
By: **Senators Frosh, Blount, Collins, Currie, Dyson, Forehand, Hollinger,
McFadden, Kelley, Lawlah, Sfikas, Stone, Teitelbaum, Green, and
Pinsky**

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Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Consumer Protection and Electric Utility Restructuring Act of 1999

FOR the purpose of expanding a certain net energy billing program to include certain renewable energy resources; providing that a retail customer may not purchase electricity directly from a retail electric service provider unless certain conditions are met; allowing certain local government electric companies to elect not to allow retail access within their service territories under certain circumstances and subject to certain conditions; providing for the conditions under which certain local government electric companies may allow retail access within their service territories and participate in retail access outside their service territories; prohibiting certain persons from certain activities unless certain conditions are met; requiring the Commission to make certain determinations before issuing certain licenses; requiring the Commission to adopt regulations by a certain time; authorizing the Commission to establish certain parameters for certain licenses; authorizing the Commission to suspend or revoke certain licenses, issue cease and desist orders, or impose certain fines and penalties under certain circumstances; prohibiting the transfer of certain licenses unless certain conditions are met; authorizing the Office of Peoples Counsel to engage in certain activities; prohibiting certain retail electric service providers from certain activities unless certain conditions are met; providing a process for certain customers to withdraw consent for disclosure of certain information under certain circumstances; authorizing certain customers to inspect certain records under certain circumstances; requiring the Commission to consult with the Office of the Attorney General under certain circumstances; authorizing certain customers to seek certain remedies under certain conditions; authorizing the Commission to take certain matters into consideration in certain situations; requiring the Commission to cooperate with the Office of the Attorney General under certain circumstances; prohibiting certain retail electric service providers from discriminating against or applying different standards to certain people based upon certain circumstances; requiring the Commission to require certain bills to include certain information and be of a certain format; requiring certain electric distribution utilities to provide certain services to certain customers under certain circumstances; requiring the Commission to

receive certain advice from the Low-Income Energy Assistance Board; authorizing the Commission to terminate certain utility obligations under certain circumstances; authorizing certain entities to form certain aggregators under certain circumstances; establishing a Public Benefits Fund; providing for the purpose and source of funds to be placed in the Fund; requiring the Comptroller to account for the Fund; providing for the manner of distribution of funds from the Fund; requiring the Maryland Energy Administration to develop certain programs and establish certain budgets; requiring the director of a certain Maryland Energy Assistance Board to convene a certain advisory board within a certain time; requiring a certain advisory board to conduct certain activities; providing for a certain time period for certain electric companies to apply to the Commission for a determination of certain costs; requiring the Commission to make certain determinations within a certain time period; requiring the Commission to calculate certain costs using certain parameters; authorizing the Commission to determine the extent of recovery of certain costs based upon certain factors; authorizing the Commission to utilize a certain cost recovery mechanism under certain circumstances; requiring the Commission to reconcile certain costs on a periodic basis; authorizing the Commission to establish certain incentives for the reduction of certain costs; requiring the Commission to monitor certain markets to identify and prevent certain conduct under certain circumstances; authorizing certain persons to file certain complaints with the Commission; authorizing the Commission to initiate certain investigations under certain circumstances; prohibiting certain vertically integrated investor-owned electric companies from engaging in certain activities except under certain conditions; requiring the Commission to require certain service to be provided under certain circumstances; providing that the Commission will have certain jurisdiction over certain companies and their affiliates, subsidiaries, and other entities controlled by the company for certain purposes; requiring certain retail electric service providers to provide certain minimum percentages of kilowatt-hour sales to certain customers from renewable energy resources by certain dates; requiring certain retail electric service providers to provide a certain report to the Commission; providing for certain fines if certain conditions are not met; requiring certain retail electric service providers or certain other entities to comply with certain environmental standards by a certain date; requiring certain electric service providers to certify to the Commission that they comply with certain requirements; requiring the Commission to, in consultation with the Department of the Environment, adopt certain measures to maintain certain safeguards and adapt and develop certain programs for certain purposes; requiring retail electric service providers to disclose certain information to certain customers under certain circumstances; requiring the Commission to, in consultation with the Department of the Environment, conduct proceedings to establish certain standards and procedures by a certain date; requiring the Commission to make certain determinations regarding certain layoffs; providing for certain eligibility standards for certain employees under certain circumstances; requiring certain electric companies to file a certain plan within a certain time; providing for the required contents of a certain plan; requiring certain electric companies to conduct certain activities; requiring the Commission to allocate certain costs to

certain ratepayers through certain means; requiring certain charges to be transferred to a certain administrator for certain purposes; providing for the scope of certain sections and certain subtitles; altering a certain exception to certain commercial law requirements; extending to a certain date the sunset of the Environmental Trust Fund; defining certain terms; and generally relating to consumer protections and electric industry restructuring.

BY repealing and reenacting, with amendments,

Article - Public Utility Companies
Section 7-203(e) and 7-306
Annotated Code of Maryland
(1998 Volume)

BY adding to

Article - Public Utility Companies
Section 7-501 through 7-519, inclusive, to be under the new subtitle "Subtitle 5.
Consumer Protection and Electric Utility Restructuring"
Annotated Code of Maryland
(1998 Volume)

BY repealing and reenacting with amendments,

Article - Commercial Law
Section 13-104
Annotated Code of Maryland
(1990 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, without amendments,

Article - Natural Resources
Section 3-302(a)
Annotated Code of Maryland
(1997 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, with amendments,

Article - Natural Resources
Section 3-302(b)
Annotated Code of Maryland
(1997 Replacement Volume and 1998 Supplement)

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

Article - Public Utility Companies

7-203.

(e) The surcharge imposed under this subtitle shall terminate on June 30, [2000] 2005.

7-306.

(a) (1) In this section the following words have the meanings indicated.

(2) "Eligible customer-generator" means a customer that:

(i) is served by an electric company at a single-family dwelling

which is:

1. a residence of the customer on a residential service tariff;

or

2. the principal residence of the customer on a general

service tariff; and

(ii) owns and operates [a solar] A RENEWABLE ENERGY RESOURCE-FUELED electrical generating facility that:

1. has a capacity of not more than 80 kilowatts;

2. is located on the customer's premises;

3. is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and

4. is intended primarily to offset all or part of the customer's own electricity requirements.

(3) "Net energy metering" means measurement of the difference between the electricity that is supplied by an electric company and the electricity that is generated by an eligible customer-generator and fed back to the electric company over the eligible customer-generator's billing period.

(4) "RENEWABLE ENERGY RESOURCE" HAS THE MEANING STATED IN § 7-515 OF THIS TITLE.

(b) The General Assembly finds and declares that a program to provide net energy metering for eligible customer-generators is a means to encourage private investment in renewable energy resources, stimulate in-State economic growth, enhance continued diversification of the State's energy resource mix, and reduce costs of interconnection and administration.

(c) An electric company serving an eligible customer-generator shall ensure that the meter installed for net energy metering is capable of measuring the flow of electricity in two directions.

(d) The Commission shall require electric utilities to develop a standard contract or tariff for net energy metering and make it available to eligible customer-generators on a first-come, first-served basis until the rated generating capacity owned and operated by eligible customer-generators in the State reaches 34.722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.

(e) (1) A net energy metering contract or tariff shall be identical, in energy rates, rate structure, and monthly charges, to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator.

