

HOUSE BILL 1327

C5

1lr1120
CF 1lr1103

By: **Delegate Dumais**

Introduced and read first time: February 8, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Transitional and Default Electric Service – Implementation**

3 FOR the purpose of requiring the Public Service Commission, by regulation or order, to
4 require that customers are provided access to certain charges for electricity service;
5 requiring the Commission to determine the terms and conditions of transitional
6 electric service and default service; requiring the Commission, by regulation or order,
7 to require a licensee to post a bond or other similar instrument with the Commission
8 at a level equal to a certain percentage of the electricity supplier's reported Maryland
9 gross receipts if necessary to ensure an electricity supplier's financial integrity;
10 authorizing the Commission to adopt regulations or issue orders to require periodic
11 electricity supplier license renewal, adopt a consumer bill of rights with certain
12 minimum requirements, and publish an annual electricity supplier report card;
13 prohibiting an electricity supplier from engaging in door-to-door sales; requiring an
14 electric company, on and after a certain date, to provide standard offer service to
15 residential and small commercial customers at a market price that permits recovery
16 of certain costs plus a reasonable return; requiring an electric company to cease
17 providing standard offer service on a certain date; authorizing an electric cooperative
18 to provide standard offer service on and after a certain date with Commission
19 approval; requiring the Commission to report to the Governor and the General
20 Assembly on the status of default service on and after a certain date and every
21 certain number of years thereafter; requiring the Commission to determine the
22 terms and conditions of transitional electric service and default service; requiring
23 the customer choice education section of the Commission's website to include a
24 description of the current price of transitional electric service; requiring the customer
25 choice shopping website to include a certain list; requiring the Commission to
26 administer the transition to default service through a competitive assignment
27 process beginning with electric service rendered on a certain date and thereafter;
28 requiring the Commission, on or before a certain date, to adopt rules or regulations
29 to develop standards for the competitive assignment process; requiring the
30 Commission to conduct a competitive assignment process by a certain date; requiring
31 the Commission to establish an application process and collect an application fee for

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 applicants seeking to be qualified participants in the competitive assignment
2 process; authorizing the Commission to retain an independent entity to assist in the
3 assignment process; requiring the Commission to ensure that an electricity supplier
4 applying to be a qualified participant in the competitive assignment process meets
5 certain qualifications and performs certain actions; requiring a certain fee to be
6 deposited into the Clean Energy Fund; requiring a qualified participant to meet
7 certain requirements as part of its proposal to participate in the competitive
8 assignment process; requiring each electric company, beginning on a certain date, to
9 provide certain notices to its existing standard offer service customers containing
10 certain information; requiring the Commission to divide classes of customers from
11 each electric company into competitive assignment groups; providing for the
12 structure of the competitive assignment process; providing for certain limitations on
13 the number of competitive assignment groups that a qualified participant can receive
14 in each electric company service territory; authorizing the Commission to waive the
15 limitations under certain circumstances; requiring the Commission to select the
16 qualified participants from each electric company service territory on the basis of a
17 single-day auction; providing for the clearing price in the single-day auction;
18 requiring certain similar customers to receive a single clearing process following the
19 competitive assignment process; authorizing the Commission to waive or modify the
20 limitations in the competitive assignment process if necessary; requiring the
21 Commission to conduct the competitive assignment process in time to allow
22 customers to be assigned to qualified participants beginning on a certain date;
23 requiring electricity suppliers who are selected to furnish transitional electric service
24 to customers through the competitive assignment process to be responsible for
25 certain duties beginning on a certain date; providing that certain customers
26 establishing service at a new location may authorize a supplier to act on the
27 customer's behalf to establish an account and utility service; requiring the
28 Commission to conduct a process to select electricity suppliers to serve as default
29 service suppliers following the competitive assignment process; requiring certain
30 residential and commercial customers to elect an electricity supplier; requiring an
31 electricity supplier furnishing certain services to issue customers a monthly supplier
32 consolidated bill; requiring electricity suppliers providing transitional or default
33 electric service to offer at least one low-income customer assistance program;
34 requiring electric generation suppliers providing default service, on or before a
35 certain date each year beginning in a certain year, to submit an annual report to the
36 Commission on the supplier's low-income customer assistance program; requiring
37 electric companies to recover reasonable and prudent costs, including administrative
38 costs, from distribution customers through a reconcilable adjustment clause;
39 prohibiting the Commission from approving a wholesale procurement contract for
40 standard offer service that extends service beyond a certain date; providing that an
41 electric company that the Commission determines has successfully implemented
42 default service has the right to an enhanced rate of return on common equity;
43 requiring the Commission to establish a consumer education program related to
44 implementing transitional and default electric service; requiring the Commission to
45 adopt regulations to implement this Act; requiring the Commission, in consultation
46 with the Maryland Energy Administration, to alter the qualifying clean energy
47 generation percentages under certain circumstances; establishing the Customer

1 Choice Clean Energy Fund as a special, nonlapsing fund; specifying the purpose of
2 the Fund; requiring the Commission to administer the Fund; requiring the
3 Commission to make certain determinations related to the Fund; authorizing the
4 Commission to assign responsibilities associated with administering the Fund to the
5 Maryland Energy Administration under certain circumstances; requiring the State
6 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying
7 the contents of the Fund; specifying the purpose for which the Fund may be used;
8 providing for the investment of money in and expenditures from the Fund; requiring
9 interest earnings of the Fund to be credited to the Fund; exempting the Fund from a
10 certain provision of law requiring interest earnings on State money to accrue to the
11 General Fund of the State; prohibiting an electricity supplier from engaging in
12 consolidated billing unless the supplier is licensed by the Commission; authorizing
13 an electricity supplier using supplier consolidated billing to direct an electric
14 company to disconnect service to a retail customer for nonpayment under certain
15 circumstances; making conforming changes; defining certain terms; making the
16 provisions of this Act severable; and generally relating to implementing transitional
17 and default electric service.

18 BY repealing and reenacting, with amendments,
19 Article – Public Utilities
20 Section 7–501, 7–505, 7–507, 7–510, 7–510.1, 7–510.2, and 7–511
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2020 Supplement)

23 BY adding to
24 Article – Public Utilities
25 Section 7–510.3, 7–510.4, and 7–510.5
26 Annotated Code of Maryland
27 (2020 Replacement Volume and 2020 Supplement)

28 BY repealing and reenacting, without amendments,
29 Article – State Finance and Procurement
30 Section 6–226(a)(2)(i)
31 Annotated Code of Maryland
32 (2015 Replacement Volume and 2020 Supplement)

33 BY repealing and reenacting, with amendments,
34 Article – State Finance and Procurement
35 Section 6–226(a)(2)(ii)122. and 123.
36 Annotated Code of Maryland
37 (2015 Replacement Volume and 2020 Supplement)

38 BY adding to
39 Article – State Finance and Procurement
40 Section 6–226(a)(2)(ii)124.
41 Annotated Code of Maryland
42 (2015 Replacement Volume and 2020 Supplement)

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

3 **Article – Public Utilities**

4 7–501.

5 (a) In this subtitle the following words have the meanings indicated.

6 (b) “Affiliate” means a person that directly or indirectly, or through one or more
7 intermediaries, controls, is controlled by, or is under common control with, or has, directly
8 or indirectly, any economic interest in another person.

9 (c) (1) “Assignee” means a person to whom an electric company assigns or
10 transfers all or a portion of its interest in intangible transition property, other than as
11 security.

12 (2) “Assignee” includes a person to whom all or a portion of the interest is
13 subsequently assigned or transferred.

14 **(D) “CLEAN ENERGY GENERATION” MEANS ELECTRIC GENERATION**
15 **SUPPLIED BY AN ELECTRICITY SUPPLIER WHERE THE SUPPLIER HAS PROCURED, AT**
16 **MAXIMUM, RENEWABLE ENERGY CREDITS THAT SATISFY THE RENEWABLE ENERGY**
17 **PORTFOLIO STANDARDS UNDER § 7–703 OF THIS ARTICLE FOR AT LEAST 43% TOTAL**
18 **RENEWABLE ENERGY AND 13% SOLAR GENERATION.**

19 **(E) “COMPETITIVE ASSIGNMENT PROCESS” MEANS A SYSTEM ESTABLISHED**
20 **BY THE COMMISSION FOR QUALIFIED PROVIDERS TO SUBMIT PROPOSALS TO**
21 **FURNISH TRANSITIONAL ELECTRIC SERVICE TO CUSTOMERS UNDER § 7–510.3 OF**
22 **THIS SUBTITLE.**

23 **(F) “COMPETITIVE BILLING” MEANS THE RIGHT OF A CUSTOMER TO**
24 **RECEIVE:**

25 **(1) A SINGLE BILL FROM AN ELECTRIC COMPANY OR ELECTRICITY**
26 **SUPPLIER THAT INCLUDES THE CHARGES FROM THE ELECTRIC COMPANY AND**
27 **ELECTRICITY SUPPLIER; OR**

28 **(2) SEPARATE BILLS FROM AN ELECTRIC COMPANY AND AN**
29 **ELECTRICITY SUPPLIER.**

30 **[(d)] (G) “Competitive transition charge” means a rate, charge, credit, or other**
31 **appropriate mechanism authorized to be imposed for the recovery of transition costs as**
32 **determined by the Commission under § 7–513 of this subtitle.**

1 [(e)] (H) “Consumer” and “customer” each means a retail electric customer.

2 [(f)] (I) “Customer choice” means the right of electricity suppliers and
3 customers to utilize and interconnect with the electric distribution system on a
4 nondiscriminatory basis at rates, terms, and conditions of service comparable to the electric
5 company’s own use of the system to distribute electricity from an electricity supplier to a
6 customer, under which a customer has the opportunity to purchase electricity from the
7 customer’s choice of licensed electricity suppliers.

8 **(J) “CUSTOMER CHOICE CLEAN ENERGY FUND” OR “CLEAN ENERGY**
9 **FUND” MEANS A FUND CREATED AND ADMINISTERED BY THE COMMISSION TO**
10 **SUPPORT AND ASSIST IN THE DEPLOYMENT OF DISTRIBUTED ENERGY GENERATION**
11 **RESOURCES FOR LOW-INCOME AND MODERATE-INCOME RESIDENTIAL AND SMALL**
12 **COMMERCIAL CUSTOMERS.**

13 **(K) “DEFAULT SERVICE” MEANS ELECTRIC SERVICE THAT AN ELECTRICITY**
14 **SUPPLIER OTHER THAN AN ELECTRIC COMPANY MAY OFFER TO CUSTOMERS UNDER**
15 **§ 7-510.3 OF THIS SUBTITLE.**

16 [(g)] (L) “Distribution territory” means the geographic area in which an electric
17 company was providing electric transmission or distribution services to customers on July
18 1, 1999.

19 **(M) “DOOR-TO-DOOR SALE” MEANS THE SALE OF ELECTRICITY AND**
20 **RELATED PRODUCTS AND SERVICES UNDER SINGLE OR MULTIPLE CONTRACTS, IN**
21 **WHICH:**

22 **(1) THE ELECTRICITY SUPPLIER OR ITS REPRESENTATIVE**
23 **PERSONALLY SOLICITS THE SALE AT THE BUYER’S RESIDENCE; AND**

24 **(2) THERE IS NO PREEXISTING RELATIONSHIP BETWEEN THE**
25 **ELECTRICITY SUPPLIER AND THE BUYER.**

26 [(h)] (N) “Independent system operator” means an entity authorized by the
27 Federal Energy Regulatory Commission to control a regional transmission grid.

