

BY: Senator Green

AMENDMENTS TO HOUSE BILL NO. 503, AS AMENDED  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1 of the bill, strike in its entirety line 2 and substitute “Electric Industry - Environmental Surcharge and Aggregation by Counties and Municipal Corporations”; strike beginning with “and” in line 4 down through “surcharge” in line 5 and substitute “requiring the Public Service Commission to establish a certain pilot program allowing certain counties and municipal corporations to act as aggregators for certain electricity customers under certain circumstances; requiring the Commission to adopt certain regulations; prohibiting the Commission from approving a certain application from a county or municipal corporation to act as an aggregator under certain circumstances; requiring the Commission to establish a certain time frame for certain aggregators to solicit bids for competitive generation supply; requiring a certain aggregator to ensure that certain notice is given and to give certain notice to certain electricity customers; prohibiting certain aggregators from including a certain new fee, tax, or other charge in certain aggregation charges or prices under certain circumstances; prohibiting certain aggregators from obtaining free or a disproportionately reduced cost of electricity service for itself through a certain aggregation group; prohibiting certain aggregators from excluding certain electricity customers from a certain aggregation group; authorizing the Commission to terminate an aggregator’s participation in the pilot program under certain circumstances; requiring the Commission to report to the Governor and the General Assembly on or before a certain date; providing for the termination of certain provisions of this Act; and generally relating to the environmental surcharge on certain electrical energy and a pilot program allowing a county or municipal corporation to act as an aggregator for certain electricity customers”; in line 13, after “Section” insert “1-101(b),”; in the same line, after “7-203” insert “, and 7-510(f)”; and after line 15, insert:

“BY adding to

Article - Public Utility Companies

Section 7-510(g)

Annotated Code of Maryland

(Over)

(1998 Volume and 2003 Supplement)”.

AMENDMENT NO. 2

In the Education, Health, and Environmental Affairs Committee Amendments (HB0503/154330/1), after line 1 of Amendment No. 2, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Public Utility Companies

1-101.

(b) (1) “Aggregator” means an entity or an individual that acts on behalf of a customer to purchase electricity or gas.

(2) “Aggregator” does not include:

(i) an entity or individual that purchases electricity or gas ONLY for its own use or for the use of its subsidiaries or affiliates;

(ii) a municipal electric utility or a municipal gas utility serving only in its distribution territory; or

(iii) a combination of governmental units that purchases electricity or gas ONLY for use by the governmental units.

7-510.

(f) [A] EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, A county or municipal corporation may not act as an aggregator unless the Commission determines there is not sufficient competition within the boundaries of the county or municipal corporation.

(G) (1) ON THE FILING OF AN APPROPRIATE APPLICATION, THE COMMISSION SHALL ESTABLISH A PILOT PROGRAM ALLOWING A COUNTY OR A MUNICIPAL CORPORATION OR A GROUP OF MUNICIPAL CORPORATIONS TO ACT AS AN AGGREGATOR FOR ELECTRICITY CUSTOMERS WITHIN THE BOUNDARIES OF THE COUNTY OR THE MUNICIPAL CORPORATION OR THE GROUP OF MUNICIPAL CORPORATIONS.

(2) THE COMMISSION SHALL ADOPT REGULATIONS THAT SET CRITERIA FOR THE APPROVAL OF AN APPLICATION FOR A COUNTY OR A MUNICIPAL CORPORATION TO ACT AS AN AGGREGATOR, INCLUDING CONSIDERATION OF:

(I) THE HISTORIC DEMAND OF A SERVICE TERRITORY PROPOSED TO BE INCLUDED IN THE AGGREGATION GROUP;

(II) PRICE STABILITY, WHICH MAY INCLUDE A BALANCED PORTFOLIO OF 1-YEAR, 2-YEAR, AND 3-YEAR CONTRACTS;

(III) AN APPROPRIATE VOLUMETRIC RISK MECHANISM; AND

(IV) ANY OTHER REQUIREMENT THAT THE COMMISSION DEEMS NECESSARY TO PROTECT THE PUBLIC INTEREST.

(3) THE COMMISSION SHALL ADOPT REGULATIONS THAT REQUIRE A COUNTY OR A MUNICIPAL CORPORATION APPLYING TO ACT AS AN AGGREGATOR TO:

(I) SUBMIT AN ORDINANCE FORMING THE AGGREGATOR THAT IS TO BE ADOPTED BY THE MUNICIPAL OR COUNTY GOVERNMENT; AND

(II) SUBMIT PROOF OF PASSAGE OF THE ORDINANCE.

