

HB1532/113421/1

BY: Delegate Fisher

AMENDMENTS TO HOUSE BILL 1532, AS AMENDED

AMENDMENT NO. 1

On page 1 of the Environment and Transportation Committee Amendments (HB1532/823929/1), in line 10 of Amendment No. 1, strike “altering the uses of” and substitute “repealing”; in line 15, after “customers;” insert “prohibiting a gas company and electric company from imposing a surcharge, tax, or fee to recover certain costs;”; and in lines 22 and 23, strike “authorizing and altering the recovery of certain costs” and substitute “repealing the authority to recover certain costs”.

On page 4 of the Environment and Transportation Committee Amendments, in line 16 of Amendment No. 1, strike “and reenacting, with amendments,”.

On page 5 of the Environment and Transportation Committee Amendments, in line 2 of Amendment No. 1, after “7-228,” insert “7-305,”; in line 3, after “7-510.3(o),” insert “7-706”; and after line 6, insert:

“BY repealing

Article - Public Utilities

Section 7-203 and 7-704.2(a)(3) and (4)

Annotated Code of Maryland

(2025 Replacement Volume and 2025 Supplement)”.

On page 6 of the Environment and Transportation Committee Amendments, after line 16 of Amendment No. 1, insert:

“BY repealing and reenacting, with amendments,

Article - Tax - General

Section 8-409(b)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 10 of the Environment and Transportation Committee Amendments, in Amendment No. 2, strike beginning with “All” in line 20 down through “(3)” in line 25; and in line 25, strike “(4)” and substitute “(2)”.

On page 11 of the Environment and Transportation Committee Amendments, in lines 1, 15, 17, 20, and 23 of Amendment No. 2, strike “(4)”, “(5)”, “(6)”, “(7)”, and “(8)”, respectively, and substitute “(2)”, “(3)”, “(4)”, “(5)”, and “(6)”, respectively.

On page 24 through 27 of the Environment and Transportation Committee Amendments, in Amendment No. 2, strike in their entirety the lines beginning with line 8 on page 24 through line 4 on page 27, inclusive.

On page 36 of the Environment and Transportation Committee Amendments, after line 14 of Amendment No. 2, insert:

“[7-203.

(a) (1) The Commission shall:

(i) impose an environmental surcharge per kilowatt hour of electricity distributed to retail electric customers within the State; and

(ii) authorize each electric company to add the full amount of the surcharge to its customers’ bills.

(2) To the extent that an electric company fails to collect the surcharge from its customers, the amount uncollected shall be deemed a cost of power distribution and allowed and computed as such together with other allowable expenses for purposes of rate making.

(b) (1) The Comptroller shall collect the revenue from the surcharge imposed under subsection (a) of this section and place the revenue into a special fund, the Environmental Trust Fund.

(2) The Comptroller shall maintain the method of collection of the surcharge from each electric company, and the money collected shall accrue to the Fund.

(c) (1) Each fiscal year, the Secretary of Natural Resources shall coordinate the preparation of the annual budget required to carry out the provisions of the Power Plant Research Program under Title 3, Subtitle 3 of the Natural Resources Article.

(2) Each fiscal year, on approval of the annual budget by the General Assembly for the Power Plant Research Program, the Commission shall establish the amount of the environmental surcharge per kilowatt hour of electric energy distributed in the State that is to be imposed on each electric company in accordance with subsection (a) of this section.

(d) (1) Notwithstanding any other provision of this subtitle, the amount of the surcharge for each account of each retail electric customer may not exceed the lesser of 0.15 mill per kilowatt hour or \$1,000 per month.

(2) The Department of Natural Resources shall credit against the amount the Commission requires each electric company to pay into the Environmental Trust Fund 0.75% of the total surcharge amount attributed to the electric company on the basis of the amount of the electricity distributed in the State.

(e) To the extent that the Commission requires an electric company to report the total estimated kilowatt hours of electricity distributed in the State in order to calculate the surcharge under subsection (a)(1) of this section, a small rural electric cooperative described in § 7-502(a) of this title may satisfy the requirement by submitting to the Commission an estimate made in accordance with a formula approved by the Commission from information that the small rural electric cooperative submits to the rural utilities service that includes the required information.

(f) The surcharge imposed under this subtitle shall terminate on June 30, 2030.]”.