28 [(i)] (O) “Initial implementation date” means:

29 (1) July 1, 2000, for investor-owned electric companies;

30 (2) the date or dates determined by the Commission for Electric
31 Cooperatives and Municipal Electric Utilities; or

32 (3) another date or dates determined by the Commission under § 7-510(b)

1 of this subtitle.

2 **[(j)] (P)** “Intangible transition charge” means a nonbypassable rate, charge, or
3 similar appropriate mechanism for the provision, availability, or termination of electric
4 service, authorized to be imposed for the recovery of qualified transition costs under a
5 qualified rate order of the Commission.

6 **[(k)] (Q)** “Intangible transition property” means the right, title, and interest of
7 an electric company or assignee in a qualified rate order, including:

8 (1) all rights in, to, and under the order, including rights to revenues,
9 collections, claims, payments, money, or other property and amounts arising from the
10 imposition of intangible transition charges under the order; and

11 (2) in the hands of an assignee:

12 (i) the right to require the electric company to provide electric
13 services, and to collect and remit the intangible transition charges authorized in the
14 qualified rate order; but

15 (ii) not the right or duty to provide electric services.

16 **[(l)] (R)** (1) “Public purpose program” means a program implemented with
17 the intention of furthering a public purpose.

18 (2) “Public purpose program” includes:

19 (i) a universal service program;

20 (ii) a program encouraging renewable energy resources;

21 (iii) a demand side management or other energy efficiency or
22 conservation program; and

23 (iv) a consumer education program.

24 **(S) (1) “QUALIFIED PROVIDER” MEANS AN ELECTRICITY SUPPLIER**
25 **APPROVED BY THE COMMISSION TO SUBMIT PROPOSALS TO SERVE TRANSITIONAL**
26 **ELECTRIC SERVICE CUSTOMERS AS PART OF THE COMPETITIVE ASSIGNMENT**
27 **PROCESS UNDER § 7-510.3 OF THIS SUBTITLE.**

28 **(2) “QUALIFIED PROVIDER” DOES NOT INCLUDE AN AGGREGATOR OR**
29 **A BROKER THAT IS LICENSED AS AN ELECTRICITY SUPPLIER.**

30 **[(m)] (T)** “Qualified rate order” means an order of the Commission approving one
31 or more intangible transition charges.

1 (U) "SMALL COMMERCIAL CUSTOMER" MEANS:

2 (1) A NONRESIDENTIAL CUSTOMER WITH METERED 30-MINUTE
3 DEMAND NOT EXCEEDING 25 KILOWATTS PER MONTH; OR

4 (2) IF THE CUSTOMER DOES NOT HAVE A METER CAPABLE OF
5 PROVIDING THE INFORMATION NEEDED TO DETERMINE 30-MINUTE DEMAND, A
6 NONRESIDENTIAL CUSTOMER WITH ENERGY CONSUMPTION LESS THAN 6,000
7 KILOWATT-HOURS IN ANY TWO CONSECUTIVE WINTER BILLING MONTHS AND LESS
8 THAN 7,500 KILOWATT-HOURS FOR A SINGLE SUMMER BILLING MONTH.

9 [(n)] (V) "Standard offer service" means electric service that an electric company
10 must offer to its customers under § 7-510(c) of this subtitle.

11 (W) "SUPPLIER CONSOLIDATED BILLING" MEANS A FORM OF COMPETITIVE
12 BILLING SERVICE IN WHICH AN ELECTRICITY SUPPLIER LICENSED BY THE
13 COMMISSION PROVIDES A SINGLE BILL TO A RETAIL CUSTOMER THAT INCLUDES
14 THE CHARGES FROM AN ELECTRIC COMPANY AND AN ELECTRICITY SUPPLIER.

15 [(o)] (X) "Transition bond" means a bond, debenture, note, certificate of
16 participation or beneficial interest, or other evidence of indebtedness or ownership,
17 approved in a qualified rate order and issued under an executed trust indenture or other
18 agreement of an electric company or assignee, and which is secured by, evidences ownership
19 interest in, or is payable from intangible transition property.

20 [(p)] (Y) "Transition cost" means a cost, liability, or investment that:

21 (1) traditionally would have been or would be recoverable under
22 rate-of-return regulation, but which may not be recoverable in a restructured electricity
23 supply market; or

24 (2) arises as a result of electric industry restructuring and is related to the
25 creation of customer choice.

26 (Z) "TRANSITIONAL ELECTRIC SERVICE" MEANS CLEAN ENERGY
27 GENERATION ELECTRIC SERVICE THAT AN ELECTRICITY SUPPLIER OTHER THAN AN
28 ELECTRIC COMPANY MAY OFFER TO CUSTOMERS UNDER § 7-510.3 OF THIS
29 SUBTITLE DURING THE TRANSITION FROM STANDARD OFFER SERVICE TO DEFAULT
30 SERVICE.

31 [(q)] (AA) (1) "Universal service program" means a program that helps
32 low-income customers maintain electric service.

33 (2) "Universal service program" includes customer bill assistance and

1 payment programs, termination of service protection, and policies and services that help
2 low-income customers to reduce or manage energy consumption in a cost-effective manner.

3 7-505.

4 (a) (1) In assessing and approving each electric company's restructuring plan,
5 and overseeing the transition process and regulation of the restructured electric industry,
6 the Commission shall provide that the transition to a competitive electricity supply and
7 electricity supply services market shall be orderly, maintain electric system reliability, and
8 ensure compliance with federal and State environmental regulations, be fair to customers,
9 electric company investors, customers of municipal electric utilities, electric companies, and
10 electricity suppliers, and provide economic benefits to all customer classes.

11 (2) The Commission shall consider the restructuring plans of municipal
12 electric utilities, as specified under § 7-510 of this subtitle.

13 (b) (1) The Commission shall issue the orders or adopt the regulations
14 required under this subsection before the implementation of customer choice.

15 (2) The Commission shall order a universal service program, to be made
16 available on a statewide basis, to benefit low-income customers, in accordance with §
17 7-512.1 of this subtitle.

18 (3) The Commission shall order an electric company to adopt policies and
19 practices reasonably designed to prevent:

20 (i) discrimination against a person, locality, or particular class of
21 service or giving undue or unreasonable preference in favor of the electric company's own
22 electricity supply, other services, divisions, or affiliates, if any; and

23 (ii) any other forms of self-dealing or practices that could result in
24 noncompetitive electricity prices to customers.

25 (4) (i) The Commission shall, by regulation or order, require each
26 electric company and electricity supplier to provide adequate and accurate information to
27 each customer on the available electric services of the electric company or electricity
28 supplier, including disclosure, every 6 months, of a uniform common set of information
29 about:

30 1. the fuel mix of the electricity purchased by customers,
31 including categories of electricity from coal, natural gas, nuclear, oil, hydroelectric, solar,
32 biomass, wind, and other resources, or disclosure of a regional fuel mix average; and

33 2. the emissions, on a pound per megawatt-hour basis, of
34 pollutants identified by the Commission, or disclosure of a regional fuel mix average.

35 (ii) The Commission may require an electric company or an

1 electricity supplier to provide documentation supporting the disclosures required under
2 subparagraph (i) of this paragraph.

3 (5) (i) The Commission shall, by regulation or order, require the
4 unbundling of electric company rates, charges, and services into standardized categories
5 determined by the Commission.

6 (ii) The Commission shall, by regulation or order, require that
7 [customers' bills] **CUSTOMERS ARE PROVIDED ACCESS TO THE FOLLOWING CHARGES**
8 for electricity service [indicate charges for]:

- 9 1. distribution and transmission;
- 10 2. transition charge or credit;
- 11 3. universal service program charges;
- 12 4. customer charges;
- 13 5. taxes; and
- 14 6. other charges identified by the Commission.

15 (6) The Commission shall issue orders or regulations to prevent an electric
16 company and an electricity supplier from disclosing a retail electric customer's billing,
17 payment, and credit information without the retail electric customer's consent, except as
18 allowed by the Commission for bill collection or credit rating reporting purposes.

19 (7) An electricity supplier may not engage in marketing, advertising, or
20 trade practices that are unfair, false, misleading, or deceptive.

21 (8) The Commission shall determine the terms, conditions, and rates of
22 standard offer service in accordance with[:

23 (i) Title 4 of this article; or

24 (ii) as applicable,] § 7-510(c)(4) of this subtitle.

25 **(9) THE COMMISSION SHALL DETERMINE THE TERMS AND**
26 **CONDITIONS OF TRANSITIONAL ELECTRIC SERVICE IN ACCORDANCE WITH § 7-510.3**
27 **OF THIS SUBTITLE.**

28 **(10) THE COMMISSION SHALL DETERMINE THE TERMS AND**
29 **CONDITIONS OF DEFAULT SERVICE IN ACCORDANCE WITH § 7-510.3 OF THIS**
30 **SUBTITLE.**

1 **[(9)] (11)** In connection with § 7–513 of this subtitle, the Commission may
2 not require an electric company to divest itself of a generation asset or prohibit an electric
3 company from divesting itself voluntarily of a generation asset.

4 **[(10)] (12)** (i) On or before July 1, 2000, the Commission shall issue
5 orders or adopt regulations reasonably designed to ensure the creation of competitive
6 electricity supply and electricity supply services markets, with appropriate customer
7 safeguards.

8 (ii) On or before July 1, 2000, the Commission shall require:

9 1. an appropriate code of conduct between the electric
10 company and an affiliate providing electricity supply and electricity supply services in the
11 State;

12 2. access by electricity suppliers and customers to the electric
13 company's transmission and distribution system on a nondiscriminatory basis;

14 3. appropriate complaint and enforcement procedures; and

15 4. any other safeguards deemed necessary by the
16 Commission to ensure the creation and maintenance of a competitive electricity supply and
17 electricity supply services market.

18 (iii) On or before July 1, 2000, the Commission shall require, among
19 other factors, functional, operational, structural, or legal separation between the electric
20 company's regulated businesses and its nonregulated businesses or nonregulated affiliates.

21 **[(11)] (13)** Nothing in this title may be construed as preventing the
22 application of State and federal consumer protection and antitrust laws to electric
23 companies and their affiliates, and to electricity suppliers.

24 **[(12)] (14)** The Commission, in consultation with the Department of the
25 Environment, shall adopt appropriate measures to maintain environmental standards,
26 adapt existing programs, and develop new programs as appropriate to ensure compliance
27 with federal and State environmental protection standards.

28 **[(13)] (15)** (i) An electric company shall comply with all requirements of
29 the Commission in conducting regulated operations in compliance with this division.

30 (ii) The Commission shall require each electric company to adopt a
31 code of conduct to be approved by the Commission by a date to be determined by the
32 Commission to prevent regulated service customers from subsidizing the services of
33 unregulated businesses or affiliates of the electric company.

34 (c) (1) Notwithstanding any other provision of law, including subsection (d) of
35 this section, the Commission may regulate the regulated services of an electric company

1 through alternative forms of regulation.

2 (2) The Commission may adopt an alternative form of regulation under this
3 section if the Commission finds, after notice and hearing, that the alternative form of
4 regulation:

5 (i) protects consumers;

6 (ii) ensures the quality, availability, and reliability of regulated
7 electric services; and

8 (iii) is in the interest of the public, including shareholders of the
9 electric company.

10 (3) Alternative forms of regulation may include:

11 (i) price regulation, including price freezes or caps;

12 (ii) revenue regulation;

13 (iii) ranges of authorized return;

14 (iv) rate of return;

15 (v) categories of services; or

16 (vi) price-indexing.

