

# SENATE BILL 734

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By: **Senators Pipkin, Kelley, Middleton, and Rosapepe**

Introduced and read first time: February 4, 2011

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Electric Companies – Long-Range Plans**

3 FOR the purpose of requiring an electric company to develop and submit to the Public  
4 Service Commission a certain long-range plan regarding the electric company's  
5 electricity needs; requiring the Commission to evaluate certain plans regarding  
6 generating needs and the means to meet those needs; requiring the Commission  
7 to issue certain orders upon completion of certain evaluations; and generally  
8 relating to the Public Service Commission and plans for long-range electricity  
9 needs.

10 BY repealing and reenacting, with amendments,  
11 Article – Public Utilities  
12 Section 7–201  
13 Annotated Code of Maryland  
14 (2010 Replacement Volume)

15 Preamble

16 WHEREAS, The use of integrated resource planning provides an approach to  
17 ensure that the means to meet Maryland's energy needs are reliable, cost effective,  
18 and consistent with State economic and environmental policies; now, therefore,

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

21 **Article – Public Utilities**

22 7–201.

23 (a) **(1) (I) EVERY 2 YEARS OR AS THE COMMISSION REQUIRES, AN**  
24 **ELECTRIC COMPANY SHALL DEVELOP AND SUBMIT TO THE COMMISSION A**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 LONG-RANGE PLAN REGARDING THE ELECTRIC COMPANY'S ELECTRICITY  
2 NEEDS AND THE MEANS TO MEET THOSE NEEDS.

3 (II) AN ELECTRIC COMPANY'S LONG-RANGE PLAN SHALL  
4 ADDRESS EACH OF THE ISSUES SPECIFIED IN PARAGRAPH (4) OF THIS  
5 SUBSECTION.

6 (2) THE COMMISSION SHALL EVALUATE THE LONG-RANGE PLANS  
7 OF THE ELECTRIC COMPANIES REGARDING ELECTRICITY NEEDS AND THE  
8 MEANS TO MEET THOSE NEEDS.

9 (3) (I) ON COMPLETION OF THE EVALUATION UNDER  
10 PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL ISSUE ORDERS  
11 AS APPROPRIATE TO EACH ELECTRIC COMPANY TO IMPLEMENT A PLAN.

12 (II) EACH ORDER SHALL INCLUDE:

13 1. A SCHEDULE FOR THE IMPLEMENTATION OF THE  
14 PLAN; AND

15 2. A REQUIREMENT THAT THE ELECTRIC COMPANY  
16 REPORT ON THE STATUS OF THE IMPLEMENTATION OF THE PLAN.

17 (4) AN ELECTRIC COMPANY, IN DEVELOPING ITS PLAN, AND THE  
18 COMMISSION, IN DEVELOPING AN ORDER, SHALL CONSIDER:

19 (I) FOR A NEW ELECTRICITY GENERATION FACILITY, THE  
20 APPROPRIATE TYPE OF FUEL OR TYPE OF RENEWABLE ENERGY SOURCE;

21 (II) IN ADDITION TO THE REQUIREMENTS OF § 7-211 OF  
22 THIS SUBTITLE, THE NEED TO DEPLOY ENERGY EFFICIENCY, CONSERVATION,  
23 AND DEMAND RESPONSE PROGRAMS;

24 (III) IN CONSIDERATION OF THE RENEWABLE PORTFOLIO  
25 ENERGY STANDARD UNDER SUBTITLE 7 OF THIS TITLE, THE APPROPRIATE  
26 ELECTRICITY SUPPLY MIX FOR THE STATE;

27 (IV) THE POTENTIAL IMPACT ON RATES AND CHARGES PAID  
28 BY CUSTOMERS;

29 (V) THE POTENTIAL IMPACT ON THE SERVICES AND  
30 CONDITIONS OF THE OPERATION OF THE ELECTRIC COMPANY; AND

1                   (VI) ANY OTHER ISSUES THE COMMISSION CONSIDERS  
2 RELEVANT IN RELATION TO THE PUBLIC INTEREST, CONVENIENCE, AND  
3 NECESSITY.

4                   (5) BY REGULATION OR, NOTWITHSTANDING TITLE 10, SUBTITLE  
5 1 OF THE STATE GOVERNMENT ARTICLE, BY ORDER, THE COMMISSION SHALL  
6 ADOPT PROCEDURES TO IMPLEMENT THIS SUBSECTION.

7                   (B) (1) [Annually] EACH YEAR, the Chairman of the Commission shall  
8 forward to the Secretary of Natural Resources a 10-year plan listing possible and  
9 proposed sites, including the associated transmission routes, for the construction of  
10 electric plants within the State.

11                   (2) (i) The Chairman shall delete from the 10-year plan any site  
12 that the Secretary of Natural Resources identifies as unsuitable in accordance with  
13 the requirements of § 3-304 of the Natural Resources Article.

14                   (ii) The Chairman may include a site deleted from a 10-year  
15 plan under subparagraph (i) of this paragraph in a subsequent 10-year plan.

16                   (3) The Chairman shall include information in the annual 10-year  
17 plan on current and projected efforts by electric companies and the Commission to  
18 moderate overall electrical generation demand and peak demand through the electric  
19 companies' promotion of energy conservation by customers and through the electric  
20 companies' use of alternative energy sources, including cogeneration.

21                   (4) To the extent that the Commission requires an electric company to  
22 report the information described in paragraph (3) of this subsection, a small rural  
23 electric cooperative described in § 7-502(a) of this title may satisfy the requirement by  
24 submitting to the Commission a copy of the power requirement study that the small  
25 rural electric cooperative submits to the rural utilities service.

26                   [(b)](C) (1) The Commission shall evaluate the cost-effectiveness of the  
27 investments by electric companies in energy conservation to reduce electrical demand  
28 and in renewable energy sources to help meet electrical demand.

29                   (2) The evaluation of investments shall include:

30                   (i) the electric companies' promotion and conduct of a building  
31 audit and weatherization program, including low-interest or no-interest electric  
32 company financing for the installation of energy conservation materials and renewable  
33 energy devices;

34                   (ii) utilization of renewable energy sources;

35                   (iii) promotion and utilization of electricity from cogeneration  
36 and wastes; and

1                                   (iv)   widespread   public   promotion   of   energy   conservation  
2 programs.

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2011.