

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 948
Economic Matters

(Delegate Morhaim)

Public Service Commission - Utility Customers - Carbon Footprint

This bill requires the Public Service Commission (PSC) to develop a methodology to calculate the “carbon footprint” for each customer of an electric or gas company (utility). “Carbon footprint” means the amount of carbon dioxide (CO₂) and other carbon compounds emitted due to the production and consumption of energy by a utility customer. Each utility must calculate the carbon footprint of each of its customers and include that information in its monthly bills.

Fiscal Summary

State Effect: PSC can handle the bill’s requirements with existing budgeted resources. Revenues are not affected.

Local Effect: Local government finances and operations are not materially affected.

Small Business Effect: None.

Analysis

Current Law: There is no requirement that utilities display a carbon footprint on customer bills; however, PSC regulations require other information to be included on customer bills, such as:

- the readings of all meters used for billing purposes at the end of the period for which the bill is rendered;

- the applicable rate schedule, including any seasonal or time differential in base rates for the billing period in which the differential is applicable, or identification of the applicable rate schedule;
- any State or local surcharges;
- the total due, including any prior unpaid amount but excluding the current late payment charge; and
- any conversions from meter reading units to billing units, or any calculations to determine billing units from recording or other devices, and any other factors used in determining the bill.

Background: Total United States energy-related emissions of CO2 by the electric power sector in 2014 were 2.0 billion metric tons, or about 37% of the 5.4 billion metric tons of energy-related emissions in that year. CO2 emissions per kilowatt-hour of electricity vary by energy source, as shown in **Exhibit 1**.

Exhibit 1
CO2 Emissions per Kilowatt-hour, Various Fuel Sources

<u>Fuel Source</u>	<u>Pounds of CO2 per Kilowatt-hour</u>
Coal	
Bituminous	2.07
Subbituminous	2.16
Lignite	2.17
Natural gas	1.22
Distillate oil (No. 2)	1.64
Residual oil (No. 6)	1.76

Source: U.S. Energy Information Administration

In Maryland, fossil fuels account for approximately 52% of the electricity generated. Coal-fired plants account for roughly 43%, natural gas-fired plants 8%, and petroleum liquids plants 1%. Nuclear and hydroelectric plants make up the bulk of the remaining sources at 40% and 5%, respectively. However, Maryland imports almost half of its electricity from other states, from a variety of (constantly changing) energy sources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, Office of People's Counsel,
U.S. Energy Information Administration, Department of Legislative Services

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