17 (d) (1) The Commission shall cap, for 4 years after initial implementation of
18 customer choice in the electric company's distribution territory, the total of the rates of an
19 electric company charged to a retail electric customer at the actual level of the rates in
20 effect or authorized by the Commission on the date immediately preceding the initial
21 implementation of customer choice in the electric company's distribution territory.

22 (2) (i) Except as provided in subparagraph (ii) of this paragraph, the
23 cap required under paragraph (1) of this subsection does not apply to the recovery of costs
24 added after January 1, 2000, in accordance with § 7-512(c) of this subtitle.

25 (ii) The cap required under paragraph (1) of this subsection applies
26 to the recovery of:

27 1. any transition costs under § 7-513 of this subtitle;

28 2. any costs included in rates on January 1, 2000, in
29 accordance with § 7-512(c) of this subtitle; and

30 3. costs for the universal service program established under

1 § 7–512.1 of this subtitle.

2 (3) As part of a settlement, the Commission may approve a cap for a
3 different time period or an alternative price protection plan that the Commission
4 determines is equally protective of ratepayers.

5 (4) (i) 1. Subject to the provisions of paragraph (5) of this
6 subsection, the Commission shall reduce residential rates for each investor–owned electric
7 company by an amount between 3% and 7.5% of base rates, as measured on June 30, 1999.

8 2. The reduction required under subparagraph 1 of this
9 subparagraph shall begin on the initial implementation date and remain in effect for 4
10 years.

11 3. The Commission shall determine the allocation of the rate
12 reduction among the generation, transmission, and distribution residential rate
13 components.

14 (ii) In achieving the rate reduction required under subparagraph (i)
15 of this paragraph, the Commission shall consider:

16 1. the expiration of any surcharge;

17 2. changes in the electric company's tax liability;

18 3. cost of service determinations ordered by the Commission;

19 4. net transition costs or benefits;

20 5. the effect on the competitive electricity supply market;

21 6. whether the rate reduction and rate cap will unduly
22 impair the electric company's financial condition;

23 7. the costs associated with the universal service program;
24 and

25 8. the interests of the public, including shareholders of the
26 electric company.

27 (iii) The Commission may, within the parameters provided in
28 subparagraph (i) of this paragraph, increase or decrease the actual rate reduction required.

29 (iv) The Commission may allow the recovery of any extraordinary
30 costs based on the circumstances of an individual electric company if the Commission
31 determines that the action is necessary and in the public interest.

1 (v) In determining the rate reduction required under subparagraph
2 (i) of this paragraph, the Commission may not increase rates for nonresidential customers.

3 (5) The requirements of paragraph (4) of this subsection do not apply to an
4 electric company if the Commission approves or has in effect a settlement that the
5 Commission determines is equally protective of ratepayers.

6 7-507.

7 (a) A person, other than an electric company providing standard offer service
8 under § 7-510(c) of this subtitle or a municipal electric utility serving customers solely in
9 its distribution territory, may not engage in the business of an electricity supplier in the
10 State unless the person holds a license issued by the Commission.

11 (b) An application for an electricity supplier license shall:

12 (1) be made to the Commission in writing on a form adopted by the
13 Commission;

14 (2) be verified by oath or affirmation; and

15 (3) contain information that the Commission requires, including:

16 (i) proof of technical and managerial competence;

17 (ii) proof of compliance with all applicable requirements of the
18 Federal Energy Regulatory Commission, and any independent system operator or regional
19 or system transmission operator to be used by the licensee;

20 (iii) a certification of compliance with applicable federal and State
21 environmental laws and regulations that relate to the generation of electricity; and

22 (iv) payment of the applicable licensing fee.

23 (c) The Commission shall, by regulation or order:

24 (1) require proof of financial integrity;

25 (2) require a licensee to post a bond or other similar instrument **WITH THE**
26 **COMMISSION AT A LEVEL EQUAL TO 5% OF THE ELECTRICITY SUPPLIER'S**
27 **REPORTED MARYLAND GROSS RECEIPTS, ADJUSTED ANNUALLY OR MORE**
28 **FREQUENTLY AS DETERMINED BY THE COMMISSION**, if, in the Commission's judgment,
29 the bond or similar instrument is necessary to insure an electricity supplier's financial
30 integrity;

31 (3) require a licensee to:

1 (i) provide proof that it is qualified to do business in the State with
2 the Department of Assessments and Taxation; and

3 (ii) agree to be subject to all applicable taxes; and

4 (4) adopt any other requirements it finds to be in the public interest, which
5 may include different requirements for:

6 (i) electricity suppliers that serve only large customers; and

7 (ii) the different categories of electricity suppliers.

8 (d) A license issued under this section may not be transferred without prior
9 Commission approval.

10 (e) The Commission shall adopt regulations or issue orders to:

11 (1) protect consumers, electric companies, and electricity suppliers from
12 anticompetitive and abusive practices;

13 (2) require each electricity supplier to provide, in addition to the
14 requirements under § 7-505(b)(5) of this subtitle, adequate and accurate customer
15 information to enable customers to make informed choices regarding the purchase of any
16 electricity services offered by the electricity supplier;

17 (3) establish reasonable restrictions on telemarketing;

18 (4) establish procedures for contracting with customers;

19 (5) establish requirements and limitations relating to deposits, billing,
20 collections, and contract cancellations;

21 (6) establish provisions providing for the referral of a delinquent account
22 by an electricity supplier to the standard offer service under § 7-510(c) of this subtitle; and

23 (7) establish procedures for dispute resolution.

24 **(F) THE COMMISSION MAY ADOPT REGULATIONS OR ISSUE ORDERS TO:**

25 **(1) REQUIRE PERIODIC ELECTRICITY SUPPLIER LICENSE RENEWALS;**

26 **(2) ADOPT A CONSUMER BILL OF RIGHTS, INCLUDING REQUIREMENTS**
27 **THAT AN ELECTRICITY SUPPLIER:**

28 **(I) MAY NOT CHARGE ANY FEE TO AN EXISTING RESIDENTIAL**
29 **CUSTOMER SEEKING TO CHANGE A PRODUCT OR PRICING PLAN WITH THE SUPPLIER**

1 **MIDTERM;**

2 **(II) SHALL PROVIDE A \$5 CREDIT TO ANY ENROLLED**
3 **RESIDENTIAL CUSTOMER CONTACTING ITS CALL CENTER THAT IS SUBJECTED TO A**
4 **WAIT TIME EXCEEDING 5 MINUTES; AND**

5 **(III) SHALL INFORM ITS CUSTOMERS OF:**

6 **1. THE RIGHT OF THE CUSTOMER TO RESTRICT ACCESS**
7 **TO THE CUSTOMER'S ENERGY CONSUMPTION DATA; AND**

8 **2. HOW TO EXERCISE THE RIGHT TO RESTRICT ACCESS**
9 **UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND**

10 **(3) CREATE AND PUBLISH, AT LEAST ANNUALLY, AN ELECTRICITY**
11 **SUPPLIER REPORT CARD THAT INCLUDES LEVELS OF SUSTAINED VERIFIED**
12 **COMPLAINTS FILED WITH THE COMMISSION AGAINST ELECTRICITY SUPPLIERS.**

13 **[(f)] (G)** In accordance with regulations or orders of the Commission, electricity
14 bills, for competitive and regulated electric services, provided to consumers may provide,
15 in addition to the requirements of § 7-505(b)(5) of this subtitle and subsection (e)(2) of this
16 section, the following information:

- 17 (1) the identity and phone number of the electricity supplier of the service;
- 18 (2) sufficient information to evaluate prices and services; and
- 19 (3) information identifying whether the price is regulated or competitive.

20 **[(g)] (H)** (1) An electricity supplier or any person or governmental unit may
21 not, without first obtaining the customer's permission:

- 22 (i) make any change in the electricity supplier for a customer; or
- 23 (ii) add a new charge for a new or existing service or option.

24 (2) The Commission shall adopt regulations or issue orders establishing
25 procedures to prevent the practices prohibited under paragraph (1) of this subsection.

26 **[(h)] (I)** (1) An electricity supplier may not discriminate against any
27 customer based wholly or partly on race, color, creed, national origin, or sex of an applicant
28 for service or for any arbitrary, capricious, or unfairly discriminatory reason.

29 (2) An electricity supplier may not refuse to provide service to a customer
30 except by the application of standards that are reasonably related to the electricity

1 supplier's economic and business purposes.

2 **[(i)] (J)** An electricity supplier shall be subject to all applicable federal and
3 State environmental laws and regulations.

4 **[(j)] (K)** An electricity supplier shall post on the Internet information that is
5 readily understandable about its services and rates for small commercial and residential
6 electric customers.

7 **(L) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN DOOR-TO-DOOR**
8 **SALES.**

9 **[(k)] (M)** (1) The Commission may revoke or suspend the license of an
10 electricity supplier, impose a civil penalty or other remedy, order a refund or credit to a
11 customer, or impose a moratorium on adding or soliciting additional customers by the
12 electricity supplier, for just cause on the Commission's own investigation or on complaint
13 of the Office of People's Counsel, the Attorney General, or an affected party.

14 (2) A civil penalty may be imposed in addition to the Commission's decision
15 to revoke, suspend, or impose a moratorium.

16 (3) Just cause includes:

17 (i) intentionally providing false information to the Commission;

18 (ii) switching, or causing to be switched, the electricity supply for a
19 customer without first obtaining the customer's permission;

20 (iii) failing to provide electricity for its customers;

21 (iv) committing fraud or engaging in deceptive practices;

22 (v) failing to maintain financial integrity;

23 (vi) violating a Commission regulation or order;

24 (vii) failing to pay, collect, remit, or calculate accurately applicable
25 State or local taxes;

26 (viii) violating a provision of this article or any other applicable
27 consumer protection law of the State;

28 (ix) conviction of a felony by the licensee or principal of the licensee
29 or any crime involving fraud, theft, or deceit; and

30 (x) suspension or revocation of a license by any State or federal
31 authority.

1 **[(l)] (N)** (1) An electricity supplier or person selling or offering to sell
2 electricity in the State in violation of this section, after notice and an opportunity for a
3 hearing, is subject to:

4 (i) a civil penalty of not more than \$10,000 for the violation; or

5 (ii) license revocation or suspension.

6 (2) Each day a violation continues is a separate violation.

7 (3) The Commission shall determine the amount of any civil penalty after
8 considering:

9 (i) the number of previous violations of any provision of this
10 division;

11 (ii) the gravity of the current violation; and

12 (iii) the good faith of the electricity supplier or person charged in
13 attempting to achieve compliance after notification of the violation.

14 **[(m)] (O)** In connection with a consumer complaint or Commission investigation
15 under this section, an electricity supplier shall provide to the Commission access to any
16 accounts, books, papers, and documents which the Commission considers necessary to
17 resolve the matter at issue.

18 **[(n)] (P)** The Commission may order the electricity supplier to cease adding or
19 soliciting additional customers or to cease serving customers in the State.

20 **[(o)] (Q)** The Commission shall consult with the Consumer Protection Division
21 of the Office of the Attorney General before issuing regulations designed to protect
22 consumers.

23 **[(p)] (R)** The People's Counsel shall have the same authority in licensing,
24 complaint, and dispute resolution proceedings as it has in Title 2 of this article.

25 **[(q)] (S)** Nothing in this subtitle may be construed to affect the authority of the
26 Division of Consumer Protection in the Office of the Attorney General to enforce violations
27 of Titles 13 and 14 of the Commercial Law Article or any other applicable State law or
28 regulation in connection with the activities of electricity suppliers.

29 7-510.

