

BY: Senator Frosh

AMENDMENTS TO SENATE BILL NO. 300, AS AMENDED

AMENDMENT NO. 1

On page 1 of the Finance Committee Amendments (SB0300/047563/1), in Amendment No. 1, strike beginning with “requiring” in line 16 down through “program;” in line 21 and substitute “creating a Public Benefits Fund to provide funding for certain purposes; requiring all electric customers to contribute to the public benefits fund through a certain non-bypassable public benefits charge, to be set by the Commission in a certain manner; providing for the allocation of the Fund among certain uses; requiring the Maryland Energy Administration to develop certain renewable energy programs and energy efficiency programs; requiring the Director of the Maryland Energy Assistance Program to develop a certain universal service program;”.

AMENDMENT NO. 2

On pages 13 through 16 of the Finance Committee Amendments, in Amendment No. 15, strike in their entirety the lines beginning with line 14 on page 13 through line 22 on page 16, inclusive, and substitute:

“(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “STANDARD OF PERFORMANCE CONTRACT” MEANS A CONTRACT SETTING FORTH THE TERMS AND CONDITIONS, INCLUDING MEASUREMENT AND VERIFICATION OF ENERGY SAVINGS, FOR A COMPREHENSIVE ENERGY EFFICIENCY PROJECT THAT IS ELIGIBLE TO COMPETE FOR FUNDS UNDER THE PUBLIC BENEFITS FUND ESTABLISHED BY THIS SECTION.

(3) “MEASUREMENT AND VERIFICATION OF ENERGY SAVINGS” MEANS THE ACTUAL AND CONTINUOUS MONITORING AND MEASUREMENT OF ENERGY USAGE BY ENERGY EFFICIENT EQUIPMENT IN A FACILITY, PURSUANT TO A NATIONALLY RECOGNIZED PROTOCOL FOR MEASUREMENT AND VERIFICATION,

(Over)

USED IN CONJUNCTION WITH PROCEDURES FOR REPORTING ENERGY SAVINGS
PRODUCED BY THE ENERGY EFFICIENT EQUIPMENT.

(B) (1) THERE IS A PUBLIC BENEFITS FUND.

(2) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING FOR THE
DEVELOPMENT AND OPERATION OF:

(I) ENERGY EFFICIENCY PROGRAMS;

(II) RENEWABLE ENERGY RESOURCES;

(III) FOR A PERIOD OF 3 YEARS, BEGINNING ON JULY 1, 1999, A
CUSTOMER EDUCATION PROGRAM; AND

(IV) A UNIVERSAL SERVICE PROGRAM.

(3) ALL ELECTRIC CUSTOMERS SHALL CONTRIBUTE TO THE PUBLIC
BENEFITS FUND THROUGH A NON-BYPASSABLE PUBLIC BENEFITS CHARGE THAT
EACH ELECTRIC SUPPLIER OR ITS BILLING AGENT SHALL COLLECT AND REMIT TO
THE COMPTROLLER TO BE PLACED IN THE PUBLIC BENEFITS FUND.

(4) (I) THE COMPTROLLER SHALL RECEIVE, PRUDENTLY INVEST,
AND ACCOUNT FOR ALL FUNDS PLACED IN THE PUBLIC BENEFITS FUND.

(II) THE COLLECTIONS FROM THE NON-BYPASSABLE PUBLIC
BENEFITS CHARGE SHALL ACCRUE TO THE FUND.

(C) (1) (I) THE COMMISSION SHALL SET THE LEVEL OF THE PUBLIC
BENEFITS CHARGE IN A MANNER CONSISTENT WITH SUBPARAGRAPHS (II) AND (III)
OF THIS PARAGRAPH.

(II) THE PUBLIC BENEFITS CHARGE SHALL BE SET TO RECOVER
AT LEAST THE SAME AMOUNT OF DEMAND SIDE MANAGEMENT COSTS AND COSTS

RELATED TO LOW-INCOME CUSTOMERS, INCLUDING UNCOLLECTED BILLS, THAT WERE BEING COLLECTED IN THE BUNDLED RATES OF ELECTRIC COMPANIES AS OF JANUARY 1, 1999.

(III) IN SETTING THE TYPE AND LEVEL OF RATES TO RECOVER THE AMOUNT SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSION SHALL DEVELOP A RATE MECHANISM THAT ENCOURAGES EFFICIENCY AND EQUITY IN THE LEVEL OF RATES ACROSS CUSTOMER CLASSES AND SERVICE AREAS AND ENSURES THAT THERE IS NO DISPARATE RATE IMPACT ON ANY PARTICULAR CUSTOMER CLASS WITH RESPECT TO THE RATES THAT CUSTOMER CLASS WAS PAYING UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.

(2) (I) THE PUBLIC BENEFITS FUND SHALL BE ALLOCATED AS PROVIDED IN THIS PARAGRAPH.

(II) 35% OF THE FUNDS COLLECTED SHALL BE ALLOCATED TO UNIVERSAL SERVICE PROGRAMS.

(III) 35% OF THE FUNDS COLLECTED SHALL BE ALLOCATED TO ENERGY EFFICIENCY PROGRAMS.