On page 63 of the Environment and Transportation Committee Amendments, in line 15 of Amendment No. 2, after “effective:” insert “AND”.

On pages 63 and 64 of the Environment and Transportation Committee Amendments, in Amendment No. 2, strike in their entirety the lines beginning with line 16 on page 63 through line 7 on page 64, inclusive.

On page 64 of the Environment and Transportation Committee Amendments, in line 8 of Amendment No. 2, strike “(3)” and substitute “(2)”.

On page 75 of the Environment and Transportation Committee Amendments, after line 17 of Amendment No. 2, insert:

“7-305.

(a) A gas company or electric company may bill its customers for gas, electricity, or any other service it renders only on the basis of the net total cost of the service under the applicable rate that is filed for that service.

(b) (1) The Commission may authorize a gas company or electric company to apply an additional charge over the net total cost to any bill or part of a bill that is not paid:

(i) within 20 days for a residential customer or residential cooperative; or

(ii) within 15 days for any other customer.

(2) (i) The additional charge that is applied by a gas company or electric company under this subsection may not exceed 5% of the net bill or part of the bill.

(ii) Unless the Commission approves the imposition of different charges on different classes of customers, any additional charges applied by a gas company or electric company under this subsection shall be uniform for all customers.

(C) A GAS COMPANY OR ELECTRIC COMPANY MAY NOT ADOPT A SURCHARGE, TAX, OR FEE TO RECOVER COSTS ABOVE THE OPERATING AND MAINTENANCE COSTS AND CAPITAL COSTS OF THE GAS OR ELECTRIC SERVICE

UNDER THE APPLICABLE RATE THAT IS FILED FOR THAT SERVICE, INCLUDING TO COVER COSTS INCURRED BY:

(1) THE STATE'S PARTICIPATION IN THE REGIONAL GREENHOUSE GAS INITIATIVE IN ACCORDANCE WITH TITLE 2, SUBTITLE 12 OF THE ENVIRONMENT ARTICLE;

(2) CONGESTION AND CAPACITY CHARGES; AND

(3) MANDATORY INVESTMENTS IN ELECTRIC SYSTEM INFRASTRUCTURE TO SUPPORT ELECTRIFICATION, RESILIENCE, AND ACHIEVING CLEAN ENERGY GOALS.”.

On page 84 of the Environment and Transportation Committee Amendments, after line 11 of Amendment No. 2, insert:

“7-704.2.

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

(4) The Commission shall adopt regulations that establish:

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

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

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

(Over)

7-706.

[(a) (1) Except as provided in paragraph (2) of this subsection, in accordance with the obligation to provide standard offer service through the bid process created under § 7-510 of this title, the Commission shall allow an electricity supplier to recover actual dollar-for-dollar costs incurred, including a compliance fee under § 7-705 of this subtitle.] **THE COMMISSION MAY NOT ALLOW AN ELECTRICITY SUPPLIER TO RECOVER COSTS INCURRED, INCLUDING COMPLIANCE FEES,** in complying with a State-mandated renewable energy portfolio standard.

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

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

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

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

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

(c) Any cost recovery under this section:

(1) for all electricity suppliers, may be in the form of a generation surcharge payable by all current electricity supply customers, except as otherwise provided in § 7-704(e) of this subtitle;

(2) shall be disclosed to customers in a manner to be determined by the Commission; and

(3) may not include the costs for a power purchase contract under the federal Public Utility Regulatory Policy Act contemplated in rates or restructuring proceedings.

(d) (1) In accordance with regulations adopted by the Commission in consultation with the Department of Commerce, the Commission may waive the recovery of all or part of the compliance fee assessed on the load of a particular industrial or nonretail commercial customer for a particular year, based on a demonstration by the applicant of an extreme economic hardship that significantly impairs the continued operation of the applicant.

(2) Any compliance fee recovery that is waived under this subsection may not be assessed against other customers.

(3) An electricity supplier is not liable for any compliance fee that is waived under this subsection.】

On page 105 of the Environment and Transportation Committee Amendments, after line 10 of Amendment No. 2, insert:

“Article – Tax – General

8–409.

(b) A public service company may NOT surcharge its customers for the public service company franchise tax imposed under § 8–402.1 of this subtitle.”