(2) (i) A net energy metering contract or tariff may not include charges that would raise the eligible customer-generator's minimum monthly charge above that of customers of the rate class to which the eligible customer-generator would otherwise be assigned.

(ii) Charges prohibited by this paragraph include new or additional demand charges, standby charges, customer charges, and minimum monthly charges.

(f) The electric company shall calculate net energy metering, subject to the following:

(1) net energy produced or consumed on a monthly basis shall be measured in accordance with standard metering practices;

(2) if electricity supplied by the grid exceeds electricity generated by the eligible customer-generator during a month, the eligible customer-generator shall be billed for the net energy supplied in accordance with subsection (e) of this section; and

(3) if electricity generated by the eligible customer-generator exceeds the electricity supplied by the grid, the eligible customer-generator shall be required to pay only customer charges for that month in accordance with subsection (e) of this section.

(g) (1) [A solar-electric] A RENEWABLE ENERGY RESOURCE-ELECTRIC generating system used by an eligible customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

(2) The Commission may adopt by regulation additional control and testing requirements for eligible customer-generators that the Commission determines are necessary to protect public safety and system reliability.

(3) An electric company may not require an eligible customer-generator whose [solar-electric] RENEWABLE ENERGY RESOURCE-ELECTRIC generating system meets the standards of paragraphs (1) and (2) of this subsection to:

- (i) install additional controls;
- (ii) perform or pay for additional tests; or
- (iii) purchase additional liability insurance.

SUBTITLE 5. CONSUMER PROTECTION AND ELECTRIC UTILITY RESTRUCTURING.

7-501.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "AFFILIATE" MEANS A PERSON THAT DIRECTLY OR INDIRECTLY OR THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH A PERSON PROVIDING A REGULATED UTILITY SERVICE.

(C) "AFFORDABLE ELECTRIC SERVICE" MEANS ELECTRIC SERVICE PROVIDED AT A COST TO A QUALIFYING LOW-INCOME CONSUMER THAT REPRESENTS A REASONABLE PROPORTION OF THE HOUSEHOLD FAMILY INCOME OF THAT CONSUMER.

(D) "BASIC ELECTRIC SERVICE" MEANS THE SAME SERVICES WHICH WERE PROVIDED TO RESIDENTIAL CUSTOMERS UNDER THE COMMISSION-APPROVED RESIDENTIAL SERVICE TARIFF IN EFFECT PRIOR TO RETAIL ACCESS.

(E) "CONTROL" HAS THE MEANING STATED IN § 6-201 OF THIS ARTICLE.

(F) "ELECTRIC DISTRIBUTION UTILITY" MEANS A UTILITY THAT IS IN THE BUSINESS OF SUPPLYING NONCOMPETITIVE ELECTRIC DISTRIBUTION SERVICE ON OR AFTER THE DATE WHEN ANY RETAIL CUSTOMERS ARE AUTHORIZED TO OBTAIN FORMERLY REGULATED GENERATION OR ELECTRIC SUPPLY SERVICE FROM ENERGY SERVICE PROVIDERS.

(G) "FINANCIAL INTEGRITY" MEANS THE ABILITY OF AN ENTITY TO MEET ITS SHORT- AND LONG-TERM FINANCIAL OBLIGATIONS ON A TIMELY BASIS.

(H) "GENERATION ASSETS" MEANS ALL REAL ESTATE, FIXTURES, REAL PROPERTY, PERSONAL PROPERTY, AND POWER PURCHASE CONTRACTUAL RIGHTS USED, OPERATED, OR MANAGED IN CONNECTION WITH OR TO FACILITATE THE GENERATION OF ELECTRIC POWER.

(I) (1) "GENERATION-RELATED REGULATORY ASSETS" MEANS GENERATION-RELATED COSTS AUTHORIZED BY THE COMMISSION AND APPROVED FOR INCLUSION IN RATES AS DEFERRED COSTS BOOKED AS ASSETS PRIOR TO JULY 1, 2000.

(2) "GENERATION-RELATED REGULATORY ASSETS" INCLUDES COSTS INCURRED FOR DEFERRED TAXES, ENERGY CONSERVATION COSTS, AND

ENVIRONMENTAL REMEDIATION COSTS, ADJUSTED FOR ANY APPLICABLE CREDITS OR REGULATORY LIABILITIES PAYABLE TO CUSTOMERS.

(J) "HOLDING COMPANY" MEANS "PARENT" AS DEFINED IN § 6-201 OF THIS ARTICLE.

(K) "PERSON" INCLUDES A GOVERNMENT CORPORATION, STATE UNIT, OR POLITICAL SUBDIVISION OF THE STATE.

(L) "POWER PURCHASE CONTRACT" MEANS A CONTRACT ENTERED INTO BY AN ELECTRIC COMPANY TO PURCHASE CAPACITY OR ENERGY.

(M) "POWER SOURCE" MEANS THE GENERATION ASSETS RELIED ON TO MEET THE LOAD OF RETAIL CUSTOMERS.

(N) "PURPA CONTRACT" MEANS A POWER PURCHASE CONTRACT GOVERNED BY 16 U.S.C. § 824A-3 OF THE PUBLIC UTILITY REGULATORY POLICY ACT.

(O) "RETAIL ACCESS" MEANS THE RIGHT OF AN END-USE CONSUMER OF ELECTRICITY TO PURCHASE SERVICES FROM AN ENERGY SERVICE PROVIDER.

(P) (1) "RETAIL ELECTRIC SERVICE PROVIDER" MEANS A SELLER, MARKETER, BROKER, AGGREGATOR, OR OTHER PERSON PROVIDING ANY COMPONENT OF FORMERLY REGULATED ELECTRIC SERVICE WHICH IS A COMPETITIVE SERVICE.

(2) "RETAIL ELECTRIC SERVICE PROVIDER" DOES NOT INCLUDE A BUYERS AGGREGATOR.

(Q) "VERTICALLY INTEGRATED UTILITY" MEANS AN INVESTOR-OWNED ELECTRIC UTILITY WHICH PROVIDES GENERATION, TRANSMISSION, AND DISTRIBUTION SERVICES PRIOR TO RETAIL ACCESS.

7-502.

A RETAIL CUSTOMER MAY NOT PURCHASE ELECTRICITY DIRECTLY FROM A RETAIL ELECTRIC SERVICE PROVIDER OTHER THAN THE ELECTRIC COMPANY THAT SUPPLIED THE REGULATED SERVICE TERRITORY WHERE THE CUSTOMER IS LOCATED UNLESS:

(1) THE COMMISSION DETERMINES IN A WRITTEN ORDER THAT ALL OF THE FOLLOWING CONDITIONS EXIST:

(I) SUFFICIENT LOCAL, REGIONAL, AND NATIONAL RELIABILITY ORGANIZATIONS AND SYSTEMS ARE IN EXISTENCE AND FUNCTIONING TO ENSURE THAT RELIABILITY MEASURES ARE IN PLACE FOR ALL FACILITIES;

(II) CONTROL SYSTEMS NECESSARY FOR OPERATING AN INTERCONNECTED TRANSMISSION GRID IN A COMPETITIVE GENERATION MARKET; AND

(III) AN INDEPENDENT MEANS TO OPERATE AND MANAGE FOR RELIABILITY PURPOSES THE BULK POWER SYSTEM ON A REGIONAL BASIS; AND

(2) LEGISLATION HAS BEEN ENACTED TO ADDRESS THE STATE AND LOCAL TAX IMPLICATIONS OF THE RESTRUCTURING OF THE ELECTRIC INDUSTRY;

(3) THE COMMISSION HAS DETERMINED THAT ALL CUSTOMER CLASSES WILL OBTAIN ECONOMIC BENEFITS FROM ELECTRIC RESTRUCTURING; AND

(4) THE COMMISSION HAS ADOPTED REGULATIONS UNDER §§ 7-504, 7-505, 7-508, 7-509, AND 7-513 OF THIS SUBTITLE.

