

HOUSE BILL 1037

C5, M5

5lr2311
CF SB 909

By: **Delegate Crosby**

Introduced and read first time: February 5, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Energy Resource Adequacy and Planning Act**

3 FOR the purpose of establishing the Integrated Resource Planning Office in the Public
4 Service Commission; requiring the Office to develop a Comprehensive Energy
5 Forecast and conduct a certain study to support the development of the Forecast;
6 requiring the Office, in consultation with the Commission and the Maryland Energy
7 Administration, to complete certain energy modeling; requiring the Commission, in
8 consultation with the Office, to adopt regulations requiring each electric company to
9 develop a certain integrated resource plan; and generally relating to the Integrated
10 Resource Planning Office and energy resource planning.

11 BY adding to
12 Article – Public Utilities
13 Section 7–1201 through 7–1206 to be under the new subtitle “Subtitle 12. Integrated
14 Resource Planning Office”
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2024 Supplement)

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

19 **Article – Public Utilities**

20 **SUBTITLE 12. INTEGRATED RESOURCE PLANNING OFFICE.**

21 **7–1201.**

22 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
23 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(B) "DEMAND ELEMENT" MEANS A SPECIFIC FACTOR OR COMPONENT THAT CONTRIBUTES TO THE OVERALL ELECTRICITY LOAD OR DEMAND.

(C) "DIRECTOR" MEANS THE DIRECTOR OF THE INTEGRATED RESOURCE PLANNING OFFICE.

(D) "FORECAST" MEANS THE COMPREHENSIVE ENERGY FORECAST.

(E) "OFFICE" MEANS THE INTEGRATED RESOURCE PLANNING OFFICE.

7-1202.

(A) THERE IS AN INTEGRATED RESOURCE PLANNING OFFICE IN THE COMMISSION.

(B) (1) THE HEAD OF THE OFFICE IS THE DIRECTOR.

(2) THE DIRECTOR SHALL:

(I) BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE; AND

(II) SERVE AT THE PLEASURE OF THE GOVERNOR.

(C) (1) THE COMMISSION SHALL PROVIDE THE OFFICE WITH SUFFICIENT STAFF AND RESOURCES TO PERFORM THE FUNCTIONS OF THIS SUBTITLE.

(2) THE OFFICE MAY HIRE A PRIVATE CONSULTANT IF NECESSARY TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE.

(D) IN ORDER TO CARRY OUT THE REQUIREMENTS OF THIS SUBTITLE, THE OFFICE SHALL COLLABORATE WITH:

(1) THE MARYLAND ENERGY ADMINISTRATION;

(2) THE COMMISSION;

(3) THE POWER PLANT RESEARCH PROGRAM;

(4) THE MARYLAND CLEAN ENERGY CENTER; AND

(5) THE DEPARTMENT OF THE ENVIRONMENT.

1 **7-1203.**

2 **(A) THE OFFICE SHALL DEVELOP A 25-YEAR COMPREHENSIVE ENERGY**
3 **FORECAST.**

4 **(B) THE PURPOSE OF THE FORECAST IS TO ANALYZE ENERGY SCENARIOS**
5 **AND POLICY OPTIONS FOR MEETING THE STATE'S ENERGY NEEDS AND**
6 **GREENHOUSE GAS EMISSIONS REDUCTION GOALS WHILE ENSURING ELECTRIC**
7 **DISTRIBUTION SYSTEM RELIABILITY AND COST-EFFECTIVENESS CONSISTENT WITH**
8 **THE LONG-TERM ENERGY NEEDS OF THE STATE.**

9 **(C) THE FORECAST SHALL INCLUDE:**

10 **(1) REASONABLE PROJECTIONS FOR ELECTRICITY LOAD AND**
11 **DEMAND FROM 2025 THROUGH 2050 THAT INCLUDE:**

12 **(I) STATEWIDE DEMAND ELEMENTS; AND**

13 **(II) DEMAND ELEMENTS FOR SPECIFIC ELECTRIC SERVICE**
14 **TERRITORIES;**

15 **(2) SCENARIOS FOR MEETING:**

16 **(I) STATE ENERGY NEEDS AND GREENHOUSE GAS EMISSIONS**
17 **REDUCTION GOALS; AND**

18 **(II) LOAD FORECASTS IN THE PJM REGION, AS DEFINED IN §**
19 **7-101 OF THIS TITLE; AND**

20 **(3) A STRATEGY TO MEET THE SCENARIO THAT THE OFFICE**
21 **DETERMINES BEST MEETS THE NEEDS STATED IN ITEM (2) OF THIS SUBSECTION AND**
22 **THAT INCLUDES:**