30 (a) (1) Subject to subsection (b) of this section, the phased implementation of
31 customer choice shall be implemented as follows:

1 (i) on July 1, 2000, one-third of the residential class in the State of
2 each electric company shall have the opportunity for customer choice;

3 (ii) on January 1, 2001, the entire industrial class and the entire
4 commercial class in the State of each electric company shall have the opportunity for
5 customer choice;

6 (iii) on July 1, 2001, two-thirds of the residential class in the State
7 of each electric company shall have the opportunity for customer choice;

8 (iv) on July 1, 2002, all customers of each electric company shall have
9 the opportunity for customer choice; and

10 (v) by July 1, 2003, under a separate schedule adopted by the
11 Commission, all customers of each electric cooperative shall have the opportunity for
12 customer choice.

13 (2) (i) In accordance with this paragraph, the Commission may adopt a
14 separate schedule for municipal electric utilities for the implementation of customer choice.

15 (ii) A municipal electric utility may not be required to make its
16 service territory available for customer choice unless it elects to do so.

17 (iii) If a municipal electric utility elects to allow customer choice, the
18 municipal electric utility shall file a proposed plan and schedule with the Commission.

19 (iv) The Commission may approve each municipal electric utility
20 plan and schedule after considering the features that distinguish the municipal electric
21 utility from other electric companies.

22 (v) Nothing in this subtitle may be construed to require the
23 functional, operational, structural, or legal separation of the regulated and nonregulated
24 operations of the municipal electric utility.

25 (3) If a municipal electric utility serves customers outside its distribution
26 territory, electricity suppliers licensed under § 7-507 of this subtitle may serve the
27 customers in the distribution territory of the municipal electric utility.

28 (b) For good cause shown and if the Commission finds the action to be in the
29 public interest, the Commission may:

30 (1) accelerate or delay the initial implementation date of July 1, 2000, by
31 up to 3 months; or

32 (2) accelerate any of the other implementation dates and phase-in
33 percentages in subsection (a) of this section.

1 (c) (1) Beginning on the initial implementation date, an electric company's
2 obligation to provide electricity supply and electricity supply service is stated by this
3 subsection.

4 (2) Electricity supply purchased from a customer's electric company is
5 known as standard offer service. A customer is considered to have chosen the standard offer
6 service if the customer:

7 (i) is not allowed to choose an electricity supplier under the phase
8 in of customer choice in subsection (a) of this section;

9 (ii) contracts for electricity with an electricity supplier and it is not
10 delivered;

11 (iii) cannot arrange for electricity from an electricity supplier;

12 (iv) does not choose an electricity supplier;

13 (v) chooses the standard offer service; or

14 (vi) has been denied service or referred to the standard offer service
15 by an electricity supplier in accordance with § 7-507(e)(6) of this subtitle.

16 (3) (i) **ON AND AFTER JULY 1, 2021, AN ELECTRIC COMPANY**
17 **SHALL PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL AND SMALL**
18 **COMMERCIAL CUSTOMERS AT A MARKET PRICE THAT ALLOWS RECOVERY OF THE**
19 **VERIFIABLE, PRUDENTLY INCURRED COSTS TO PROCURE OR PRODUCE THE**
20 **ELECTRICITY PLUS A REASONABLE RETURN.**

21 (II) Except as provided under subparagraph [(ii)] (III) of this
22 paragraph, [any obligation of] an electric company [to provide] **SHALL CEASE PROVIDING**
23 standard offer service [shall cease] on [July 1, 2003] **OCTOBER 1, 2023.**

24 [(ii)] (III) 1. **AS APPROVED BY THE COMMISSION, AN**
25 **ELECTRIC COOPERATIVE MAY CONTINUE TO PROVIDE STANDARD OFFER SERVICE**
26 **ON AND AFTER OCTOBER 1, 2023.**

27 2. Electric cooperatives and municipal electric utilities may
28 choose to continue providing standard offer service in their respective distribution
29 territories and may cease offering that service after notifying the Commission at least 12
30 months in advance.

31 [2. On and after July 1, 2003, an electric company continues
32 to have the obligation to provide standard offer service to residential and small commercial
33 customers at a market price that permits recovery of the verifiable, prudently incurred

1 costs to procure or produce the electricity plus a reasonable return.]

2 [(iii)] **(IV)** 1. On or before December 31, 2008, and every 5 years
3 thereafter, the Commission shall report to the Governor and, in accordance with § 2–1257
4 of the State Government Article, to the General Assembly on the status of the standard
5 offer service, the development of competition, [and] the transition of standard offer service
6 to [a] default service, **AND THE STATUS OF DEFAULT SERVICE.**

7 2. The Commission shall establish, by order or regulation,
8 [the definition of “default service”] **THE TERMS AND CONDITIONS OF TRANSITIONAL**
9 **ELECTRIC SERVICE AND DEFAULT SERVICE IN ACCORDANCE WITH § 7–510.3 OF THIS**
10 **SUBTITLE.**

11 (4) (i) On or before July 1, 2001, the Commission shall adopt
12 regulations or issue orders to establish procedures for the competitive selection of wholesale
13 electricity suppliers, including an affiliate of an electric company, to provide electricity for
14 standard offer service to customers of electric companies under paragraph (2) of this
15 subsection, except for customers of electric cooperatives and municipal electric utilities.
16 Unless delayed by the Commission, the competitive selection shall take effect no later than
17 July 1, 2003.

18 (ii) 1. Under the obligation to provide standard offer service in
19 accordance with paragraph [(3)(ii)] **(3)** of this subsection, the Commission, by regulation
20 or order, and in a manner that is designed to obtain the best price for residential and small
21 commercial customers in light of market conditions at the time of procurement and the
22 need to protect these customers from excessive price increases:

23 A. shall require each investor–owned electric company to
24 obtain its electricity supply for residential and small commercial customers participating
25 in standard offer service through a competitive process in accordance with this paragraph;
26 and

27 B. may require or allow an investor–owned electric company
28 to procure electricity for these customers directly from an electricity supplier through one
29 or more bilateral contracts outside the competitive process.

30 2. A. As the Commission directs, the competitive process
31 shall include a series of competitive wholesale bids in which the investor–owned electric
32 company solicits bids to supply anticipated standard offer service load for residential and
33 small commercial customers as part of a portfolio of blended wholesale supply contracts of
34 short, medium, or long terms, and other appropriate electricity products and strategies, as
35 needed to meet demand in a cost–effective manner.

36 B. The competitive process may include different bidding
37 structures and mechanisms for base load, peak load, and very short–term procurement.

1 C. By regulation or order, as a part of the competitive process,
2 the Commission shall require or allow the procurement of cost-effective energy efficiency
3 and conservation measures and services with projected and verifiable energy savings to
4 offset anticipated demand to be served by standard offer service, and the imposition of other
5 cost-effective demand-side management programs.

6 3. A. In order to prevent an excessive amount of load
7 being exposed to upward price risks and volatility, the Commission may stagger the dates
8 for the competitive wholesale auctions.

9 B. By regulation or order, the Commission may allow a date
10 on which a competitive wholesale auction takes place to be altered based on current market
11 conditions.

12 4. By regulation or order, the Commission may allow an
13 investor-owned electric company to refuse to accept some or all of the bids made in a
14 competitive wholesale auction in accordance with standards adopted by the Commission.

15 5. The investor-owned electric company shall publicly
16 disclose the names of all bidders and the names and load allocation of all successful bidders
17 90 days after all contracts for supply are executed.

18 (5) An electric company may procure the electricity needed to meet its
19 standard offer service electricity supply obligation from any electricity supplier, including
20 an affiliate of the electric company.

21 (6) In order to meet long-term, anticipated demand in the State for
22 standard offer service and other electricity supply, the Commission may require or allow
23 an investor-owned electric company to construct, acquire, or lease, and operate, its own
24 generating facilities, and transmission facilities necessary to interconnect the generating
25 facilities with the electric grid, subject to appropriate cost recovery.

26 (7) (i) To determine whether an appropriate phased implementation of
27 electricity rates that is necessary to protect residential customers from the impact of
28 sudden and significant increases in electricity rates, the Commission in the case of an
29 increase of 20% or more over the previous year's total electricity rates, shall conduct
30 evidentiary proceedings, including public hearings.

31 (ii) 1. A deferral of costs as part of a phased implementation of
32 electricity rates by an investor-owned electric company shall be treated as a regulatory
33 asset to be recovered in accordance with a rate stabilization plan under Part III of this
34 subtitle or any other plan for phased implementation approved by the Commission.

35 2. A deferral of costs under this paragraph must be just,
36 reasonable, and in the public interest.

37 (iii) The Commission shall approve the recovery of deferred costs

1 under subparagraph (ii) of this paragraph as:

2 1. long-term recovery in accordance with a rate stabilization
3 plan under Part III of this subtitle; or

4 2. short-term recovery through a rate proceeding
5 mechanism approved by the Commission.

6 (iv) The Commission may approve a phasing in of increased costs by:

7 1. placing a cap on rates and allowing recovery over time; or

8 2. allowing rates to increase and providing for a rebate to
9 customers of any excess costs paid.

10 (8) (i) An electric cooperative that as of July 1, 2006, supplied its
11 standard offer service load through a portfolio of blended wholesale supply contracts of
12 short, medium, and long terms, and other appropriate electricity products and strategies,
13 as needed to meet demand in a cost-effective manner, may choose to continue to use a
14 blended portfolio:

15 1. as approved and modified by the electric cooperative's
16 board of directors; and

17 2. with appropriate review for prudent cost recovery as
18 determined by the Commission.

19 (ii) The Commission may not set or enforce a termination date for
20 the procurement of supply through a managed portfolio previously approved by the
21 Commission.

22 (9) (i) The Commission, on request by an electric cooperative or on its
23 own initiative, shall initiate a proceeding to investigate options for a rate stabilization plan
24 to assist residential electric customers to gradually adjust to market rates over an extended
25 period of time.

26 (ii) If an electric cooperative determines that total electric rates for
27 residential customers are anticipated to increase by more than 20% in a 12-month period
28 resulting from an increase in the cost of generation, the electric cooperative shall survey its
29 membership to determine whether to make a request to the Commission to initiate a
30 proceeding under subsection (a) of this section.

31 (iii) Notwithstanding subparagraphs (i) and (ii) of this paragraph, as
32 approved by the Commission, an electric cooperative may receive a modification in
33 distribution and transmission rates.

34 (d) Notwithstanding the dates set forth in this section or any other law, customer

1 choice may not commence until legislation is enacted by the General Assembly to
2 restructure Maryland taxes to address the State and local tax implications of restructuring
3 the electric utility industry.

4 (e) The Commission shall, by regulation or order, adopt procedures to implement
5 this section, including the allocation of any unused opportunity for customer choice among
6 customer classes.

7 (f) A county or municipal corporation may not act as an aggregator unless the
8 Commission determines there is not sufficient competition within the boundaries of the
9 county or municipal corporation.

10 7-510.1.

11 (a) The Commission shall educate customers about customer choice in accordance
12 with this section.

13 (b) (1) The Commission shall:

14 (i) host and regularly update a user-friendly customer choice
15 education section on its website that complies with standards issued under § 508 of the
16 federal Rehabilitation Act of 1973; and

17 (ii) prominently display a link to that section of the Commission's
18 website on the home page of the Commission's website.