7-503.

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

(2) "MUNICIPAL ELECTRIC COMPANY" MEANS A MUNICIPAL CORPORATION THAT IS IN THE BUSINESS OF SUPPLYING ELECTRICITY FOR OTHER THAN MUNICIPAL PURPOSES.

(3) "RURAL ELECTRIC COOPERATIVE" MEANS AN ELECTRIC COMPANY THAT:

(I) SERVES ONLY THE CONSUMERS THAT EXCLUSIVELY OWN AND CONTROL THE COMPANY; AND

(II) CONDUCTS ITS BUSINESS ON A NOT-FOR-PROFIT BASIS.

(B) A MUNICIPAL ELECTRIC COMPANY OR A RURAL ELECTRIC COOPERATIVE MAY NOT BE REQUIRED TO MAKE AVAILABLE ITS SERVICE TERRITORY TO RETAIL COMPETITION UNLESS IT ELECTS TO DO SO.

(C) A MUNICIPAL ELECTRIC COMPANY OR RURAL ELECTRIC COOPERATIVE THAT DOES NOT ELECT TO ALLOW RETAIL ACCESS MAY NOT MARKET OR SELL ELECTRICITY TO CUSTOMERS OUTSIDE ITS SERVICE TERRITORY.

(D) IF A MUNICIPAL ELECTRIC COMPANY OR RURAL ELECTRIC COOPERATIVE ELECTS TO ALLOW RETAIL ACCESS:

(1) ANY RETAIL ELECTRIC SERVICE PROVIDER LICENSED UNDER § 7-504 OF THIS SUBTITLE MAY SERVE THE CUSTOMERS WITHIN THE SERVICE TERRITORY OF THE ELECTING MUNICIPAL ELECTRIC COMPANY OR RURAL ELECTRIC COOPERATIVE AS OF THE DATE OF THE ELECTION; AND

(2) THE MUNICIPAL ELECTRIC COMPANY OR RURAL ELECTRIC COOPERATIVE MAY MARKET AND SELL ELECTRICITY TO ANY RETAIL ELECTRIC CUSTOMER IN THE STATE SUBJECT TO THE LIMITATIONS OF THIS SUBTITLE.

(E) A MUNICIPAL ELECTRIC COMPANY OR RURAL ELECTRIC COOPERATIVE MAY NOT ELECT TO OPEN ITS SERVICE TERRITORY TO RETAIL COMPETITION UNTIL RETAIL ACCESS COMMENCES UNDER § 7-502 OF THIS SUBTITLE.

7-504.

(A) THIS SECTION DOES NOT APPLY TO:

- (1) AN ELECTRIC COMPANY;
- (2) AN ELECTRIC DISTRIBUTION UTILITY; OR
- (3) AN AUTHORIZED BUYERS AGGREGATOR UNDER § 7-510 OF THIS

SUBTITLE.

(B) A PERSON MAY NOT CONDUCT THE FOLLOWING ACTIVITIES WITHOUT A VALID LICENSE FROM THE COMMISSION AS A RETAIL ELECTRIC SERVICE PROVIDER:

- (1) SELLING, MARKETING, OR BROKERING ELECTRICITY;
- (2) AGGREGATING CUSTOMERS IN THE SALE, MARKETING, OR BROKERING OF ELECTRICITY; OR

(3) PROVIDING ANY OTHER SERVICE RENDERED ONLY BY AN ELECTRIC COMPANY PRIOR TO THE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE.

(C) TO BECOME A LICENSED RETAIL ELECTRIC SERVICE PROVIDER, A PERSON SHALL:

- (1) FILE AN APPLICATION WITH THE COMMISSION;
- (2) CERTIFY TO THE COMMISSION THAT THE PERSON IS IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS, INCLUDING THE REQUIREMENTS OF § 7-516 OF THIS SUBTITLE;
- (3) PAY AN APPLICATION FEE DETERMINED BY THE COMMISSION; AND
- (4) MEET ANY BONDING, FINANCIAL, AND INSURANCE REQUIREMENTS THAT THE COMMISSION MAY ESTABLISH.

(D) BEFORE ISSUING A LICENSE, THE COMMISSION SHALL DETERMINE THAT:

- (1) THE APPLICANT HAS THE TECHNICAL, MANAGERIAL, AND FINANCIAL CAPABILITY TO PROVIDE ENERGY SERVICES IN THE STATE;
- (2) THE APPLICANT AND ANY ENTITY FROM WHICH THE APPLICANT WILL PURCHASE POWER IS IN COMPLIANCE WITH ALL OF THE APPLICABLE REQUIREMENTS OF THE FEDERAL ENERGY REGULATORY COMMISSION AND THE OPERATOR OF THE REGIONAL TRANSMISSION SYSTEM; AND

(3) ANY OTHER REASONABLE REQUIREMENTS WHICH THE COMMISSION DETERMINES ARE IN THE PUBLIC INTEREST.

(E) THE COMMISSION MAY ISSUE OR DENY A LICENSE. IF A LICENSE IS DENIED, THE COMMISSION SHALL PROVIDE IN WRITING THE GROUNDS FOR DENIAL.

(F) AFTER NOTICE AND HEARING, THE COMMISSION MAY SUSPEND OR REVOKE A LICENSE ISSUED UNDER THIS SECTION, ISSUE A CEASE AND DESIST ORDER, IMPOSE A FINE OF UP TO \$10,000 PER VIOLATION PER DAY, AND ISSUE AN ORDER REQUIRING A REFUND OR A CREDIT TO A CUSTOMER IN AN AMOUNT DETERMINED BY THE COMMISSION IF THE RETAIL ELECTRIC SERVICE PROVIDER:

(1) VIOLATES A REQUIREMENT OF THIS ARTICLE OR ANY REGULATION OR ORDER OF THE COMMISSION;

(2) IS FOUND BY THE COMMISSION TO HAVE PROVIDED A FALSE CERTIFICATION UNDER SUBSECTION (B)(2) OF THIS SECTION;

(3) VIOLATES ANY CONSUMER PROTECTION LAW OR REGULATION IN THE STATE, INCLUDING TITLES 13 AND 14 OF THE COMMERCIAL LAW ARTICLE, TITLE 14 OF THE BUSINESS REGULATION ARTICLE, AND ARTICLE 27, § 233D; OR

(4) HAS HAD ITS AUTHORITY TO ENGAGE IN PROVIDING ELECTRIC SERVICES REVOKED OR SUSPENDED BY ANY OTHER STATE OR FEDERAL UNIT FOR REASONS CONSISTENT WITH THIS SECTION.

(G) A LICENSE MAY NOT BE TRANSFERRED WITHOUT THE PRIOR APPROVAL OF THE COMMISSION.

