

Unofficial Copy

1997 Regular Session

EMERGENCY BILL

C5

7lr2971

By: Senator Miller

Introduced and read first time: February 19, 1997

Assigned to: Rules

Re-referred to: Finance, February 26, 1997

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 1997

CHAPTER ____

1 AN ACT concerning

2 **Task Force to Study Retail Electric Competition and the Restructuring of the Electric**
3 **Utility Industry**

4 FOR the purpose of establishing a Task Force to Study Retail Electric Competition and
 5 the Restructuring of the Electric Utility Industry; providing for the membership,
 6 duties, and staffing of the Task Force; establishing a certain advisory group to assist
 7 the Task Force in certain deliberations; providing for the membership of the
 8 advisory group; requiring the Task Force to conduct hearings and make a report and
 9 recommendations by a certain date; requiring the Task Force to study open access
 10 to retail electric competition and restructuring of the electric utility industry in
 11 Maryland, to study retail electric competition and electricity utility restructuring in
 12 other states, and to evaluate the potential benefits and impacts on Maryland citizens
 13 and businesses; providing for the effective date and termination of this Act; making
 14 this Act an emergency measure; and generally relating to the Task Force to Study
 15 Retail Electric Competition and the Restructuring of the Electric Utility Industry.

16 BY adding to

17 Article 41 - Governor - Executive and Administrative Departments
 18 Section 18-313
 19 Annotated Code of Maryland
 20 (1997 Replacement Volume)

21 Preamble

22 WHEREAS, Allowing retail customers of electric generation to have open access to
 23 competitive suppliers of retail electricity is being considered by the U.S. Congress and a
 24 majority of states, and has already been mandated by at least one neighboring state; and

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1 WHEREAS, The ability of Maryland citizens and businesses to compete in the
2 global market may be harmed unless they have access to reliable electrical power at rates
3 and on terms which are competitive with rates and terms in other states; and

4 WHEREAS, Legislation designed to implement retail competition and any
5 associated restructuring of the electric utility industry will require a careful examination
6 of existing law, and the provisions of that legislation must take into account a variety of
7 issues and factors; and

8 WHEREAS, Legislation may be needed to supplement the proceedings of the
9 Public Service Commission; now, therefore,

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

12 **Article 41 - Governor - Executive and Administrative Departments**

13 18-313.

14 (A) THERE IS A TASK FORCE TO STUDY RETAIL ELECTRIC COMPETITION AND
15 THE RESTRUCTURING OF THE ELECTRIC UTILITY INDUSTRY.

16 (B) THE TASK FORCE CONSISTS OF THE FOLLOWING ~~18~~ 17 MEMBERS:

17 (1) ~~TWO FIVE MEMBERS OF THE SENATE OF MARYLAND;~~ APPOINTED BY
18 THE PRESIDENT OF THE SENATE, OF WHICH AT LEAST FOUR ARE MEMBERS OF THE
19 SENATE OF MARYLAND;

20 (2) ~~TWO FIVE MEMBERS OF THE HOUSE OF DELEGATES OF MARYLAND;~~
21 APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES, OF WHICH AT LEAST
22 FOUR ARE MEMBERS OF THE HOUSE OF DELEGATES;

23 (3) ~~THREE MEMBERS OF THE PUBLIC, APPOINTED JOINTLY BY THE~~
24 ~~PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE, ONE OF WHOM~~
25 ~~SHALL SERVE AS CHAIRMAN; AND~~

26 ~~(4) 11 FIVE MEMBERS~~ APPOINTED BY THE GOVERNOR, AS FOLLOWS:

27 (I) ONE REPRESENTATIVE OF THE MARYLAND ENERGY
28 ADMINISTRATION;

29 (II) ONE REPRESENTATIVE OF THE DEPARTMENT OF BUSINESS
30 AND ~~EMPLOYMENT~~ ECONOMIC DEVELOPMENT;

31 (III) ONE REPRESENTATIVE OF THE MARYLAND DEPARTMENT OF
32 THE ENVIRONMENT;

33 (IV) ONE REPRESENTATIVE OF THE GOVERNOR'S LEGISLATIVE
34 STAFF; AND

35 (V) ONE INDEPENDENT MEMBER; AND

36 (4) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
37 OF DELEGATES SHALL SERVE AS EX OFFICIO MEMBERS.

1 (C) THE GOVERNOR, IN CONSULTATION WITH THE PRESIDENT OF THE
 2 SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES SHALL APPOINT THE
 3 CHAIRMAN.