19 (2) The customer choice education section of the Commission's website
20 shall include:

21 (i) a clear and simple description of:

22 1. customer choice;

23 2. how customers can shop for an electricity supplier;

24 3. what kinds of competitive electricity supply options
25 customers have, including:

26 A. renewable energy supply;

27 B. fixed and variable pricing; and

28 C. other common contract terms;

29 4. the current price of standard offer service **OR**
30 **TRANSITIONAL ELECTRIC SERVICE** in the service territory of each electric company; and

1 (ii) a link to the website of each electricity supplier with an open offer
2 to supply electricity.

3 (c) (1) To ensure the currency and accuracy of information required under
4 subsection (b)(2)(iii) of this section, the Commission shall maintain a secure portal on its
5 website to receive information about offers to supply electricity from electricity suppliers.

6 (2) Each electricity supplier that is actively seeking residential customers
7 in a service territory in the State shall maintain at least one open offer to supply electricity
8 to residential customers on the Commission's website at all times.

9 (3) At least once each month, each electricity supplier with an open offer to
10 supply electricity shall submit detailed information about the offer to the Commission
11 through a secure portal maintained by the Commission on the Commission's website for
12 this purpose.

13 (d) The Commission shall work with media outlets in the State to develop and air
14 public service announcements publicizing customer choice and directing customers to the
15 Commission's website for additional information.

16 (e) The Commission shall recover the cost of complying with this section in
17 accordance with § 2-110 of this article.

18 (f) On or before December 31 of each year, the Commission shall report, in
19 accordance with § 2-1257 of the State Government Article, to the General Assembly on the
20 status and success of the Commission's efforts to educate customers about customer choice
21 under this section.

22 7-510.2.

23 (a) The Commission shall establish a customer choice shopping website that
24 allows a customer to sort electricity suppliers that have open offers to supply electricity to
25 residential customers in the customer's service area.

26 (b) The website shall include:

27 (1) a list of all electricity suppliers that have open offers to supply
28 electricity to residential customers in a customer's service area, sortable by:

29 (i) cost of service;

30 (ii) cost of electricity per kilowatt-hour;

31 (iii) rate structure;

32 (iv) duration of the contract;

1 (v) cancellation fee; [and]

2 (vi) **WHETHER THE ELECTRICITY SUPPLIER IS CERTIFIED BY**
3 **THE COMMISSION TO OFFER SUPPLIER CONSOLIDATED BILLING SERVICES; AND**

4 **(VII)** any other aspect of service that the Commission considers
5 necessary;

6 (2) a way to compare electricity suppliers based on the sortable items
7 specified under item (1) of this subsection;

8 (3) a link to the website of each electricity supplier with an open offer to
9 supply electricity to residential customers;

10 (4) a link to the customer education webpage established under § 7–510.1
11 of this subtitle;

12 (5) a link to a complaint process that provides access for the customer to
13 protect the customer’s rights and make use of consumer protections through the
14 Commission; and

15 (6) fact sheets on the process for comparing offers from electricity suppliers
16 on the website, including relevant contract terms, requirements, limitations, and fees.

17 (c) The Commission shall use the information received from an electricity
18 supplier under § 7–510.1 of this subtitle to maintain the information on the website.

19 (d) The Commission shall recover the cost of complying with this section in
20 accordance with § 2–110 of this article.

21 **7–510.3.**

22 **(A) BEGINNING WITH ELECTRIC SERVICE PROVIDED ON AND AFTER**
23 **OCTOBER 1, 2023, THE COMMISSION SHALL ADMINISTER THE TRANSITION TO**
24 **DEFAULT SERVICE THROUGH A COMPETITIVE ASSIGNMENT PROCESS.**

25 **(B) (1) THE COMMISSION SHALL:**

26 **(I) ON OR BEFORE DECEMBER 31, 2021, ADOPT REGULATIONS**
27 **OR ISSUE ORDERS TO DEVELOP STANDARDS FOR THE COMPETITIVE ASSIGNMENT**
28 **PROCESS;**

29 **(II) CONDUCT A COMPETITIVE ASSIGNMENT PROCESS TO**
30 **ENABLE THE ASSIGNMENT OF TRANSITIONAL ELECTRIC SERVICE CUSTOMERS TO**

1 **QUALIFIED PARTICIPANTS BY OCTOBER 1, 2023;**

2 **(III) ESTABLISH AN APPLICATION PROCESS TO ENSURE THE**
3 **ELIGIBILITY OF EACH QUALIFIED PARTICIPANT UNDER SUBSECTION (C) OF THIS**
4 **SECTION; AND**

5 **(IV) COLLECT A NONREFUNDABLE APPLICATION FEE, IN AN**
6 **AMOUNT TO BE DETERMINED BY THE COMMISSION BUT NOT TO EXCEED \$25,000,**
7 **FROM EACH APPLICANT SEEKING TO BE A QUALIFIED PARTICIPANT IN A**
8 **COMPETITIVE ASSIGNMENT PROCESS UNDER THIS SECTION.**

9 **(2) THE COMMISSION MAY RETAIN AN INDEPENDENT ENTITY TO**
10 **ASSIST IN THE ASSIGNMENT PROCESS.**

11 **(C) IN DETERMINING ELIGIBILITY TO PARTICIPATE IN THE COMPETITIVE**
12 **ASSIGNMENT PROCESS, THE COMMISSION SHALL ENSURE THAT THE ELECTRICITY**
13 **SUPPLIER:**

14 **(1) HAS SUBMITTED AN APPLICATION TO BE A QUALIFIED**
15 **PARTICIPANT AS REQUIRED BY THE COMMISSION ON OR BEFORE JANUARY 1, 2023;**

16 **(2) (I) IS LICENSED AND IN GOOD STANDING WITH THE**
17 **COMMISSION; AND**

18 **(II) IS NOT ALSO AN ELECTRIC COMPANY;**

19 **(3) HAS DEMONSTRATED ADEQUATE FINANCIAL FITNESS AND**
20 **BONDING CRITERIA IN ACCORDANCE WITH § 7-507 OF THIS SUBTITLE;**

21 **(4) AT THE TIME OF A QUALIFIED PARTICIPANT APPLICATION, HAS**
22 **PAID A NONREFUNDABLE APPLICATION FEE IN ACCORDANCE WITH SUBSECTION (B)**
23 **OF THIS SECTION TO BE RETAINED BY THE COMMISSION FOR ADMINISTRATIVE**
24 **COSTS RELATED TO CARRYING OUT ITS DUTIES UNDER THIS SECTION;**

25 **(5) HAS AGREED TO PAY A \$50 CUSTOMER ACQUISITION FEE TO THE**
26 **COMMISSION, TO BE DEPOSITED INTO THE CLEAN ENERGY FUND UNDER § 7-510.5**
27 **OF THIS SUBTITLE, FOR EACH CUSTOMER THAT IS ASSIGNED TO THE PARTICIPATING**
28 **ELECTRICITY SUPPLIER; AND**

29 **(6) HAS AGREED TO PAY TO THE COMMISSION \$2 FOR EACH**
30 **CUSTOMER ENROLLED THROUGH THE COMPETITIVE ASSIGNMENT PROCESS TO**
31 **FUND THE CONSUMER EDUCATION PROGRAM ON THE COMPETITIVE ASSIGNMENT**
32 **PROCESS REQUIRED UNDER § 7-510.3 OF THIS SUBTITLE.**

1 **(D) AS PART OF ITS PROPOSAL TO PARTICIPATE IN THE COMPETITIVE**
2 **ASSIGNMENT PROCESS, A QUALIFIED PARTICIPANT:**

3 **(1) SHALL PAY A \$5,000 FEE TO THE COMMISSION FOR EACH**
4 **COMPETITIVE ASSIGNMENT GROUP THE QUALIFIED PARTICIPANT APPLIES TO**
5 **PROVIDE WITH TRANSITIONAL ELECTRIC SERVICE;**

6 **(2) SHALL SUBMIT A PROPOSED PRICE, PER KILOWATT-HOUR AND**
7 **PER CUSTOMER CLASS FOR EACH ELECTRIC COMPANY FOR CLEAN ENERGY TO BE**
8 **PROVIDED TO ANY COMPETITIVE ASSIGNMENT GROUPS THE QUALIFIED**
9 **PARTICIPANT PROPOSES TO SERVE;**

10 **(3) SHALL SUBMIT THE NUMBER OF COMPETITIVE ASSIGNMENT**
11 **GROUPS THAT THE QUALIFIED PARTICIPANT PROPOSES TO SERVE;**

12 **(4) SHALL AGREE TO PROVIDE CLEAN ENERGY GENERATION**
13 **CONTRACTS, WITH NO EARLY TERMINATION OR CANCELLATION FEES, TO**
14 **TRANSITIONAL ELECTRIC SERVICE CUSTOMERS, INCLUDING:**

15 **(I) 24-MONTH FIXED-PRICE CLEAN ENERGY GENERATION**
16 **CONTRACTS FOR RESIDENTIAL CUSTOMERS AND SMALL COMMERCIAL CUSTOMERS;**

17 **(II) 3-MONTH FIXED-PRICE CLEAN ENERGY GENERATION**
18 **CONTRACTS FOR NONRESIDENTIAL CUSTOMERS WITH A PEAK LOAD CONTRIBUTION**
19 **EXCEEDING 25 KILOWATTS PER MONTH BUT NOT EXCEEDING 300 KILOWATTS PER**
20 **MONTH; AND**

21 **(III) 12-MONTH HOURLY PRICED CLEAN ENERGY GENERATION**
22 **CONTRACTS FOR NONRESIDENTIAL CUSTOMERS WITH PEAK LOAD CONTRIBUTION**
23 **EXCEEDING 300 KILOWATTS PER MONTH;**

24 **(5) FOLLOWING THE 24-MONTH PERIOD FOR RESIDENTIAL AND**
25 **SMALL COMMERCIAL CLASSES UNDER ITEM (4) OF THIS SUBSECTION, SHALL AGREE**
26 **TO PROVIDE 12-MONTH FIXED-PRICE CLEAN ENERGY GENERATION CONTRACTS,**
27 **WITH NO EARLY TERMINATION OR CANCELLATION FEES, AND AT PRICES**
28 **ESTABLISHED IN ACCORDANCE WITH SUBSECTION (H) OF THIS SECTION, TO**
29 **ASSIGNED TRANSITIONAL ELECTRIC SERVICE CUSTOMERS WHO HAVE NOT**
30 **OTHERWISE CHOSEN AN ELECTRICITY SUPPLIER OR ALTERNATIVE PRODUCT AT THE**
31 **TIME OF THE EXPIRATION OF THE 24-MONTH CONTRACT;**

32 **(6) FOLLOWING THE 3-MONTH PERIOD FOR NONRESIDENTIAL**
33 **CUSTOMERS UNDER ITEM (4) OF THIS SUBSECTION, SHALL AGREE TO PROVIDE**

1 SUCCESSIVE 3-MONTH FIXED PRICE CLEAN ENERGY GENERATION CONTRACTS,
2 WITH NO EARLY TERMINATION OR CANCELLATION FEES, AND AT PRICES
3 ESTABLISHED IN ACCORDANCE WITH SUBSECTION (J) OF THIS SECTION, NOT TO
4 EXCEED 21 MONTHS FROM THE EXPIRATION OF THE INITIAL CONTRACT IN ITEM (4)
5 OF THIS SUBSECTION, TO THE ASSIGNED TRANSITIONAL ELECTRIC SERVICE
6 CUSTOMERS WHO HAVE NOT OTHERWISE CHOSEN AN ELECTRICITY SUPPLIER OR
7 ALTERNATIVE PRODUCT AT THE TIME OF THE EXPIRATION OF THE APPLICABLE
8 3-MONTH CONTRACT;

9 (7) SHALL AGREE TO PROVIDE CLEAN ENERGY GENERATION SERVICE
10 TO:

11 (I) ASSIGNED CUSTOMERS; AND

12 (II) A PRO RATA SHARE OF CUSTOMERS WHOSE PRIOR
13 ELECTRICITY SUPPLIER CEASES TO PROVIDE SERVICE DURING THE PERIOD IN
14 WHICH THE NEWLY ASSIGNED ELECTRICITY SUPPLIER IS SERVING ASSIGNED
15 CUSTOMERS IN ACCORDANCE WITH ITEM (4) OF THIS SUBSECTION;

16 (8) SHALL AGREE TO PROVIDE A RENEWAL NOTICE TO RESIDENTIAL
17 CUSTOMERS THAT INCLUDES THE ELECTRICITY PRICE UNDER THE NEW CONTRACT
18 AND OTHER INFORMATION AS DIRECTED BY THE COMMISSION AT LEAST 45 DAYS
19 BEFORE THE END OF:

20 (I) THE 24-MONTH CONTRACT UNDER ITEM (4) OF THIS
21 SUBSECTION; OR

22 (II) THE 12-MONTH CONTRACT UNDER ITEM (4) OF THIS
23 SUBSECTION; AND

24 (9) (I) SHALL AGREE TO OFFER A MINIMUM OF ONE PROGRAM TO
25 ASSIST LOW-INCOME CUSTOMERS IN AFFORDING TRANSITIONAL ELECTRIC
26 SERVICE; AND

27 (II) SHALL SUBMIT TO THE COMMISSION A DESCRIPTION OF
28 THE PROPOSED LOW-INCOME ASSISTANCE PROGRAM.