(H) THE COMMISSION MAY TEMPORARILY SUSPEND A LICENSE, PENDING A FINAL DETERMINATION AFTER NOTICE AND HEARING, IF THE COMMISSION DETERMINES THAT THERE IS PROBABLE CAUSE TO BELIEVE THAT CONSUMERS OR THE RELIABILITY OF THE ELECTRIC SUPPLY IN THE STATE WILL BE HARMED BY THE ACTIONS OF THE LICENSEE.

(I) THE PEOPLE'S COUNSEL SHALL HAVE THE SAME AUTHORITY IN LICENSING AND COMPLAINT PROCEEDINGS INVOLVING APPLICANTS AND RETAIL ELECTRIC SERVICE PROVIDERS AS IS PROVIDED IN TITLE 2 OF THIS ARTICLE.

(J) BEFORE THE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, THE COMMISSION SHALL ADOPT REGULATIONS TO:

(1) DETERMINE THE FORM OF APPLICATION, AMOUNT OF APPLICATION FEE, AND THE INFORMATION REQUIRED TO BE SUBMITTED WITH AN APPLICATION UNDER THIS SECTION;

(2) DETERMINE FINANCIAL CAPABILITY REQUIREMENTS, INCLUDING INSURANCE AND BONDING REQUIREMENTS;

(3) ESTABLISH PROCEDURES FOR THE FILING AND RESOLUTION OF COMPLAINTS AGAINST RETAIL ELECTRIC SERVICE PROVIDERS; AND

(4) ESTABLISH THE DURATION OF A LICENSE ISSUED UNDER THIS SECTION, PROCEDURES AND REQUIREMENTS FOR LICENSE RENEWAL, AND PROVISIONS REGARDING THE SURRENDER AND LAPSE OF A LICENSE.

7-505.

(A) A RETAIL ELECTRIC SERVICE PROVIDER MAY NOT, WITHOUT THE RETAIL CUSTOMER'S WRITTEN CONSENT:

(1) DISCLOSE INFORMATION REGARDING A RETAIL CUSTOMER, INCLUDING:

(I) PERSONAL INFORMATION AS DEFINED IN § 10-611(F)(1) OF THE STATE GOVERNMENT ARTICLE; AND

(II) INFORMATION REGARDING BILLING, PAYMENT AND CREDIT, AND ELECTRICITY USAGE;

(2) USE INFORMATION REGARDING A RETAIL ELECTRIC CUSTOMER FOR ANY PURPOSE OTHER THAN THE PURPOSE FOR WHICH THE INFORMATION WAS ORIGINALLY ACQUIRED;

(3) CHANGE A RETAIL CUSTOMER'S RETAIL ELECTRIC SERVICE PROVIDER; OR

(4) ADD SERVICES OR NEW CHARGES TO A RETAIL CUSTOMER'S EXISTING RETAIL ELECTRIC SERVICE OPTIONS.

(B) (1) A RETAIL ELECTRIC CUSTOMER WHO CONSENTS TO DISCLOSURE OF INFORMATION UNDER SUBSECTION (A)(1) OF THIS SECTION MAY WITHDRAW CONSENT BY NOTIFYING THE RETAIL ELECTRIC SERVICE PROVIDER BY TELEPHONE OR IN WRITING.

(2) WITHDRAWAL OF CONSENT UNDER THIS SUBSECTION SHALL BE EFFECTIVE AS SOON AS PRACTICABLE, BUT NO MORE THAN 30 DAYS AFTER THE RETAIL ELECTRIC SERVICE PROVIDER RECEIVES NOTICE OF WITHDRAWAL OF CONSENT.

(C) A RETAIL ELECTRIC CUSTOMER MAY, DURING NORMAL BUSINESS HOURS, INSPECT AND CORRECT INFORMATION ABOUT THE CUSTOMER THAT IS UNDER THE CONTROL OF A RETAIL ELECTRIC SERVICE PROVIDER.

(D) A RETAIL ELECTRIC SERVICE PROVIDER MAY NOT ENGAGE IN MARKETING, ADVERTISING, OR TRADE PRACTICES THAT ARE UNFAIR, FALSE, MISLEADING, OR DECEPTIVE.

(E) BEFORE THE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, THE COMMISSION SHALL, IN CONSULTATION WITH THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE ATTORNEY GENERAL, ADOPT REGULATIONS THAT PROVIDE FOR THE FOLLOWING CONSUMER PROTECTIONS:

(1) UNIFORM DISCLOSURE REQUIREMENTS OF PRICE, CONTRACT AND PURCHASE TERMS AND CONDITIONS, POWER SOURCE, AND ENVIRONMENTAL AND EMISSIONS INFORMATION;

(2) RESTRICTIONS ON TELEMARKETING ACTIVITIES;

(3) PROCEDURES FOR CUSTOMER ENROLLMENT, INCLUDING CONTRACTING WITH CUSTOMERS AND THE VOLUNTARY AND INVOLUNTARY SWITCHING OF CUSTOMERS FROM ONE RETAIL ELECTRIC SERVICE PROVIDER TO ANOTHER;

(4) REASONABLE REQUIREMENTS AND LIMITATIONS RELATING TO DEPOSITS, BILLING AND COLLECTIONS, AND SERVICE TERMINATIONS;

(5) A PROHIBITION ON THE DISCONNECTION OF ELECTRIC SERVICE AT THE CUSTOMER'S PREMISES FOR FAILURE TO PAY A RETAIL ELECTRIC SERVICE PROVIDER OR BUYERS AGGREGATOR BILL; AND

(6) PROCEDURES FOR DISPUTE RESOLUTION BY THE COMMISSION OF CONSUMER COMPLAINTS.

(F) CUSTOMERS DAMAGED BY A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ADOPTED UNDER THIS SUBTITLE MAY:

(1) SEEK FROM THE COMMISSION REGULATORY SANCTIONS AGAINST THE SERVICE PROVIDER, INCLUDING:

(I) REFUND;

(II) CREDIT;

(III) WHOLE OR PARTIAL CANCELLATION OF A CONTRACT OR SERVICE;

(IV) LICENSE SUSPENSION OR REVOCATION; AND

(V) FINES; AND

(2) APPEAL THE COMMISSION'S DECISION UNDER SUBSECTION (B) OF THIS SECTION TO THE CIRCUIT COURT OF THE JURISDICTION IN WHICH THE ALLEGED VIOLATION OCCURRED.

(G) THE OFFICE OF PEOPLE'S COUNSEL MAY REPRESENT ELECTRIC COMPANY CUSTOMERS BEFORE THE COMMISSION AND THE COURT.

(H) THE COMMISSION MAY CONSIDER PROVIDER ACTIONS RESTRICTED OR PROHIBITED BY TITLES 13 AND 14 OF THE COMMERCIAL LAW ARTICLE IN ADDRESSING INDIVIDUAL CUSTOMER COMPLAINTS.

(I) THE RIGHTS, REMEDIES, AND PENALTIES ESTABLISHED IN THIS SECTION SUPPLEMENT THE RIGHTS, REMEDIES, OR PENALTIES UNDER ANY OTHER STATE OR FEDERAL LAW, INCLUDING COMMON LAW.