23 **(I) INFORMATION ON THE SCENARIO'S IMPACT ON ENERGY**
24 **RELIABILITY AND GREENHOUSE GAS EMISSIONS REDUCTIONS;**

25 **(II) THE FINANCIAL IMPACT OF THE SCENARIO ON THE STATE**
26 **AND RATEPAYERS;**

27 **(III) 1. SHORT- AND LONG-TERM RECOMMENDATIONS FOR**
28 **THE GENERATION, DISTRIBUTION, TRANSMISSION, AND STORAGE OF ELECTRICITY,**
29 **SUPPORTED BY ANALYSES THAT BALANCE AFFORDABILITY, RELIABILITY, AND**
30 **GREENHOUSE GAS EMISSIONS REDUCTIONS; AND**

1 **2. RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO**
2 **IMPLEMENT THE SHORT- AND LONG-TERM RECOMMENDATIONS;**

3 **(IV) LOCATIONAL VALUE ESTIMATIONS INCLUDING PRIORITY**
4 **GENERATION AND TRANSMISSION ZONES ATTRACTIVE FOR RESOURCE**
5 **DEVELOPMENT;**

6 **(V) A SUMMARY OF RELEVANT REGULATORY AND**
7 **ADMINISTRATIVE PROCEDURES THAT COULD BE STREAMLINED OR MODERNIZED**
8 **FOR GREATER EFFICIENCY;**

9 **(VI) THE USE OF ALL BEST AVAILABLE TECHNOLOGIES AND**
10 **TECHNOLOGIES THAT MAY BECOME AVAILABLE IN THE FUTURE;**

11 **(VII) SENSITIVITIES RELATED TO VARIOUS LEVELS OF**
12 **ELECTRIFICATION AND THE ADOPTION OF LOAD FLEXIBILITY AND DISTRIBUTED**
13 **ENERGY RESOURCES;**

14 **(VIII) METHODS FOR ACHIEVING 60%, 80%, AND 100% OF THE**
15 **STATE'S ENERGY NEEDS THROUGH IN-STATE GENERATION;**

16 **(IX) AN INDEPENDENT RATEPAYER IMPACT ANALYSIS;**

17 **(X) RELATED INVESTMENTS IN ELECTRICITY AND GAS**
18 **INFRASTRUCTURE, INCLUDING ANY INTERPLAY BETWEEN THE TWO;**

19 **(XI) ECONOMIC DEVELOPMENT AND WORKFORCE**
20 **OPPORTUNITIES;**

21 **(XII) STATE FINANCING OPTIONS, INCLUDING STATE**
22 **PROCUREMENT AND MULTISTATE PROCUREMENT;**

23 **(XIII) UTILITY BUSINESS MODELS, TARIFFS, AND COST RECOVERY;**

24 **(XIV) SUPPORTIVE MARKET STUDIES;**

25 **(XV) PLANS FOR LEVERAGING AVAILABLE FEDERAL FUNDS; AND**

26 **(XVI) KEY FINDINGS FROM THE STUDY REQUIRED UNDER**
27 **SUBSECTION (D) OF THIS SECTION.**

1 **(D) (1) ON OR BEFORE SEPTEMBER 30, 2026, THE OFFICE SHALL**
2 **CONDUCT A STUDY TO SUPPORT THE DEVELOPMENT OF THE FORECAST.**