29 (E) (1) THE COMMISSION SHALL RETAIN THE FEE PAID UNDER
30 SUBSECTION (D) OF THIS SECTION BY SUCCESSFUL QUALIFIED PARTICIPANTS TO
31 OFFSET ANY ADMINISTRATIVE COSTS NOT COVERED BY THE APPLICATION FEE.

32 (2) AT THE END OF THE COMPETITIVE ASSIGNMENT PROCESS, THE
33 FEE PAID UNDER SUBSECTION (D) OF THIS SECTION SHALL BE RETURNED TO

1 PARTICIPANTS WHO ARE UNSUCCESSFUL IN BIDDING ON A COMPETITIVE
2 ASSIGNMENT GROUP.

3 (F) BEGINNING JANUARY 1, 2023, EACH ELECTRIC COMPANY SHALL
4 PROVIDE NOTICE TO ITS EXISTING STANDARD OFFER SERVICE CUSTOMERS AS
5 DIRECTED BY THE COMMISSION TO INFORM THE CUSTOMERS OF:

6 (1) THE SCHEDULED COMPETITIVE ASSIGNMENT PROCESS;

7 (2) THE COMPOSITION OF THE ELECTRICITY SUPPLY PRODUCT THE
8 ELECTRIC COMPANY ASSIGNS TO THE CUSTOMER;

9 (3) THE RIGHT TO SWITCH WITHOUT PENALTY TO OTHER
10 ELECTRICITY SUPPLY PRODUCTS OFFERED BY:

11 (I) THE CUSTOMERS' ASSIGNED ELECTRICITY SUPPLIER; OR

12 (II) OTHER LICENSED SUPPLIERS; AND

13 (4) THE OPTIONS PRIOR TO AND FOLLOWING THE ASSIGNMENT.

14 (G) (1) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE
15 COMMISSION, AS PART OF THE COMPETITIVE ASSIGNMENT PROCESS, SHALL DIVIDE
16 CLASSES OF CUSTOMERS FROM EACH ELECTRIC COMPANY INTO COMPETITIVE
17 ASSIGNMENT GROUPS.

18 (2) FOR EACH ELECTRIC COMPANY SERVICE TERRITORY:

19 (I) 1. SUBJECT TO ITEM 2 OF THIS ITEM, A QUALIFIED
20 PARTICIPANT MAY RECEIVE NOT MORE THAN 25% OF THE COMPETITIVE
21 ASSIGNMENT GROUPS IN THE RESIDENTIAL CUSTOMER CLASS AND NOT MORE THAN
22 25% OF THE SMALL COMMERCIAL CLASS ESTABLISHED UNDER SUBSECTION (D) OF
23 THIS SECTION; BUT

24 2. THE COMMISSION MAY WAIVE THE LIMITATION
25 UNDER ITEM 1 OF THIS ITEM IF FEWER THAN FOUR QUALIFIED PARTICIPANTS
26 SUBMIT BIDS FOR AN ELECTRIC DISTRIBUTION COMPANY CLASS;

27 (II) NO QUALIFIED PROVIDER MAY RECEIVE MORE THAN 50% OF
28 THE COMPETITIVE ASSIGNMENT GROUPS IN THE CUSTOMER CLASS ESTABLISHED
29 UNDER SUBSECTION (D) OF THIS SECTION; AND

30 (III) THE CUSTOMERS IN THE CLASS ESTABLISHED UNDER

1 SUBSECTION (D) OF THIS SECTION SHALL BE INCLUDED IN ONE COMPETITIVE
2 ASSIGNMENT GROUP.

3 (3) (I) THE COMMISSION SHALL SELECT THE QUALIFIED
4 PARTICIPANTS FROM EACH ELECTRIC COMPANY SERVICE TERRITORY ON THE BASIS
5 OF A SINGLE-DAY AUCTION.

6 (II) IN THE AUCTION, THE CLEARING PRICE SHALL BE:

7 1. THE LOWEST BID PRICE AT WHICH QUALIFIED
8 PARTICIPANTS AGREE TO SERVE ALL COMPETITIVE ASSIGNMENT GROUPS IN A
9 CUSTOMER CLASS; AND

10 2. THE BID PRICE OR PRICES THAT SATISFY ALL OTHER
11 REQUIREMENTS OF THIS SECTION AS ESTABLISHED BY THE COMMISSION.

12 (III) A QUALIFIED PARTICIPANT SHALL SERVE ALL CUSTOMERS
13 IN THE SAME CUSTOMER CLASS AND SERVICE TERRITORY RECEIVING SERVICE
14 FOLLOWING THE COMPETITIVE ASSIGNMENT PROCESS AT A SINGLE CLEARING
15 PRICE.

16 (4) IF NECESSARY TO ENSURE THAT TRANSITIONAL ELECTRIC
17 SERVICE CUSTOMERS IN ALL COMPETITIVE ASSIGNMENT GROUPS ARE AWARDED TO
18 A QUALIFIED PARTICIPANT OR PARTICIPANTS, THE COMMISSION MAY WAIVE THE
19 PROVISIONS OF THIS SUBSECTION, INCLUDING ALTERING THE SIZE OF ANY
20 COMPETITIVE ASSIGNMENT GROUP OR THE MAXIMUM NUMBER OF ASSIGNMENT
21 GROUPS A QUALIFIED PARTICIPANT MAY SERVE, TO REFLECT EACH ELECTRIC
22 COMPANY'S CUSTOMER CHARACTERISTICS OR TO CONDUCT ADDITIONAL
23 COMPETITIVE SELECTION PROCESSES.

24 (H) THE COMMISSION SHALL CONDUCT THE COMPETITIVE ASSIGNMENT
25 PROCESS IN TIME TO ALLOW CUSTOMERS TO BE ASSIGNED TO QUALIFIED
26 PARTICIPANTS BEGINNING OCTOBER 1, 2023.

27 (I) ELECTRICITY SUPPLIERS WHO ARE SELECTED TO FURNISH
28 TRANSITIONAL ELECTRIC SERVICE TO CUSTOMERS THROUGH THE COMPETITIVE
29 ASSIGNMENT PROCESS SHALL, BEGINNING OCTOBER 1, 2023, BE RESPONSIBLE FOR:

30 (1) PAYMENT OF THE \$50 CUSTOMER ACQUISITION FEE PER
31 CUSTOMER REQUIRED UNDER SUBSECTION (C)(5) OF THIS SECTION WITHIN 30 DAYS
32 AFTER RECEIVING NOTIFICATION FROM THE COMMISSION OF THE ELECTRICITY
33 SUPPLIER'S SELECTION;

1 **(2) PAYMENT OF THE \$2 PER CUSTOMER FEE REQUIRED UNDER**
2 **SUBSECTION (C)(6) OF THIS SECTION WITHIN 30 DAYS AFTER RECEIVING**
3 **NOTIFICATION FROM THE COMMISSION OF THE ELECTRICITY SUPPLIER'S**
4 **SELECTION;**

5 **(3) INITIATION OF THE ELECTRONIC DATA INTEREXCHANGE PROCESS**
6 **TO SWITCH THE CUSTOMERS FROM THE ELECTRIC COMPANY TO THE**
7 **PARTICIPATING ELECTRICITY SUPPLIER;**

8 **(4) FURNISHING TRANSITIONAL ELECTRIC SERVICE IN ACCORDANCE**
9 **WITH THIS SECTION, WITH NO EARLY TERMINATION OR CANCELLATION FEES, AT**
10 **THE PRICES ESTABLISHED UNDER SUBSECTION (J) OF THIS SECTION, TO:**

11 **(I) CUSTOMERS WHO WERE RECEIVING STANDARD OFFER**
12 **SERVICE FROM AN ELECTRIC COMPANY IMMEDIATELY PRIOR TO OCTOBER 1, 2023;**

13 **(II) CUSTOMERS WHO, AFTER OCTOBER 1, 2023:**

14 **1. FAIL TO CHOOSE AN ELECTRICITY SUPPLIER; OR**

15 **2. HAVE CONTRACTED FOR ELECTRICITY SUPPLY**
16 **SERVICE WITH AN ELECTRICITY SUPPLIER THAT IS NO LONGER SERVING THE**
17 **CUSTOMER, PRORATED TO REFLECT THE NUMBER OF MONTHS REMAINING ON THE**
18 **APPLICABLE FIXED PRICE CONTRACT UNDER SUBSECTION (D) OF THIS SECTION;**
19 **AND**

20 **(III) NEW OR MOVING RESIDENTIAL AND COMMERCIAL**
21 **CUSTOMERS WHO:**

22 **1. DO NOT CHOOSE AN ELECTRICITY SUPPLIER DURING**
23 **THE APPLICABLE INITIAL PERIODS UNDER SUBSECTION (D) OF THIS SECTION; AND**

24 **2. ARE ASSIGNED BY THE COMMISSION ON A RANDOM**
25 **BASIS, THE CONTRACT PRORATED TO REFLECT THE NUMBER OF MONTHS**
26 **REMAINING ON THE APPLICABLE FIXED PRICE CONTRACT;**

27 **(5) FURNISHING TRANSITIONAL ELECTRIC SERVICE IN ACCORDANCE**
28 **WITH THIS SECTION, AT A FIXED PRICE DETERMINED BY THE TRANSITIONAL**
29 **ELECTRIC SERVICE SUPPLIER, WITH NO EARLY TERMINATION OR CANCELLATION**
30 **FEES, TO:**

31 **(I) THE CUSTOMERS UNDER ITEM (4) OF THIS SUBSECTION;**
32 **AND**

1 **(II) ANY CUSTOMER WHO DOES NOT SELECT DIFFERENT**
2 **PRICES, TERMS, AND CONDITIONS FROM THE TRANSITIONAL ELECTRIC SERVICE**
3 **SUPPLIER TO WHOM THE CUSTOMER WAS ASSIGNED;**