(J) THE COMMISSION SHALL COOPERATE WITH THE ATTORNEY GENERAL IN ENFORCEMENT OF ALL APPLICABLE CONSUMER PROTECTION LAWS AND MAY PROVIDE ANY AND ALL INFORMATION IN ITS POSSESSION TO THE ATTORNEY GENERAL RELATING TO ENFORCEMENT OF THIS SUBTITLE.

7-506.

A RETAIL ELECTRIC SERVICE PROVIDER MAY NOT DISCRIMINATE AGAINST A POTENTIAL PURCHASER OF ELECTRICITY ON THE BASIS OF RACE, CREED, SEX, AGE, COLOR, NATIONAL ORIGIN, MARITAL STATUS, OR PHYSICAL OR MENTAL HANDICAP WHEN TAKING AN ACTION GOVERNED BY THIS SUBTITLE.

7-507.

A RETAIL ELECTRIC SERVICE PROVIDER MAY NOT APPLY DIFFERENT STANDARDS TO, OR DISCRIMINATE IN TERMS OF CONDITIONS OF ITS SERVICES AGAINST, SIMILARLY SITUATED CUSTOMERS BASED ON THE PERCEIVED ECONOMIC CHARACTER OR THE PERCEIVED COLLECTIVE CREDIT REPUTATION OF THE CUSTOMERS' AREA OF RESIDENCE OR BUSINESS LOCATION.

7-508.

(A) (1) IN ADDITION TO THE DISCLOSURE REQUIREMENTS ADOPTED UNDER § 7-505(B)(1) OF THIS SUBTITLE, THE COMMISSION SHALL REQUIRE EACH BILL FOR RETAIL ELECTRIC SERVICE PROVIDER SERVICES SUBMITTED TO ANY END-USE RESIDENTIAL CUSTOMER TO INCLUDE, IN A FORMAT APPROVED BY THE COMMISSION, ALL INFORMATION WHICH THE COMMISSION DETERMINES IS NECESSARY.

(2) THE INFORMATION MUST BE SUFFICIENT FOR CONSUMERS TO IDENTIFY AND CONTACT THE RETAIL ELECTRIC SERVICE PROVIDER OF EACH SERVICE, TO COMPARE PRICES, TERMS OF SERVICE, AND POWER SOURCE.

(B) IF AN ELECTRIC DISTRIBUTION UTILITY OR OTHER PERSON PROVIDES BILLING SERVICES FOR A RETAIL ELECTRIC SERVICE PROVIDER, IT SHALL COMPLY WITH THE STANDARD BILLING REQUIREMENTS REQUIRED FOR RETAIL ELECTRIC SERVICE PROVIDERS THAT BILL RESIDENTIAL CUSTOMERS DIRECTLY.

(C) EACH BILL FOR ELECTRIC DISTRIBUTION UTILITY SERVICES, WHETHER SUBMITTED TO AN END-USE RESIDENTIAL CUSTOMER DIRECTLY OR THROUGH ANOTHER PERSON, SHALL, IN A FORMAT APPROVED BY THE COMMISSION, INCLUDE

ALL INFORMATION WHICH THE COMMISSION DETERMINES IS NECESSARY AND SUFFICIENT FOR:

(1) CONSUMERS TO UNDERSTAND THE QUANTITY AND PRICE OF ALL SERVICES BILLED FOR;

(2) CONSUMERS TO IDENTIFY AND CONTACT THE PROVIDERS OF ALL SERVICES BILLED FOR, INCLUDING THE BILLING SERVICE;

(3) PROVIDING THE CONSUMER INFORMATION ON HOW TO CONTACT THE COMMISSION WITH A COMPLAINT; AND

(4) CONSUMERS TO UNDERSTAND WHETHER THE RETAIL ELECTRIC SERVICE PROVIDER IS IN COMPLIANCE WITH STATUTORY AND REGULATORY BILLING REQUIREMENTS FOR A RETAIL ELECTRIC SERVICE PROVIDER.

(D) THE COMMISSION SHALL ADOPT REGULATIONS CONSISTENT WITH THIS SECTION BEFORE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE.

7-509.

(A) EVERY ELECTRIC DISTRIBUTION UTILITY SHALL ARRANGE FOR THE PROVISION OF BASIC ELECTRIC SERVICE FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS WHO:

(1) CHOOSE THE BASIC SERVICE OPTION;

(2) ARE NOT YET ELIGIBLE FOR OR WHO HAVE NOT BEEN OFFERED SERVICE BY AN ENERGY SERVICE PROVIDER OR BUYERS AGGREGATOR; OR

(3) HAVE BEEN REFUSED OR DENIED SERVICE BY A RETAIL ELECTRIC SERVICE PROVIDER.

(B) BEFORE THE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, THE COMMISSION SHALL ADOPT REGULATIONS TO DETERMINE THE MANNER, TERMS, AND CONDITIONS UNDER WHICH BASIC ELECTRIC SERVICE SHALL BE PROVIDED TO CUSTOMERS, CONSISTENT WITH THE FOLLOWING PRINCIPLES:

(1) THE ELECTRIC DISTRIBUTION COMPANY SHALL ACQUIRE THE ENERGY SUPPLY TO PROVIDE BASIC ELECTRIC SERVICE THROUGH A BID PROCESS, PURCHASE FROM THE WHOLESALE MARKET OR OTHER MARKET-BASED METHOD DETERMINED BY THE COMMISSION UNDER PROCEDURES ESTABLISHED BY THE COMMISSION THAT ARE DESIGNED TO ENSURE THE LOWEST PRICED AND HIGHEST QUALITY BASIC SERVICE;

(2) THE PRICE CHARGED TO THE CUSTOMER FOR ENERGY SUPPLY MUST BE THE PRICE PAID BY THE ELECTRIC DISTRIBUTION UTILITY FOR THE ENERGY SUPPLY;

(3) BASIC ELECTRIC SERVICE MUST INCLUDE ALL SERVICES, PROVIDED DIRECTLY OR THROUGH THE MARKET, WHICH WERE PROVIDED TO RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS BEFORE RETAIL ACCESS COMMENCES;

(4) WHEN RETAIL ACCESS COMMENCES UNDER § 7-502 OF THIS SUBTITLE, THE TOTAL RETAIL PRICE TO CUSTOMERS FOR BASIC SERVICE, INCLUDING ANY CHARGES OR SURCHARGES, SHALL:

(I) NOT EXCEED THE COST OF SERVICE REGULATED RATES PER CUSTOMER CLASS FOR THOSE SERVICES ON A BUNDLED BASIS BEFORE RETAIL ACCESS; AND

(II) REMAIN CAPPED AT THAT PRICE FOR A PERIOD OF 4 YEARS AFTER ALL CUSTOMERS HAVE RETAIL ACCESS;

(5) THE ELECTRIC DISTRIBUTION UTILITY MUST BID OUT OR OTHERWISE PROCURE THE ENERGY SUPPLY COMPONENT OF BASIC SERVICE ON A PERIODIC SCHEDULE TO BE ESTABLISHED BY THE COMMISSION;

(6) THE COMMISSION SHALL REVIEW THE DISTRIBUTION UTILITY'S PROVISION OF THE ENERGY SUPPLY COMPONENT OF BASIC SERVICE FOR REASONABLENESS;

(7) THE ENERGY SUPPLY COMPONENT OF BASIC SERVICE MAY BE PROVIDED BY MORE THAN ONE SUPPLIER;

(8) THE BASIC SERVICE PROVIDER MAY NOT IMPOSE ANY NEW ADMINISTRATIVE OR FIXED FEE ASSOCIATED WITH INITIATING OR RECEIVING BASIC SERVICE, EXCEPT THAT THE COMMISSION MAY AUTHORIZE A FEE FOR ANY CUSTOMER WHO REQUESTS BASIC SERVICE MORE THAN ONCE IN ANY 12-MONTH PERIOD, OTHER THAN A LOW-INCOME CUSTOMER OR A CUSTOMER DENIED OR REFUSED SERVICE BY A RETAIL ELECTRIC SERVICE PROVIDER; AND

(9) THE COMMISSION SHALL, AFTER RECEIVING ADVICE FROM THE LOW-INCOME ENERGY ASSISTANCE BOARD, ADDRESS BY REGULATION RATE DESIGN, CREDIT, COLLECTION, AND DISCONNECTION PRACTICES.