4 (D) THE TASK FORCE SHALL BE ASSISTED IN DELIBERATIONS BY AN
 5 ADVISORY GROUP CONSISTING OF THE FOLLOWING MEMBERS:

6 ~~(III) TWO~~ (I) THREE MEMBERS REPRESENTING INDUSTRIAL
 7 ELECTRIC CUSTOMERS;

8 ~~(IV) TWO~~ (II) THREE MEMBERS REPRESENTING COMMERCIAL
 9 ELECTRIC CUSTOMERS;

10 ~~(V) TWO~~ (III) THREE MEMBERS REPRESENTING RESIDENTIAL
 11 ELECTRIC CUSTOMERS, ONE OF WHOM SHALL REPRESENT THE OFFICE OF PEOPLE'S
 12 COUNSEL;

13 ~~(VI) THREE MEMBERS~~ (IV) A MEMBER REPRESENTING ~~THE EACH~~
 14 INVESTOR-OWNED ELECTRIC UTILITY ~~INDUSTRY~~ SERVING CUSTOMERS AT RETAIL
 15 IN MARYLAND;

16 (V) A MEMBER REPRESENTING ELECTRIC COOPERATIVES
 17 SERVING CUSTOMERS AT RETAIL IN MARYLAND;

18 (VI) A MEMBER REPRESENTING MUNICIPAL ELECTRICAL SYSTEMS
 19 SERVING CUSTOMERS IN MARYLAND; AND

20 (VII) A MEMBER REPRESENTING AN INDEPENDENT POWER
 21 PRODUCER.

22 ~~(E)~~ (E) THE TASK FORCE SHALL:

23 (1) CONDUCT HEARINGS TO SOLICIT COMMENTS AND
 24 RECOMMENDATIONS FROM ~~CONSUMERS AND GENERATORS OF ELECTRICITY~~ THE
 25 ADVISORY GROUP AND OTHER INTERESTED PARTIES;

26 (2) SOLICIT COMMENTS AND RECOMMENDATIONS FROM THE
 27 MARYLAND PUBLIC SERVICE COMMISSION ~~AND THE OFFICE OF PEOPLE'S COUNSEL;~~

28 (3) EVALUATE THE IMPACT OF IMPLEMENTING RETAIL ELECTRIC
 29 COMPETITION ON MARYLAND GENERATORS OF ELECTRICITY, PARTICULARLY
 30 RELATING TO THE RECOVERY OR NONRECOVERY OF STRANDED, TRANSITIONAL,
 31 OR OTHER COSTS;

32 (4) EVALUATE AND PRODUCE A REPORT ON THE POTENTIAL BENEFITS
 33 OF RETAIL ELECTRIC COMPETITION TO MARYLAND CITIZENS AND BUSINESSES AND
 34 THE POTENTIAL IMPACTS ON MARYLAND CITIZENS AND BUSINESSES OF ANY DELAY
 35 IN ALLOWING RETAIL ELECTRIC COMPETITION;

36 (5) IDENTIFY, DOCUMENT, AND STUDY THE TERMS UNDER WHICH
 37 RETAIL ELECTRIC COMPETITION IS BEING OFFERED IN OTHER STATES;

38 (6) IDENTIFY, DOCUMENT, AND STUDY THE RESTRUCTURING OF THE
 39 ELECTRIC UTILITY INDUSTRY IN OTHER STATES;

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1 (7) EVALUATE ANY TAXATION AND REGULATORY ISSUES ASSOCIATED
2 WITH RETAIL ELECTRIC COMPETITION;

3 (8) EVALUATE AND RECOMMEND ~~THE~~ WHETHER AND UNDER WHAT
4 TERMS UNDER WHICH RETAIL ELECTRIC COMPETITION SHOULD BE OFFERED IN
5 MARYLAND, AND MAKE RECOMMENDATIONS CONCERNING THE RESTRUCTURING
6 OF THE ELECTRIC UTILITY INDUSTRY IN MARYLAND;

7 (9) DETERMINE IF LEGISLATION SHOULD BE INTRODUCED IN THE 1998
8 SESSION OF THE MARYLAND GENERAL ASSEMBLY TO IMPLEMENT THE
9 RECOMMENDATIONS OF THE TASK FORCE AND, IF SO, DRAFT A MODEL FOR THE
10 LEGISLATION; AND

11 (10) CONSIDER ANY OTHER PERTINENT ISSUES.

12 ~~(D)~~ (F) THE MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT
13 COMPENSATION BUT ARE ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER
14 THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE
15 BUDGET.

16 ~~(E)~~ (G) THE DEPARTMENTS OF LEGISLATIVE REFERENCE AND FISCAL
17 SERVICES SHALL PROVIDE STAFF SUPPORT TO THE TASK FORCE.

18 ~~(F)~~ (H) THE TASK FORCE SHALL ISSUE A FINAL REPORT OF ITS FINDINGS
19 AND RECOMMENDATIONS, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT
20 ARTICLE, TO THE GENERAL ASSEMBLY ON OR BEFORE DECEMBER 15, 1997.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect~~
22 ~~June 1, 1997~~ is an emergency measure, is necessary for the immediate preservation of the
23 public health and safety, has been passed by a yea and nay vote supported by three-fifths
24 of all of the members elected to each of the two Houses of the General Assembly, and
25 shall take effect from the date it is enacted. It shall remain effective for a period of 1 year
26 ~~and 1 month and, at~~ At the end of June 30, 1998, with no further action required by the
27 General Assembly, this Act shall be abrogated and of no further force and effect.