4 **(6) FURNISHING RENEWAL OR CANCELLATION NOTIFICATIONS TO**
5 **RESIDENTIAL CUSTOMERS RECEIVING TRANSITIONAL ELECTRIC SERVICE PRIOR TO**
6 **THE EXPIRATION OF THE APPLICABLE TIME PERIOD UNDER SUBSECTION (D) OF**
7 **THIS SECTION; AND**

8 **(7) OFFERING A MINIMUM OF ONE PROGRAM TO ASSIST LOW-INCOME**
9 **CUSTOMERS IN AFFORDING TRANSITIONAL ELECTRIC SERVICE UNDER SUBSECTION**
10 **(D) OF THIS SECTION.**

11 **(J) (1) A NEW OR MOVING CUSTOMER ESTABLISHING SERVICE AT A NEW**
12 **LOCATION MAY AUTHORIZE AN ELECTRICITY SUPPLIER TO ACT ON THE CUSTOMER'S**
13 **BEHALF TO ESTABLISH THE ACCOUNT EFFECTIVE ON THE CUSTOMER'S FIRST DAY**
14 **OF UTILITY SERVICE AT THE NEW LOCATION.**

15 **(2) THE 12-MONTH AND 3-MONTH FIXED PRICE TRANSITIONAL**
16 **ELECTRIC SERVICE PRODUCTS SHALL BE POSTED PUBLICLY IN A MANNER TO BE**
17 **REQUIRED BY THE COMMISSION TO ENSURE PRICE TRANSPARENCY AND TO AVOID**
18 **CUSTOMER CONFUSION.**

19 **(K) (1) THE COMMISSION SHALL CONDUCT A PROCESS TO SELECT ONE**
20 **OR MORE ELECTRICITY SUPPLIERS TO SERVE AS DEFAULT SERVICE SUPPLIERS**
21 **EFFECTIVE WITH SERVICE RENDERED ON THE CONCLUSION OF THE APPLICABLE**
22 **COMPETITIVE ASSIGNMENT PROCESSES REQUIRED UNDER SUBSECTION (A) OF THIS**
23 **SECTION.**

24 **(2) A DEFAULT SERVICE PROVIDER SHALL OFFER A STANDARD**
25 **RETAIL SERVICE PRICE FOR EACH CLASS OF CUSTOMERS DESIGNATED BY THE**
26 **COMMISSION AT A NONDISCOUNTABLE PRICE APPROVED BY THE COMMISSION.**

27 **(3) THE PRICE SHALL BE ESTABLISHED BY THE COMMISSION AND**
28 **SHALL INCLUDE, AT A MINIMUM:**

29 **(I) THE HOURLY WHOLESALE PRICE OF ENERGY AND ALL**
30 **ASSOCIATED COSTS INCLUDING CAPACITY, NETWORK INTEGRATION AND**
31 **TRANSMISSION SERVICE, ANCILLARY SERVICES, AND ALL OTHER COSTS IMPOSED BY**
32 **THE APPLICABLE REGIONAL TRANSMISSION ORGANIZATION;**

33 **(II) THE COST OF COMPLYING WITH ANY RENEWABLE ENERGY**

1 PORTFOLIO STANDARDS; AND

2 (III) A FIXED FEE THAT RECOVERS ALL ADMINISTRATIVE AND
3 GENERAL EXPENSES PLUS OVERHEAD, AND AN ALLOWANCE FOR THE RISK OF
4 SERVING AS A DEFAULT SERVICE PROVIDER.

5 (4) (I) SUBJECT TO SUBPARAGRAPHS (II) AND (III) OF THIS
6 PARAGRAPH, AN ELECTRIC COMPANY SHALL PROVIDE THE STANDARD RETAIL
7 SERVICE PACKAGE TO ANY CUSTOMER IN THE TERRITORY WHO HAS NOT CHOSEN A
8 SUPPLIER AND THE COMPANY IS THE DEFAULT SERVICE PROVIDER.

9 (II) AN ELECTRIC COMPANY MAY NOT PROVIDE THE STANDARD
10 RETAIL SERVICE PACKAGE IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THE
11 PARAGRAPH FOR MORE THAN 90 DAYS.

12 (III) PRIOR TO THE EXPIRATION OF THE 90-DAY DEFAULT
13 SERVICE PERIOD, AN ELECTRIC COMPANY SHALL PROVIDE NOTICE CONSISTENT
14 WITH REGULATIONS ADOPTED BY THE COMMISSION RELATING TO NOTICE OF
15 CONTRACT EXPIRATION OR CHANGE IN MATERIAL CONTRACT TERMS TO
16 RESIDENTIAL CUSTOMERS RECEIVING DEFAULT SERVICE.

17 (5) (I) THE COMMISSION SHALL DETERMINE THE PROCEDURES
18 AND CRITERIA FOR DESIGNATING A DEFAULT SERVICE PROVIDER OR PROVIDERS
19 FOR EACH ELECTRIC COMPANY SERVICE TERRITORY.

20 (II) THE COMMISSION MAY REVISE THE SELECTION OF
21 DEFAULT SERVICE PROVIDER OR PROVIDERS ACCORDING TO A SCHEDULE THAT
22 THE COMMISSION DETERMINES.

23 (III) IF NO ELECTRICITY SUPPLIER APPLIES TO BE THE DEFAULT
24 SERVICE PROVIDER FOR A SERVICE TERRITORY, THE COMMISSION MAY REQUIRE
25 ONE OR MORE ELECTRICITY SUPPLIERS TO SERVE AS A DEFAULT SERVICE
26 PROVIDER AS A CONDITION OF MAINTAINING A LICENSE.

27 (L) (1) RESIDENTIAL AND COMMERCIAL CUSTOMERS WHO ARE NEW OR
28 MOVE INTO A SERVICE TERRITORY FOLLOWING THE APPLICABLE INITIAL TIME
29 PERIODS UNDER SUBSECTION (D) OF THIS SECTION SHALL SELECT AN ELECTRICITY
30 SUPPLIER.

31 (2) A NEW OR MOVING CUSTOMER ESTABLISHING SERVICE AT A NEW
32 LOCATION MAY AUTHORIZE AN ELECTRICITY SUPPLIER TO ACT ON BEHALF OF THE
33 CUSTOMER TO ESTABLISH AN ACCOUNT, EFFECTIVE ON THE CUSTOMER'S FIRST DAY
34 OF UTILITY SERVICE AT THE NEW LOCATION.

1 (M) (1) AN ELECTRICITY SUPPLIER FURNISHING TRANSITIONAL
2 ELECTRIC SERVICE OR DEFAULT SERVICE SHALL ISSUE TO A CUSTOMER A MONTHLY
3 SUPPLIER CONSOLIDATED BILL FOR ELECTRICITY SERVICE.

4 (2) A CONSOLIDATED BILL ISSUED UNDER PARAGRAPH (1) OF THIS
5 PARAGRAPH SHALL MEET THE REQUIREMENTS UNDER:

6 (I) § 7-511 OF THIS SUBTITLE; AND

7 (II) REGULATIONS ADOPTED BY THE COMMISSION.

8 (N) (1) ELECTRICITY SUPPLIERS PROVIDING TRANSITIONAL ELECTRIC
9 SERVICE OR DEFAULT SERVICE SHALL OFFER AT LEAST ONE LOW-INCOME
10 CUSTOMER ASSISTANCE PROGRAM.

11 (2) A LOW-INCOME CUSTOMER ASSISTANCE PROGRAM MAY INCLUDE:

12 (I) A HARDSHIP PROGRAM THAT PROVIDES GRANTS TO
13 QUALIFYING LOW-INCOME CUSTOMERS ON AN ANNUAL BASIS;

14 (II) A PAYMENT EXTENSION PROGRAM THAT ALLOWS A
15 QUALIFYING LOW-INCOME CUSTOMER ADDITIONAL TIME TO PAY A BILL WITHOUT
16 THE THREAT OF TERMINATION;

17 (III) A PAYMENT PLAN PROGRAM THAT ALLOWS QUALIFYING
18 LOW-INCOME CUSTOMERS TO PAY THE BALANCE OWED IN INSTALLMENTS ALONG
19 WITH THE REGULAR MONTHLY BILL; OR

20 (IV) A BILL DISCOUNT PROGRAM THAT PROVIDES QUALIFYING
21 LOW-INCOME CUSTOMERS WITH A FIXED DISCOUNT ON THEIR MONTHLY BILL.

22 (3) THE COMMISSION MAY APPROVE ANY OTHER PROGRAM
23 OFFERING LOW-INCOME CUSTOMER ASSISTANCE.

24 (O) ON OR BEFORE DECEMBER 1 EACH YEAR, BEGINNING IN 2023,
25 ELECTRIC GENERATION SUPPLIERS PROVIDING DEFAULT SERVICE SHALL SUBMIT
26 AN ANNUAL REPORT TO THE COMMISSION PROVIDING:

27 (1) A DETAILED DESCRIPTION OF THE LOW-INCOME CUSTOMER
28 ASSISTANCE PROGRAM;

29 (2) ENROLLMENT DATA; AND

1 **(3) ANY OTHER INFORMATION THE COMMISSION CONSIDERS**
2 **NECESSARY.**

3 **(P) (1) (I) ELECTRIC COMPANIES SHALL RECOVER ON A FULL AND**
4 **CURRENT BASIS FROM DISTRIBUTION CUSTOMERS THROUGH A RECONCILABLE**
5 **ADJUSTMENT CLAUSE ALL REASONABLE AND PRUDENT COSTS INCURRED TO**
6 **IMPLEMENT THIS SECTION TOGETHER WITH ONGOING ASSOCIATED**
7 **ADMINISTRATIVE COSTS.**

8 **(II) RECOVERY FROM CUSTOMERS UNDER THIS PARAGRAPH**
9 **SHALL BE ON A CLASS-SPECIFIC BASIS BASED ON THE NUMBER OF CUSTOMERS**
10 **BEING SERVED BY TRANSITIONAL ELECTRIC SERVICE ON MAY 31, 2023, AND**
11 **DEFAULT SERVICE AT THE CONCLUSION OF TRANSITIONAL ELECTRIC SERVICE.**

12 **(Q) THE COMMISSION MAY NOT APPROVE A WHOLESALE PROCUREMENT**
13 **CONTRACT FOR STANDARD OFFER SERVICE THAT EXTENDS SERVICE BEYOND**
14 **OCTOBER 1, 2023.**

15 **(R) (1) (I) ON SUCCESSFUL IMPLEMENTATION OF DEFAULT SERVICE,**
16 **AS DETERMINED BY THE COMMISSION, AN ELECTRIC COMPANY SHALL HAVE THE**
17 **RIGHT TO EARN AN ENHANCED RATE OF RETURN ON COMMON EQUITY CALCULATED**
18 **BY ADDING 50 BASIS POINTS TO THE UTILITY'S AUTHORIZED GENERAL RATE OF**
19 **RETURN.**

20 **(II) THE COMMISSION SHALL DETERMINE THE GENERAL RATE**
21 **OF RETURN FOR A UTILITY IN ACCORDANCE WITH TITLE 4 OF THIS ARTICLE**
22 **WITHOUT CONSIDERATION OF THE ADDITIONAL 50 BASIS POINTS AWARDED FOR THE**
23 **SUCCESSFUL IMPLEMENTATION OF DEFAULT SERVICE UNDER SUBPARAGRAPH (I)**
24 **OF THIS PARAGRAPH.**

25 **(2) THE ENHANCED RATE OF RETURN SHALL REMAIN IN EFFECT FOR**
26 **AT LEAST 10 YEARS AFTER THE DATE OF INITIAL IMPLEMENTATION.**