3 **(2) THE OFFICE SHALL HIRE A PRIVATE CONSULTANT TO MEET THE**
4 **REQUIREMENTS OF THIS SECTION.**

5 **(3) AS PART OF THE STUDY:**

6 **(I) THE COMMISSION SHALL STUDY:**

7 1. **THE VIABILITY OF ENERGY STORAGE AS A**
8 **TRANSMISSION ASSET;**

9 2. **THE NECESSITY OF AN INDEPENDENT DISTRIBUTION**
10 **OPERATOR; AND**

11 3. **IN CONSULTATION WITH THE MARYLAND ENERGY**
12 **ADMINISTRATION, RECONDUCTORING OPPORTUNITIES IN THE STATE;**

13 **(II) THE MARYLAND ENERGY ADMINISTRATION SHALL STUDY**
14 **THE FEASIBILITY OF PLACING SMALL MODULAR REACTORS ON FORMER**
15 **ELECTRICITY GENERATION SITES; AND**

16 **(III) THE POWER PLANT RESEARCH PROGRAM SHALL STUDY**
17 **STATE LAND SUITABLE FOR SOLAR ENERGY DEVELOPMENT.**

18 **(4) THE STUDY SHALL:**

19 **(I) INCLUDE AN ANALYSIS, MADE IN CONSULTATION WITH THE**
20 **DEPARTMENT OF TRANSPORTATION, OF METHODS FOR REDUCING**
21 **TRANSMISSION-CONSTRAINED AREAS THROUGH THE USE OF EXISTING**
22 **RIGHTS-OF-WAY;**

23 **(II) INCLUDE THE FEASIBILITY AND EFFICACY OF:**

24 1. **BROADENING THE STATE'S POWER PURCHASE**
25 **AGREEMENT AUTHORITY;**

26 2. **DEVELOPING ELECTRICITY PROCUREMENT PLANS TO**
27 **ENSURE ADEQUATE, RELIABLE, AFFORDABLE, EFFICIENT, AND ENVIRONMENTALLY**
28 **SUSTAINABLE ELECTRICITY SERVICE AT THE LOWEST TOTAL COST OVER TIME,**
29 **TAKING INTO ACCOUNT ANY PRICE STABILITY BENEFITS; AND**

1 **3. CONDUCTING COMPETITIVE PROCUREMENT**
2 **PROCESSES TO PROCURE THE RESOURCES IDENTIFIED IN THE PROCUREMENT**
3 **PLANS UNDER ITEM (II) OF THIS ITEM; AND**

4 **(III) INCLUDE AND INCORPORATE THE RESULTS OF THE STUDIES**
5 **REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION.**

6 **(5) ON OR BEFORE DECEMBER 31, 2026, THE OFFICE SHALL SUBMIT**
7 **A REPORT OF ITS FINDINGS AND ANY RECOMMENDATIONS TO THE GENERAL**
8 **ASSEMBLY IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**
9 **7-1204.**

10 **(A) THE OFFICE, IN CONSULTATION WITH THE COMMISSION AND THE**
11 **MARYLAND ENERGY ADMINISTRATION, SHALL COMPLETE ENERGY MODELING FOR**
12 **THE STRATEGY AND SCENARIOS INCLUDED IN THE FORECAST UNDER § 7-1203 OF**
13 **THIS SUBTITLE, AND FOR ANY CHANGES TO THE STRATEGY SET FORTH IN THE**
14 **FORECAST, THAT:**

15 **(1) ENABLES COST-BENEFIT ANALYSES OF ELECTRICITY PRICES BY**
16 **RESOURCE MIX TYPE;**

17 **(2) CONSIDERS THE TIMELINE FOR COMMERCIALIZATION OF ENERGY**
18 **TECHNOLOGIES AND WHEN THOSE TECHNOLOGIES MAY BECOME COST-EFFECTIVE;**

19 **(3) PROVIDES LOCATIONAL VALUE PLANNING;**

20 **(4) HAS THE ABILITY TO RUN POLICY SCENARIOS ANNUALLY IN**
21 **ORDER TO PROVIDE EFFECTIVE FEEDBACK TO THE GENERAL ASSEMBLY;**

22 **(5) CONSIDERS WHETHER THE TRANSITION TO DISTRIBUTED**
23 **RENEWABLE ENERGY IS DELIVERING SUFFICIENT ELECTRIC DISTRIBUTION SYSTEM**
24 **RELIABILITY OR WHETHER THERE ARE VULNERABILITIES THAT NEED TO BE**
25 **ADDRESSED;**

