCE SPECIFIED UNDER SUBSECTION (A)(1)(I) OF THIS SECTION:

(1) THE COST ASSOCIATED WITH THE BEHIND-THE-METER INFRASTRUCTURE SHALL BE RECOVERED WITHIN THE SPECIFIED OWNERSHIP PERIOD REQUIRED FOR THE FUNDING;

(2) THE ELECTRIC COMPANY, GAS COMPANY, OR WATER COMPANY SHALL MAINTAIN THE BEHIND-THE-METER INFRASTRUCTURE DURING THE SPECIFIED OWNERSHIP PERIOD REQUIRED FOR THE FUNDING; AND

(3) OWNERSHIP OF THE BEHIND-THE-METER INFRASTRUCTURE SHALL TRANSFER TO THE ELECTRIC, GAS, OR WATER CUSTOMER WHO THE INFRASTRUCTURE WAS INSTALLED TO BENEFIT WHEN THE SPECIFIED OWNERSHIP PERIOD REQUIRED FOR THE FUNDING LAPSES.

(E) NOTHING IN THIS SECTION MAY BE CONSTRUED TO AUTHORIZE OR PROHIBIT AN ELECTRIC COMPANY, A GAS COMPANY, OR A WATER COMPANY FROM RECOVERING COSTS OF BEHIND-THE-METER INFRASTRUCTURE THAT DOES NOT MEET THE REQUIREMENTS OF THIS SUBTITLE.”;

strike in their entirety lines 2 through 10, inclusive; in lines 12 and 21, in each instance, after “FRONT-OF-METER” insert “OR BEHIND-THE-METER”; and strike beginning with “ANY” in line 23 down through “(D)” in line 26.

On page 13, in line 6, after “WAGE” insert “RATE DETERMINED BY THE COMMISSIONER OF LABOR AND INDUSTRY”; in line 23, strike “AND”; in line 25, after “STANDING” insert “; AND”

8. ESTABLISH AND EXECUTE A PLAN TO MEET OR EXCEED THE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS ESTABLISHED UNDER SUBSECTION (D)(3) OF THIS SECTION”;

and in line 26, strike “(E)” and substitute “(D)”.