27 **(S) (1) THE COMMISSION SHALL ESTABLISH A MULTIMEDIA CONSUMER**
28 **EDUCATION PROGRAM DESIGNED TO EDUCATE CONSUMERS ABOUT THE CHANGES**
29 **DIRECTED BY THE IMPLEMENTATION OF TRANSITIONAL ELECTRIC SERVICE AND**
30 **DEFAULT SERVICE.**

31 **(2) THE COMMISSION SHALL IMPLEMENT THE CONSUMER**
32 **EDUCATION PROGRAM BEFORE THE IMPLEMENTATION OF TRANSITIONAL ELECTRIC**
33 **SERVICE AND DEFAULT SERVICE.**

1 **(3) THE CONSUMER EDUCATION PROGRAM PLANNING PROCESS**
2 **SHALL SOLICIT THE VIEWS OF:**

3 **(I) ELECTRIC COMPANIES;**

4 **(II) ELECTRICITY SUPPLIERS; AND**

5 **(III) REPRESENTATIVES OF RESIDENTIAL AND SMALL**
6 **COMMERCIAL CUSTOMERS.**

7 **(T) THE COMMISSION SHALL ADOPT REGULATIONS TO IMPLEMENT THIS**
8 **SECTION.**

9 **7-510.4.**

10 **THE COMMISSION, IN CONSULTATION WITH THE MARYLAND ENERGY**
11 **ADMINISTRATION, SHALL ALTER THE PERCENTAGES OF GENERATION THAT MUST**
12 **BE PROCURED TO QUALIFY AS CLEAN ENERGY GENERATION UNDER THIS TITLE IF,**
13 **AFTER INVESTIGATION, THE COMMISSION CONCLUDES THAT:**

14 **(1) THE LEVELS WILL NOT PHYSICALLY BE ABLE TO BE PROCURED BY**
15 **ELECTRICITY SUPPLIERS IN THE QUANTITIES REQUIRED; OR**

16 **(2) THE RESULTING PRICE OF THE CLEAN ENERGY GENERATION**
17 **PORTFOLIO WILL BE 15% OR MORE HIGHER THAN THE AVERAGE RETAIL MARKET**
18 **PRICE BY CLASS, AS CALCULATED BY THE COMMISSION, PROJECTED ANNUALLY BY**
19 **THE COMMISSION.**

20 **7-510.5.**

21 **(A) IN THIS SECTION, "FUND" MEANS THE CUSTOMER CHOICE CLEAN**
22 **ENERGY FUND.**

23 **(B) THERE IS A CUSTOMER CHOICE CLEAN ENERGY FUND.**

24 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE RESOURCES TO IMPROVE**
25 **THE COMMISSION'S ABILITY TO SUPPORT AND ASSIST IN THE DEPLOYMENT OF**
26 **DISTRIBUTED ENERGY GENERATION RESOURCES FOR LOW AND MODERATE INCOME**
27 **RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS.**

28 **(D) (1) THE COMMISSION SHALL ADMINISTER THE FUND.**

29 **(2) THE COMMISSION SHALL DETERMINE:**

1 **(I) THE STRUCTURE AND COMPOSITION OF THE FUND;**

2 **(II) THE TYPES OF CLEAN ENERGY DEVELOPMENT THAT THE**
3 **FUND WILL SUPPORT; AND**

4 **(III) QUALIFICATIONS AND PROCEDURES FOR APPLYING FOR**
5 **AND RECEIVING GRANTS FROM THE FUND.**

6 **(3) THE COMMISSION MAY ASSIGN RESPONSIBILITIES ASSOCIATED**
7 **WITH ADMINISTERING THE FUND TO THE MARYLAND ENERGY ADMINISTRATION IF:**

8 **(I) THE ADMINISTRATION PRESENTS TO THE COMMISSION A**
9 **PLAN FOR THE FUND;**

10 **(II) THE COMMISSION APPROVES THE ADMINISTRATION'S PLAN**
11 **FOR THE FUND;**

12 **(III) THE ADMINISTRATION PROVIDES THE COMMISSION WITH**
13 **AN ANNUAL BRIEFING AND REPORT ON ACTIVITIES RELATED TO THE FUND; AND**

14 **(IV) THE ADMINISTRATION INCLUDES ACTIVITIES RELATED TO**
15 **THE PROGRAM IN THE MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM**
16 **UNDER § 9-20B-12 OF THE STATE GOVERNMENT ARTICLE.**

17 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
18 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

19 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
20 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

21 **(F) THE FUND CONSISTS OF:**

22 **(1) CUSTOMER ASSIGNMENT FEES PAID UNDER § 7-510.3 OF THIS**
23 **SUBTITLE;**

24 **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE PROGRAM;**

25 **(3) REPAYMENTS AND PREPAYMENTS OF PRINCIPAL AND INTEREST**
26 **ON LOANS MADE FROM THE FUND;**

27 **(4) INTEREST AND INVESTMENT EARNINGS OF THE FUND;**

1 **(5) FUNDING RECEIVED FROM ANY PUBLIC OR PRIVATE SOURCE FOR**
2 **THE BENEFIT OF THE FUND; AND**

3 **(6) FUNDING FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT**
4 **OF THE FUND.**

5 **(G) THE FUND MAY BE USED ONLY TO INVEST IN THE PROMOTION,**
6 **DEVELOPMENT, AND IMPLEMENTATION OF:**

7 **(1) COST-EFFECTIVE ENERGY EFFICIENCY AND CONSERVATION**
8 **PROGRAMS, PROJECTS, OR ACTIVITIES, INCLUDING MEASUREMENT AND**
9 **VERIFICATION OF ENERGY SAVINGS;**

10 **(2) RENEWABLE AND CLEAN ENERGY RESOURCES;**

11 **(3) CLIMATE CHANGE PROGRAMS DIRECTLY RELATED TO REDUCING**
12 **OR MITIGATING THE EFFECTS OF CLIMATE CHANGE;**

13 **(4) DEMAND RESPONSE PROGRAMS THAT ARE DESIGNED TO**
14 **PROMOTE CHANGES IN ELECTRIC USAGE BY CUSTOMERS IN RESPONSE TO:**

15 **(I) CHANGES IN THE PRICE OF ELECTRICITY OVER TIME; OR**

16 **(II) INCENTIVES DESIGNED TO INDUCE LOWER ELECTRICITY**
17 **USE AT TIMES OF HIGH WHOLESALE MARKET PRICES OR WHEN SYSTEM RELIABILITY**
18 **IS JEOPARDIZED;**

19 **(5) PROVIDING TARGETED PROGRAMS, PROJECTS, ACTIVITIES, AND**
20 **INVESTMENTS TO REDUCE ELECTRICITY CONSUMPTION BY CUSTOMERS IN THE**
21 **LOW-INCOME AND MODERATE-INCOME RESIDENTIAL SECTORS;**

22 **(6) PROVIDING SUPPLEMENTAL FUNDS FOR LOW-INCOME ENERGY**
23 **ASSISTANCE THROUGH:**

24 **(I) THE ELECTRIC UNIVERSAL SERVICE PROGRAM UNDER §**
25 **7-512.1 OF THIS SUBTITLE; AND**

26 **(II) OTHER ELECTRIC ASSISTANCE PROGRAMS IN THE**
27 **DEPARTMENT OF HUMAN SERVICES;**

28 **(7) PROVIDING GRANTS, LOANS, AND OTHER ASSISTANCE AND**
29 **INVESTMENT AS NECESSARY AND APPROPRIATE TO IMPLEMENT THE PURPOSES OF**
30 **THE MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM UNDER § 9-20B-03**

1 **OF THE STATE GOVERNMENT ARTICLE; AND**

2 **(8) PROVIDING PUBLIC EDUCATION AND OUTREACH INITIATIVES ON**
3 **REDUCING ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS.**

4 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
5 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

6 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
7 **THE FUND.**

8 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
9 **WITH DIRECTIVES FROM THE COMMISSION OR MARYLAND ENERGY**
10 **ADMINISTRATION.**

11 7-511.

12 (a) Except for electric cooperatives and municipal electric utilities:

13 (1) competitive billing shall begin on July 1, 2000;

14 (2) competitive metering for large customers shall begin on January 1,
15 2002; and

16 (3) competitive metering for all other customers shall begin on April 1,
17 2002, or earlier if requested by the electric company.

18 **(B) (1) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN SUPPLIER**
19 **CONSOLIDATED BILLING UNLESS THE ELECTRICITY SUPPLIER IS LICENSED BY THE**
20 **COMMISSION TO OFFER SUPPLIER CONSOLIDATED BILLING SERVICES.**

21 **(2) (I) AN ELECTRICITY COMPANY MAY USE SUPPLIER**
22 **CONSOLIDATED BILLING FOR ITS CUSTOMERS.**

23 **(II) AN ELECTRICITY SUPPLIER PROVIDING TRANSITIONAL**
24 **ELECTRIC SERVICE AND DEFAULT SERVICE IN ACCORDANCE WITH § 7-510.3 OF THIS**
25 **SUBTITLE SHALL USE SUPPLIER CONSOLIDATED BILLING FOR CUSTOMERS.**

26 **(3) AN ELECTRICITY SUPPLIER USING SUPPLIER CONSOLIDATED**
27 **BILLING MAY, IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION,**
28 **DIRECT AN ELECTRIC COMPANY TO DISCONNECT SERVICE TO A RETAIL CUSTOMER**
29 **FOR NONPAYMENT OF THE CUSTOMER'S ELECTRICITY BILL IF DISCONNECTING**
30 **SERVICE:**

1 **(I) REASONABLY PROTECTS ELECTRICITY SUPPLIERS FROM**
2 **THE RISKS OF BAD DEBT;**

3 **(II) ENSURES CUSTOMERS RECEIVE SUFFICIENT NOTICE AND**
4 **OPPORTUNITY TO PAY BEFORE DISCONNECTION;**

5 **(III) REQUIRES THE ELECTRIC COMPANIES TO CONTINUE TO**
6 **ADHERE TO THE TERMINATION PROVISIONS UNDER SUBTITLE 3 OF THIS TITLE; AND**

7 **(IV) ENSURES THAT THE ELECTRICITY SUPPLIER SHALL**
8 **INDEMNIFY THE ELECTRIC COMPANY FROM LIABILITY FOR IMPROPER**
9 **TERMINATION.**

10 **(4) AN ELECTRICITY SUPPLIER USING SUPPLIER CONSOLIDATED**
11 **BILLING SHALL:**

12 **(I) COLLECT ALL APPLICABLE SALES TAX FROM THE**
13 **CUSTOMER AND REMIT THE TAX TO THE STATE; AND**

14 **(II) FILE ALL REPORTS AND PAY ALL TAXES ON THE TAXABLE**
15 **GROSS RECEIPTS.**

16 **[(b)] (C)** The Commission shall adopt regulations or issue orders to implement
17 this section.

18 **[(c)] (D)** (1) A person other than an electric company or a municipal electric
19 utility may not engage in the business of competitive billing services in a local jurisdiction
20 that assesses a local energy tax, unless the person holds a license issued by that
21 jurisdiction.

22 (2) An application for a local competitive billing services license shall be
23 made in accordance with the requirements of the local jurisdiction.

24 (3) (i) A local jurisdiction may require an applicant or licensee to:
25 1. hold a license issued by the Commission, as provided
26 under § 7–507 of this subtitle;
27 2. post a bond or other similar instrument in an amount
28 equal to 15% of the bond required under § 7–507 of this subtitle; and
29 3. have a resident agent in the State.

30 (ii) A local jurisdiction may not require an applicant or licensee to
31 pay a fee or other charge for the local license.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2021.