(IV) 5% OF THE FUNDS COLLECTED SHALL BE ALLOCATED TO RENEWABLE ENERGY PROGRAMS.

(V) THE BALANCE SHALL BE AVAILABLE TO THE COMMISSION TO FUND A CUSTOMER EDUCATION PROGRAM AND TO PROVIDE FURTHER FUNDING ON AN AS NEEDED BASIS TO UNIVERSAL SERVICE, ENERGY EFFICIENCY, AND RENEWABLE PROGRAMS.

(VI) THE COMMISSION MAY AUTHORIZE A PORTION OF THE PUBLIC BENEFITS FUND FOR USE TO PAY FOR ANY UNAMORTIZED COSTS OF EXISTING DEMAND SIDE MANAGEMENT AND RENEWABLE ENERGY.

(Over)

(D) (1) ON OR BEFORE JULY 1, 2000, THE MARYLAND ENERGY ADMINISTRATION SHALL DEVELOP A COMPREHENSIVE RENEWABLE ENERGY PROGRAM AND A COMPREHENSIVE ENERGY EFFICIENCY PROGRAM THAT PROVIDES MAXIMUM ENVIRONMENTAL BENEFITS AND LONG-TERM ENERGY BILL SAVINGS.

(2) THE MARYLAND ENERGY ADMINISTRATION SHALL DEVELOP ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAMS INCLUDING BUT NOT LIMITED TO:

(I) STANDARD PERFORMANCE CONTRACTING PROGRAMS WITH OPEN AND COMPETITIVE ACCESS TO ENERGY EFFICIENCY FUNDS;

(II) TARGETED MARKET TRANSFORMATION PROGRAMS;

(III) CUSTOMER INFORMATION, GRANT, LOAN, AND OTHER PROGRAMS TO ADDRESS THE NEEDS OF SMALL BUSINESSES, TENANTS, LOW INCOME CONSUMERS, AND OTHER CUSTOMER GROUPS NOT FULLY SERVICED BY MARKET ENERGY SERVICES OFFERINGS; AND

(IV) RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAMS TO ADVANCE PROMISING EMERGING TECHNOLOGIES.

(3) (I) THE MARYLAND ENERGY ADMINISTRATION SHALL ANNUALLY DETERMINE THE NEED FOR ADDITIONAL FUNDS FOR PROGRAMS IN SUBSECTION (D) OF THIS SECTION AND SUBMIT THE REQUEST FOR ADDITIONAL FUNDING TO THE COMMISSION.

(II) THE COMMISSION SHALL ALLOCATE ADDITIONAL FUNDS TO FULFILL THE REQUEST CONSISTENT WITH THE PROVISIONS OF SUBSECTION (C)(2) OF THIS SECTION.

(E) (1) THE DIRECTOR OF THE MARYLAND ENERGY ASSISTANCE PROGRAM SHALL DEVELOP A UNIVERSAL SERVICE PROGRAM THAT PROVIDES FOR A REDUCTION IN ELECTRIC COSTS TO AFFORDABLE LEVELS FOR ELIGIBLE LOW-

INCOME CUSTOMERS, TAKING INTO ACCOUNT THE ELIGIBLE CUSTOMERS' INCOME, ELECTRICITY USAGE, AND REASONABLE PAYMENT BURDEN, AND THE DESIRE TO REDUCE PREEXISTING ARREARAGE.

(2) ALL ELECTRICITY CUSTOMERS WITH HOUSEHOLD INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL, IN THE GUIDELINES FOR THE 48 CONTIGUOUS STATES PUBLISHED BY THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES, SHALL BE ELIGIBLE TO PARTICIPATE IN THE UNIVERSAL SERVICE PROGRAMS.

(3) (I) ON OR BEFORE NOVEMBER 1, 1999, THE DIRECTOR OF THE MARYLAND ENERGY ASSISTANCE PROGRAM SHALL CONVENE A LOW-INCOME ENERGY ASSISTANCE ADVISORY BOARD.

(II) THE BOARD SHALL ASSIST THE MARYLAND ENERGY ASSISTANCE PROGRAM DIRECTOR IN MATTERS RELATED TO UNIVERSAL SERVICE PROGRAMS, INCLUDING THE DEVELOPMENT OF RECOMMENDATIONS FOR THE DESIGN AND IMPLEMENTATION OF THE RATE AFFORDABILITY AND ENERGY EFFICIENCY PROGRAMS FOR ELIGIBLE LOW-INCOME CUSTOMERS.

(4) (I) THE DIRECTOR OF THE MARYLAND ENERGY ASSISTANCE PROGRAM SHALL PROVIDE AN ANNUAL REQUEST FOR ADDITIONAL FUNDING FOR UNIVERSAL SERVICE PROGRAMS BASED ON ITS FORECASTED NEEDS ASSESSMENT FOR RATE AFFORDABILITY PROGRAMS.

(II) THE COMMISSION SHALL ALLOCATE ADDITIONAL FUNDS TO FULFILL THE REQUEST CONSISTENT WITH THE PROVISIONS OF SUBSECTION (C)(2) OF THIS SECTION.”;

On page 16 of the Finance Committee Amendments, in line 23 of Amendment No. 15, strike “(G)” and substitute “(F)”.