(C) THE COMMISSION MAY TERMINATE AN ELECTRIC DISTRIBUTION UTILITY'S OBLIGATION TO PROVIDE BASIC SERVICE, IF REQUESTED BY THE DISTRIBUTION UTILITY, ONLY IF THE COMMISSION DETERMINES THAT:

(1) THE MARKET FOR GENERATION SERVICES AND ENERGY SUPPLY FOR RESIDENTIAL CUSTOMERS IS FULLY COMPETITIVE; AND

(2) ALTERNATIVE MECHANISMS ARE IN PLACE TO SERVE BASIC SERVICE CUSTOMERS EFFICIENTLY.

7-510.

(A) A RETAIL ELECTRIC SERVICE PROVIDER OR A PROVIDER OF BASIC SERVICE MAY NOT DISCRIMINATE AGAINST A BUYERS AGGREGATOR IN ANY TERMS OR CONDITIONS OF SALE.

(B) (1) A COUNTY MAY, WITHIN 6 MONTHS AFTER COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, CHOOSE TO ACT AS A BUYERS AGGREGATOR IN ANY OR ALL OF THE CAPACITIES LISTED IN SUBSECTION (C) OF THIS SECTION.

(2) IF, WITHIN 6 MONTHS AFTER COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, A COUNTY HAS NOT CHOSEN TO ACT AS A BUYERS AGGREGATOR, A MUNICIPAL CORPORATION, AS DEFINED IN ARTICLE 23A, § 9 OF THE CODE, WITHIN THE COUNTY, MAY ACT AS A BUYERS AGGREGATOR IN ANY OR ALL OF THE CAPACITIES LISTED IN SUBSECTION (C) OF THIS SECTION.

(3) (I) IF, WITHIN 1 YEAR AFTER COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, A MUNICIPAL CORPORATION HAS NOT CHOSEN TO ACT AS A BUYERS AGGREGATOR, ANY OTHER LEGALLY AUTHORIZED PERSON MAY ACT AS A BUYERS AGGREGATOR IN ANY OR ALL OF THE CAPACITIES LISTED IN SUBSECTION (C) OF THIS SECTION, UNLESS DISAPPROVED BY THE COMMISSION.

(II) A BUYERS GROUP, LOW-INCOME GROUP, NON-PROFIT ORGANIZATION, AFFINITY GROUP, OR OTHER GROUP MAY ACT AS A BUYERS AGGREGATOR UNDER THIS PARAGRAPH.

(III) THE COMMISSION MAY DISAPPROVE A PERSON'S CHOICE TO ACT AS A BUYERS AGGREGATOR UNDER THIS PARAGRAPH IF IT DETERMINES THAT THE AUTHORIZED ENTITY IS FINANCIALLY UNABLE TO ACT IN THE CAPACITY OF A BUYERS AGGREGATOR.

(C) A COUNTY, MUNICIPAL CORPORATION, OR PERSON AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION MAY ACT AS A BUYERS AGGREGATOR IN THE FOLLOWING CAPACITIES:

(1) FOR ALL ELECTRIC LOADS FOR MUNICIPAL PURPOSES, INCLUDING THE RIGHT TO HAVE THE ELECTRIC SERVICE DELIVERED TO ONE PHYSICAL DELIVERY POINT ON THE DISTRIBUTION SYSTEM WITHIN THE MUNICIPAL BORDERS AND AT THE SAME TERMS AND CONDITIONS AS ANY CUSTOMER OF A DISTRIBUTION UTILITY OF SIMILAR SIZE;

(2) AS AN AGGREGATOR FOR THE PURCHASE OF ELECTRIC ENERGY FOR CUSTOMERS THAT SELECT THE MUNICIPAL CORPORATION OR COUNTY AS THEIR AGGREGATOR;

(3) AS THE DEFAULT AGGREGATOR FOR ALL CUSTOMERS IN THE MUNICIPAL CORPORATION OR COUNTY, OR A DESIGNATED PORTION OF THE JURISDICTION, PROVIDED IF THE MUNICIPAL CORPORATION OR COUNTY HAS ENACTED LEGISLATION TO AUTHORIZE IT TO ACT AS A DEFAULT AGGREGATOR.

AFTER ENACTMENT OF THE LEGISLATION, ALL CUSTOMERS RECEIVING ELECTRIC SERVICE IN THE MUNICIPAL CORPORATION OR COUNTY OR THE DESIGNATED PORTION (OF THE JURISDICTION), WHO HAVE NOT AFFIRMATIVELY SELECTED AN ENERGY SERVICE PROVIDER, OR THOSE PLACED ON BASIC SERVICE BECAUSE OF A FAILURE TO SELECT AN ENERGY SERVICE PROVIDER, WILL BECOME PART OF THE AGGREGATED CUSTOMERS OF THE MUNICIPAL CORPORATION OR COUNTY;

(4) AS THE BASIC SERVICE PROVIDER FOR CUSTOMERS IN THE MUNICIPAL CORPORATION OR COUNTY, OR THE DESIGNATED PORTION (OF THE JURISDICTION); AND

(5) AS THE DISTRIBUTION UTILITY IN THE MUNICIPAL CORPORATION OR COUNTY OR DESIGNATED PORTION, IF THE MUNICIPAL CORPORATION OR COUNTY HAS ACQUIRED AN ELECTRIC DISTRIBUTION SYSTEM TO SERVE THE AGGREGATED CUSTOMERS EITHER BY CONSTRUCTING A NEW DISTRIBUTION SYSTEM OR BY ACQUIRING THE EXISTING DISTRIBUTION SYSTEM FROM ITS OWNER FOR JUST COMPENSATION WHICH MEANS THE UNAMORTIZED BALANCE AS SHOWN ON THE REGULATORY BOOKS OF ACCOUNT.

(D) A COUNTY OR MUNICIPAL CORPORATION OR DESIGNATED PORTION OF A JURISDICTION MAY NOT ACT AS AGGREGATOR IN ANY OF THE CAPACITIES LISTED IN SUBSECTION (C) OF THIS SECTION IF AN EXISTING MUNICIPAL CORPORATION OR COUNTY OR RURAL ELECTRIC COOPERATIVE FOR THE MUNICIPAL CORPORATION OR COUNTY ALREADY SERVES AS A BUYERS AGGREGATOR OR ELECTRIC SUPPLIER FOR THE COUNTY OR MUNICIPAL CORPORATION, OR A DESIGNATED PORTION (OF THE JURISDICTION).

