

HOUSE BILL 1535

C5

EMERGENCY BILL

5lr3630

By: **Delegates Szeliga, Arikan, Chisholm, Fisher, Grammer, M. Morgan, and Nawrocki**

Introduced and read first time: February 24, 2025

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies and Gas Companies – Customer Bill Surcharge – Repeal**

3 FOR the purpose of repealing on electric and gas bills a certain surcharge used to encourage
4 and promote the efficient use and conservation of energy in support of certain
5 greenhouse gas emissions reduction goals and targets; and generally relating to
6 surcharges imposed on electric company and gas company customers.

7 BY repealing and reenacting, with amendments,

8 Article – Public Utilities

9 Section 7–222(d) and 7–224(c)

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2024 Supplement)

12 BY repealing

13 Article – Public Utilities

14 Section 7–222(e)

15 Annotated Code of Maryland

16 (2020 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – State Government

19 Section 9–20B–05(a)

20 Annotated Code of Maryland

21 (2021 Replacement Volume and 2024 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – State Government

24 Section 9–20B–05(f)(4)

25 Annotated Code of Maryland

26 (2021 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utilities**

4 7–222.

5 (d) The Commission shall encourage and promote the efficient use and
6 conservation of energy in support of the greenhouse gas emissions reduction goals and
7 targets required under Title 2, Subtitle 12 of the Environment Article, established by the
8 Commission under § 7–223(b) of this subtitle, and specified in § 7–224(a)(2) of this subtitle
9 by:

10 (1) requiring each electric company and gas company to establish any
11 program or service that the Commission determines to be appropriate and cost-effective;
12 **AND**

13 (2) [adopting rate-making policies that provide, through a surcharge line
14 item on customer bills:

15 (i) full cost recovery of reasonably incurred costs for programs and
16 services established under item (1) of this subsection, including full recovery on a current
17 basis on or before January 1, 2028;

18 (ii) on or before December 31, 2032, the elimination of any unpaid
19 costs and unamortized costs that:

20 1. A. existed on December 31, 2024; or

21 B. were incurred before January 1, 2028; and

22 2. were accrued for the purpose of achieving statutory
23 targets for annual incremental gross energy savings;

24 (iii) compensation for any unpaid costs and unamortized costs under
25 item (ii) of this item at not more than each electric company's and each gas company's
26 average cost of outstanding debt; and

27 (iv) reasonable financial performance incentives and penalties for
28 investor-owned electric companies and gas companies, as appropriate; and

29 (3)] ensuring that adoption of electric customer choice under Subtitle 5 of
30 this title and gas customer choice under Subtitle 6 of this title does not adversely impact
31 these goals and targets.

1 [(e) The Commission shall, by regulation or order, require each electric company
2 and each gas company subject to subsection (a) of this section that has submitted to the
3 Commission, on or before July 1, 2024, a plan for achieving electricity or gas savings and
4 demand reduction targets to disclose the following information in a form and format readily
5 understandable to the average customer:

6 (1) that the surcharge imposed in accordance with subsection (d) of this
7 section includes the cost of paying down the unpaid costs and unamortized costs that were
8 accrued over time by programs and services required by the Commission dating back to
9 2008; and

10 (2) the period of time that the surcharge will include excess charges to pay
11 down the unpaid costs and unamortized costs.]

12 7–224.

13 (c) (1) The Department may procure or provide savings that are achieved
14 through funding sources that meet the standards of program funding through utility rates
15 or the U.S. Department of Energy.

16 (2) The Department may use the savings achieved through all funding
17 sources toward calculating the targeted greenhouse gas reductions if the funding sources
18 meet the standards of programs funded through[:

19 (i) a surcharge under § 7–222 of this subtitle; or

20 (ii)] the U.S. Department of Energy.

21 Article – State Government

22 9–20B–05.

23 (a) There is a Maryland Strategic Energy Investment Fund.

24 (f) The Administration shall use the Fund:

25 (4) to provide rate relief by offsetting electricity rates of residential
26 customers[, including an offset of surcharges imposed on ratepayers under Title 7, Subtitle
27 2, Part II of the Public Utilities Article];

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
29 measure, is necessary for the immediate preservation of the public health or safety, has
30 been passed by a yea and nay vote supported by three–fifths of all the members elected to
31 each of the two Houses of the General Assembly, and shall take effect from the date it is
32 enacted.