(4) THE COMMISSION MAY NOT APPROVE AN APPLICATION THAT:

(I) INCLUDES IN THE PROPOSED AGGREGATION GROUP THE SERVICE TERRITORY OF:

1. AN ELECTRIC COOPERATIVE; OR
2. A MUNICIPAL ELECTRIC UTILITY;

- (II) IS RECEIVED ON OR AFTER JUNE 1, 2006;
- (III) DOES NOT COMPLY WITH THIS SUBSECTION; OR
- (IV) IS NOT IN THE PUBLIC INTEREST.

(5) THE COMMISSION SHALL ESTABLISH AN APPROPRIATE TIME FRAME FOR THE AGGREGATOR TO SOLICIT BIDS FOR COMPETITIVE GENERATION SUPPLY.

(6) (I) THE AGGREGATOR SHALL NOTIFY RESIDENTIAL ELECTRICITY CUSTOMERS THAT THE CUSTOMERS:

1. ARE IN THE AGGREGATION GROUP UNLESS THEY OPT OUT BY RETURNING THE NOTICE PROVIDED BY THE AGGREGATOR WITHIN 30 DAYS OF RECEIPT OF THE NOTICE;

2. MAY OPT OUT OF THE AGGREGATION GROUP AT ANY TIME AND RETURN TO THE STANDARD OFFER SERVICE OR SELECT AN ALTERNATIVE ELECTRICITY SUPPLIER;

3. MAY OPT IN TO THE AGGREGATION GROUP AFTER THE CUSTOMER'S CONTRACT WITH AN ALTERNATIVE ELECTRICITY SUPPLIER HAS TERMINATED; AND

4. MAY OPT IN TO THE AGGREGATION GROUP AT ANY TIME IF THE CUSTOMER IS WITH THE STANDARD OFFER SERVICE.

(II) THE AGGREGATOR SHALL ENSURE THAT NOTICE IS PROVIDED TO RESIDENTIAL ELECTRICITY CUSTOMERS:

1. THAT IF THE CUSTOMER RETURNS TO THE STANDARD OFFER SERVICE, THE PRICE MAY BE DIFFERENT FROM THE PRICE THE CUSTOMER PAID PRIOR TO BEING PLACED IN THE AGGREGATION GROUP; AND

2. REGARDING ANY OTHER TERMS OR CONDITIONS THAT THE COMMISSION CONSIDERS NECESSARY.

(7) THE AGGREGATOR MAY NOT:

(I) INCLUDE A NEW FEE, TAX, OR OTHER CHARGE NOT RELATED TO THE COST OF PROVIDING THE AGGREGATION SERVICE IN THE AGGREGATION CHARGES OR PRICE;

(II) OBTAIN FREE OR A DISPROPORTIONATELY REDUCED COST OF ELECTRICITY SERVICE FOR ITSELF THROUGH THE AGGREGATION GROUP; OR

(III) EXCLUDE FROM THE AGGREGATION GROUP ANY RESIDENTIAL ELECTRICITY CUSTOMER RESIDING WITHIN THE BOUNDARIES OF THE JURISDICTION OF THE COUNTY OR THE MUNICIPAL CORPORATION.

(8) THE COMMISSION MAY TERMINATE AN AGGREGATOR'S PARTICIPATION IN THE PILOT PROGRAM IF THE PRICE THE AGGREGATOR OBTAINED THROUGH THE BIDS EXCEEDS THE COMPARABLE STANDARD OFFER SERVICE PRICE IN THAT SERVICE TERRITORY.

SECTION 3. AND BE IT FURTHER ENACTED, That on or before December 31, 2006, the Public Service Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the implementation of the pilot program established in Section 2 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act shall take effect June 1, 2004. They shall remain effective for a period of 5 years and, at the end of May 31, 2009, with no further action required by the General Assembly, Sections 2 and 3 of this Act shall be abrogated and of no further force and effect.”.

AMENDMENT NO. 3

In the Education, Health, and Environmental Affairs Committee Amendments, in line 2 of

(Over)

Amendment No. 2, strike “2.” and substitute “5.”; and in line 8, strike “3.” and substitute “6.”.

On page 4 of the bill, in line 20, after “That” insert “, except as provided in Section 4 of this Act.”.