(E) ANY COUNTY, MUNICIPAL CORPORATION, OR OTHER AGGREGATOR AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION:

(1) SHALL ESTABLISH THE RATE, TERM, AND CONDITIONS FOR PARTICIPATION IN THE AGGREGATION OF CUSTOMERS UNDER THIS SECTION; AND

(2) MAY CREATE A MUNICIPAL ENERGY CORPORATION OR OTHER ENTITY TO ACT UNDER THE AUTHORITY OF THE MUNICIPAL CORPORATION OR COUNTY GOVERNMENT TO UNDERTAKE ANY OF THE ACTIONS AUTHORIZED BY THIS SECTION.

(F) A BUYERS AGGREGATOR IS NOT A RETAIL ELECTRIC SERVICE PROVIDER AND MAY NOT ACT AS ONE.

(G) DURING THE FIRST YEAR OF RESIDENTIAL RETAIL ACCESS, ONLY ENTITIES LISTED IN SUBSECTION (C) OF THIS SECTION MAY APPLY TO BECOME BUYERS AGGREGATORS.

(H) THE COMMISSION:

(1) SHALL ESTABLISH REQUIREMENTS FOR ENTITIES TO QUALIFY AS A BUYERS AGGREGATOR, INCLUDING COMPETENCE, DISCLOSURE, CONTRACT, OPT-OUT, AGENCY, AND AUTHORIZATION REQUIREMENTS;

(2) SHALL ESTABLISH REASONABLE CONSUMER PROTECTION REQUIREMENTS FOR RESIDENTIAL CUSTOMERS WHO USE BUYERS AGGREGATORS;

(3) SHALL ASSIST GROUPS THAT WISH TO BECOME BUYERS AGGREGATORS OR THAT ARE BUYERS AGGREGATORS TO UNDERSTAND THE TECHNICAL AND ECONOMIC ISSUES IN BUYING ELECTRIC SUPPLY IN A COMPETITIVE MARKET;

(4) SHALL ESTABLISH REASONABLE REQUIREMENTS FOR ELECTRIC DISTRIBUTION UTILITIES, BASIC SERVICE PROVIDERS, AND RETAIL ELECTRIC SERVICE PROVIDERS TO SHARE LOAD PROFILE, DEMAND, CONSUMPTION, AND OTHER RELEVANT DATA WITH QUALIFIED BUYERS AGGREGATORS;

(5) MAY ADOPT ANY REASONABLE REGULATIONS RELATING TO BUYERS AGGREGATORS THAT IT DETERMINES TO BE IN THE PUBLIC INTEREST; AND

(6) MAY NOT WITHHOLD APPROVAL OF A BUYERS AGGREGATOR UNDER THIS SECTION UNLESS APPROVAL WOULD AFFECT THE SAFETY OR RELIABILITY OF THE ELECTRIC SYSTEM EITHER IN OR OUTSIDE OF THE COUNTY OR MUNICIPAL CORPORATION.

7-511.

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

(2) THE PURPOSE OF THE PUBLIC BENEFITS FUND IS TO PROVIDE FUNDING FOR THE DEVELOPMENT OF RENEWABLE ENERGY RESOURCES, ENERGY EFFICIENCY PROGRAMS, UNIVERSAL SERVICE PROGRAMS, AND ASSISTANCE FOR SMALL CUSTOMERS TO FORM BUYERS AGGREGATORS.

(3) ALL RATEPAYERS SHALL CONTRIBUTE TO THE PUBLIC BENEFITS FUND THROUGH A NON-BYPASSABLE PUBLIC BENEFITS CHARGE ASSESSED ON KILOWATT-HOURS DELIVERED.

(4) AN ELECTRIC DISTRIBUTION UTILITY OR ITS BILLING AGENT SHALL COLLECT THE PUBLIC BENEFITS CHARGES AND REMIT THEM AS FOLLOWS:

(I) 0.015 CENTS ON EACH KILOWATT-HOUR OF ELECTRICITY DELIVERED IN THE STATE REMITTED TO THE COMPTROLLER TO BE PLACED IN THE ENVIRONMENTAL TRUST FUND UNDER TITLE 3, SUBTITLE 3 OF THE NATURAL RESOURCES ARTICLE; AND

(II) 0.3 CENTS ON EACH KILOWATT-HOUR OF ELECTRICITY DELIVERED IN THE STATE TO THE MARYLAND ENERGY ADMINISTRATION TO BE PLACED IN THE PUBLIC BENEFITS FUND.

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

(6) THE PUBLIC BENEFITS FUND SHALL BE USED AS FOLLOWS:

(I) A MINIMUM OF 5% FOR RENEWABLE ENERGY PROGRAMS;

(II) A MINIMUM OF 30% FOR ENERGY EFFICIENCY PROGRAMS;

(III) A MINIMUM OF 40% FOR LOW-INCOME PROGRAMS;

(IV) FOR A PERIOD OF THREE YEARS AFTER THE COMMENCEMENT OF RETAIL ACCESS, UP TO \$500,000 ANNUALLY FOR SERVICES TO ASSIST SMALL CUSTOMERS IN AGGREGATION; AND

(V) ANY REMAINING FUNDS SHALL BE TARGETED FIRST TO LOW-INCOME PROGRAMS ON A NEEDS BASIS AND THEN TO ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAMS.

(B) (1) THE DIRECTOR OF THE MARYLAND ENERGY ASSISTANCE PROGRAM, AS DESCRIBED IN COMAR 07.06.06, SHALL DEVELOP A UNIVERSAL SERVICE PROGRAM THAT:

(I) PROVIDES FOR A REDUCTION OF 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 ARREARAGES; AND

(II) PROVIDES FUNDING FOR ENERGY EFFICIENCY MEASURES FOR ELIGIBLE LOW-INCOME CUSTOMERS.

(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.

(C) THE MARYLAND ENERGY ADMINISTRATION SHALL DEVELOP:

(1) A RENEWABLE ENERGY PROGRAM;

(2) AN ENERGY EFFICIENCY PROGRAM; AND

(3) A PROGRAM TO ASSIST SMALL CUSTOMERS IN BECOMING BUYERS AGGREGATORS AS AUTHORIZED IN § 7-510 OF THIS SUBTITLE.

(D) THE MARYLAND ENERGY ADMINISTRATION SHALL ESTABLISH THE ANNUAL BUDGETS, WITHIN THE LIMITS OF THE ANNUAL FUNDING PROJECTED TO BE AVAILABLE FOR THE PROGRAMS AND WITHIN THE LIMITS SET FORTH IN THIS SECTION, FOR THE FOLLOWING PROGRAMS:

(1) RENEWABLE ENERGY PROGRAMS;

(2) ENERGY EFFICIENCY PROGRAMS;

- (3) UNIVERSAL SERVICE PROGRAMS; AND
- (4) AGGREGATION FOR SMALL CUSTOMERS.