26 **(6) STRENGTHENS THE DIVERSITY, SUSTAINABILITY, AND**
27 **RESILIENCE OF THE ELECTRIC TRANSMISSION SYSTEM;**

28 **(7) ENHANCES THE ELECTRIC DISTRIBUTION SYSTEM AND**
29 **DEMAND-SIDE MANAGEMENT; AND**

30 **(8) MAY BE UPDATED ANNUALLY BASED ON STRATEGIES, POLICY**
31 **DECISIONS, AND PERIODIC REASSESSMENTS OF THE STATE'S ENERGY PORTFOLIO**

1 TO REMAIN UP-TO-DATE WITH THE EVOLUTION OF ENERGY GENERATION AND
2 TRANSMISSION.

3 (B) THE OFFICE SHALL PROVIDE A 45-DAY PERIOD FOR PUBLIC COMMENT
4 ON ANY MODELING COMPLETED UNDER THIS SECTION.

5 7-1205.

6 ON OR BEFORE SEPTEMBER 1, 2027, AND EVERY 2 YEARS THEREAFTER, THE
7 OFFICE SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF
8 THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT ON:

9 (1) THE STATUS OF THE FORECAST DEVELOPED UNDER § 7-1203 OF
10 THIS SUBTITLE AND ANY CHANGES TO THE STRATEGY SET FORTH IN THE FORECAST;
11 AND

12 (2) (I) ANY ENERGY MODELING COMPLETED UNDER § 7-1204 OF
13 THIS SUBTITLE IN THE IMMEDIATELY PRECEDING 2-YEAR PERIOD; AND

14 (II) ANY PUBLIC COMMENTS SUBMITTED IN RELATION TO THE
15 MODELING.

16 7-1206.

17 (A) ON OR BEFORE DECEMBER 1, 2025, THE COMMISSION, IN
18 CONSULTATION WITH THE OFFICE, SHALL ADOPT REGULATIONS REQUIRING EACH
19 ELECTRIC COMPANY TO DEVELOP AN INTEGRATED RESOURCE PLAN TO:

20 (1) FACILITATE ACHIEVING THE STATE'S GREENHOUSE GAS
21 EMISSIONS REDUCTIONS GOALS;

22 (2) FULFILL THE COMPANY'S OBLIGATION TO CHARGE JUST AND
23 REASONABLE RATES;

24 (3) MINIMIZE OR MITIGATE IMPACTS ON RATEPAYERS IN THE STATE;

25 (4) ENSURE BOTH SHORT-TERM AND LONG-TERM ELECTRIC
26 DISTRIBUTION SYSTEM RELIABILITY, INCLUDING MEETING THE RESOURCE
27 ADEQUACY NEEDS OF THE STATE;

28 (5) STRENGTHEN THE DIVERSITY, SUSTAINABILITY, AND RESILIENCE
29 OF THE ELECTRIC TRANSMISSION SYSTEM;

1 **(6) ENHANCE THE ELECTRIC DISTRIBUTION SYSTEM AND**
2 **DEMAND-SIDE MANAGEMENT; AND**

3 **(7) MINIMIZE LOCALIZED AIR POLLUTANTS AND OTHER GREENHOUSE**
4 **GAS EMISSIONS, WITH PRIORITY INITIALLY GIVEN TO UNDERSERVED COMMUNITIES**
5 **OR OVERBURDENED COMMUNITIES AS DEFINED IN § 1-701 OF THE ENVIRONMENT**
6 **ARTICLE.**

7 **(B) (1) ON OR BEFORE JULY 1, 2026, EACH ELECTRIC COMPANY SHALL**
8 **SUBMIT TO THE COMMISSION THE INTEGRATED RESOURCE PLAN REQUIRED UNDER**
9 **THIS SECTION.**

10 **(2) ON OR BEFORE JULY 1, 2031, AND EVERY 5 YEARS THEREAFTER,**
11 **EACH ELECTRIC COMPANY SHALL PROVIDE TO THE COMMISSION AN UPDATE ON**
12 **THE INTEGRATED RESOURCE PLAN REQUIRED UNDER THIS SECTION.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2025.