

# HOUSE BILL 744

C5, M3

71r2177

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By: **Delegates Stein, Cardin, V. Clagett, Hucker, Lafferty, Lawton, Mizeur, and Morhaim**

Introduced and read first time: February 8, 2007

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electric and Gas Companies - Energy Audits**

3 FOR the purpose of requiring electric companies and gas companies to perform energy  
4 audits of certain property and equipment of certain customers in accordance  
5 with certain regulations; establishing certain requirements for certain energy  
6 audits; providing that the fee charged for certain energy audits may not exceed  
7 the cost of performing them; providing a certain limit on the availability of  
8 certain energy audits of a single property; authorizing the recovery of certain  
9 costs in a certain manner; providing that this Act may not be construed to  
10 prevent certain energy audits from being performed by certain persons in  
11 certain manners; and generally relating to electric companies, gas companies,  
12 and energy audits.

13 BY repealing and reenacting, with amendments,  
14 Article - Public Utility Companies  
15 Section 7-211  
16 Annotated Code of Maryland  
17 (1998 Volume and 2006 Supplement)

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

20 **Article - Public Utility Companies**

21 7-211.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) Subject to review and approval by the Commission, each gas company  
2 and electric company shall develop and implement programs and services to encourage  
3 and promote the efficient use and conservation of energy by consumers, gas  
4 companies, and electric companies.

5 (b) The Commission shall:

6 (1) require each gas company and electric company to establish any  
7 program or service that the Commission deems appropriate and cost effective to  
8 encourage and promote the efficient use and conservation of energy;

9 (2) adopt rate-making policies that provide cost recovery and, in  
10 appropriate circumstances, reasonable financial incentives for gas companies and  
11 electric companies to establish programs and services that encourage and promote the  
12 efficient use and conservation of energy; and

13 (3) ensure that adoption of electric customer choice under Subtitle 5 of  
14 this title does not adversely impact the continuation of cost effective energy  
15 conservation and efficiency programs.

16 (c) (1) **EACH ELECTRIC COMPANY AND GAS COMPANY SHALL**  
17 **PERFORM AN ENERGY AUDIT OF PROPERTY OF A RESIDENTIAL CUSTOMER, ON**  
18 **REQUEST OF THE CUSTOMER, IN ACCORDANCE WITH REQUIREMENTS THAT THE**  
19 **COMMISSION ADOPTS BY REGULATION.**

20 (2) **THE ENERGY AUDIT SHALL:**

21 (i) **ESTIMATE CURRENT ANNUAL ENERGY CONSUMPTION**  
22 **BY STRUCTURES, MAJOR OPERATIONAL EQUIPMENT, AND OTHER PROPERTY OF**  
23 **THE CUSTOMER;**

24 (ii) **IDENTIFY EQUIPMENT AND PRACTICES THAT MAY BE**  
25 **ALTERED OR REPLACED TO LOWER ENERGY CONSUMPTION OR INCREASE**  
26 **ENERGY EFFICIENCY; AND**

27 (iii) **ESTIMATE ANNUAL ENERGY AND COST SAVINGS**  
28 **EXPECTED TO BE REALIZED FROM EACH REPLACEMENT OR ALTERATION OF**  
29 **EQUIPMENT OR PRACTICE.**

1           **(3) (I) THE FEE THAT AN ELECTRIC COMPANY OR GAS**  
2 **COMPANY CHARGES FOR AN ENERGY AUDIT UNDER THIS SUBSECTION MAY NOT**  
3 **EXCEED THE COST TO PERFORM IT.**

4           **(II) ALL OR PART OF THE COST OF AN AUDIT PERFORMED**  
5 **UNDER THIS SUBSECTION MAY BE RECOVERED THROUGH COST RECOVERY IN A**  
6 **TARIFF FILED BY THE ELECTRIC COMPANY OR GAS COMPANY.**

7           **(4) AN ELECTRIC COMPANY OR GAS COMPANY:**

8           **(I) MAY NOT BE REQUIRED TO PERFORM MORE THAN ONE**  
9 **FULL ENERGY AUDIT OF A PROPERTY EACH YEAR; BUT**

10           **(II) MAY BE REQUIRED TO PERFORM A SUPPLEMENTARY**  
11 **ENERGY AUDIT IN THE SAME YEAR AFTER THE CUSTOMER IMPLEMENTS**  
12 **IDENTIFIED ENERGY CONSERVATION OR EFFICIENCY MEASURES.**

13           **(5) THIS SUBSECTION MAY NOT BE CONSTRUED TO PREVENT AN**  
14 **ELECTRIC COMPANY, GAS COMPANY, ELECTRICITY SUPPLIER, GAS MASTER**  
15 **METER OPERATOR, OR OTHER PERSON FROM OFFERING OR PERFORMING AN**  
16 **ENERGY AUDIT BELOW COST OR AT NO COST, INDEPENDENTLY OR AS PART OF**  
17 **AN ENERGY CONSERVATION AND EFFICIENCY PROGRAM.**

18           **[(c)] (D) (1)** On or before February 1, 2001, the Commission, in  
19 consultation with the Maryland Energy Administration, shall report, subject to §  
20 2-1246 of the State Government Article, to the General Assembly on:

21           (i) the status of programs and services to encourage and  
22 promote the efficient use and conservation of energy; and

23           (ii) a recommendation for the appropriate funding level to  
24 adequately fund these programs and services.

25           (2) In determining whether a program or service encourages and  
26 promotes the efficient use and conservation of energy, the Commission shall consider,  
27 among other factors:

28           (i) the impact on jobs;

29           (ii) the impact on the environment;

1 (iii) the impact on rates; and

2 (iv) the cost-effectiveness.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2007.