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

(1) ASSIST THE MARYLAND ENERGY ASSISTANCE PROGRAM DIRECTOR IN MATTERS RELATED TO UNIVERSAL SERVICE PROGRAMS, INCLUDING:

(I) THE DEVELOPMENT OF A LOW-INCOME NEEDS AND RESOURCES PLAN FOR THE STATE; AND

(II) THE ESTABLISHMENT OF POLICY GUIDANCE AND THE DEVELOPMENT OF RECOMMENDATIONS FOR THE DESIGN AND IMPLEMENTATION OF THE RATE AFFORDABILITY AND ENERGY EFFICIENCY PROGRAMS FOR ELIGIBLE LOW-INCOME CUSTOMERS;

(2) ADVISE THE COMMISSION UNDER § 7-509 OF THIS SUBTITLE; AND

(3) INCLUDE NO MORE THAN NINE INDIVIDUAL MEMBERS, EACH MEMBER HAVING KNOWLEDGE AND EXPERIENCE IN MATTERS RELATED TO UNIVERSAL SERVICE PROGRAMS.

7-512.

(A) ON OR BEFORE APRIL 1, 2000, AN INVESTOR-OWNED ELECTRIC COMPANY MUST APPLY TO THE COMMISSION FOR A DETERMINATION ON THE RECOVERY OF STRANDED COSTS.

(B) BEFORE THE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, THE COMMISSION SHALL DETERMINE, AFTER NOTICE AND HEARING, WHETHER AN ELECTRIC UTILITY HAS STRANDED COSTS OR BENEFITS.

(C) IN MAKING ITS DETERMINATION, THE COMMISSION SHALL APPLY THE FOLLOWING STANDARDS:

(1) AN ELECTRIC UTILITY MAY NOT CLAIM OR COLLECT ANY STRANDED COSTS UNLESS IT HAS SUBMITTED ALL OF ITS GENERATION ASSETS, EXCEPT FOR NUCLEAR ASSETS, TO A PUBLIC AUCTION HELD IN A COMMERCIALY REASONABLE MANNER ON OR BEFORE JULY 1, 2000;

(2) THE COMMISSION MAY GRANT AN EXTENSION OF THE DEADLINE IN PARAGRAPH (1) OF THIS SUBSECTION FOR GOOD CAUSE;

(3) IN THE CASE OF NON-NUCLEAR GENERATION ASSETS, THE COMMISSION SHALL SET THE MINIMUM ACCEPTABLE SALE PRICE AT THE BOOK VALUE OF THE ASSET, AS DETERMINED BY THE COMMISSION;

(4) IN THE CASE OF NUCLEAR GENERATION ASSETS, THE COMMISSION SHALL EVALUATE THE MARKET, DETERMINE THE TIMING OF THE AUCTION, AND ESTABLISH A MINIMUM ACCEPTABLE SALE PRICE OF NOT LESS THAN 80% OF BOOK VALUE, AS DETERMINED BY THE COMMISSION;

(5) IN THE CASE OF POWER PURCHASE CONTRACTS, INCLUDING PURPA CONTRACTS, THE COMMISSION SHALL APPLY A REBUTTABLE PRESUMPTION THAT THE POWER PURCHASE CONTRACTS SHOULD BE AUCTIONED WITH OTHER GENERATION ASSETS;

(6) THE COMMISSION SHALL DETERMINE THE REQUIRED QUALIFICATIONS FOR BIDDERS AND SHALL PREQUALIFY ALL BIDDERS;

(7) AN AFFILIATE OR SUBSIDIARY OF THE ELECTRIC UTILITY MAY QUALIFY TO BID ON ASSETS BUT MAY PARTICIPATE IN THE AUCTION ONLY ON A COMPETITIVELY NEUTRAL BASIS; AND

(8) THE COMMISSION SHALL USE THE RESULTS OF THE AUCTION PROCESS, ADJUSTED FOR ANY TAX EFFECTS AND OTHER NECESSARY AND APPROPRIATE ADJUSTMENTS, INCLUDING THE TREATMENT OF NUCLEAR ASSETS, TO DETERMINE THE STRANDED COSTS OR BENEFITS RELATING TO GENERATION ASSETS.

(D) ANY GENERATING ASSETS NOT SOLD, OTHER THAN NUCLEAR ASSETS, SHALL BE TRANSFERRED AT BOOK VALUE TO AN AFFILIATE OR SUBSIDIARY OF THE ELECTRIC UTILITY. THE COMMISSION MAY DETERMINE THE APPROPRIATE DISPOSITION AND REGULATORY PLAN FOR NUCLEAR ASSETS.

(E) THE COMMISSION SHALL REVIEW A SUBSEQUENT SALE, LEASE, DISPOSAL, OR OTHER TRANSACTION ON OR BEFORE JANUARY 1, 2005, RELATING TO GENERATION ASSETS TRANSFERRED TO AN AFFILIATE OR SUBSIDIARY UNDER SUBSECTION (D) OF THIS SECTION TO MAKE THE FOLLOWING DETERMINATIONS:

(1) WHETHER THE TRANSACTION WAS AT ARM'S LENGTH AND CONDUCTED IN A COMMERCIALY REASONABLE MANNER;

(2) WHETHER THE TRANSACTION PRODUCED A STRANDED BENEFIT;
AND

(3) IF THE TRANSACTION PRODUCED A STRANDED BENEFIT, THE MANNER IN WHICH THE STRANDED BENEFIT WILL BE CREDITED TO THE RATEPAYERS.

(F) THE COMMISSION SHALL CALCULATE STRANDED COSTS OR BENEFITS BY:

(1) DETERMINING THE VALUE OF RECOVERABLE REGULATORY ASSETS RELATED TO GENERATION;

(2) CALCULATING THE DIFFERENCE BETWEEN THE BOOK VALUE, AS DETERMINED BY THE COMMISSION, AND THE MARKET VALUE OF POWER PURCHASE CONTRACTS NOT SOLD; AND

(3) COMBINING THE VALUES IN PARAGRAPHS (1) AND (2) OF THIS SUBSECTION WITH THE VALUE DETERMINED UNDER SUBSECTION (C)(8) OF THIS SECTION.

(G) THE COMMISSION SHALL DETERMINE THE PROPER METHOD OF RECOVERING NUCLEAR DECOMMISSIONING COSTS, IF ANY, BASED UPON THE DISPOSITION OF NUCLEAR GENERATION ASSETS.

(H) IF THE COMMISSION DETERMINES THAT THERE IS POTENTIAL STRANDED COST, THE COMMISSION SHALL DETERMINE THE EXTENT OF PERMITTED RECOVERY BASED ON THE FOLLOWING FACTORS:

(1) THE PRUDENCE OF THE ORIGINAL INVESTMENT AND THE PRUDENCE OF THE CONTINUED MANAGEMENT OF THE ASSET;

(2) WHETHER THE INVESTMENT WAS MANDATED BY LAW;

(3) WHETHER THE AMOUNT AT ISSUE HAS BEEN FULLY VERIFIED AND MINIMIZED;

(4) WHETHER THE INVESTMENT CONTINUES TO BE USED AND USEFUL;

(5) WHETHER THE LOSS IS ONE OF WHICH INVESTORS CAN BE SAID TO HAVE REASONABLY BORNE THE RISK;

(6) WHETHER INVESTORS ALREADY HAVE BEEN COMPENSATED FOR THE RISK;

(7) THE FINANCIAL INTEGRITY OF THE ELECTRIC UTILITY; AND

(8) THE IMPACT OF STRANDED COST RECOVERY ON THE ESTABLISHMENT OF A COMPETITIVE RETAIL ELECTRIC SUPPLY MARKET.

(I) IF THE COMMISSION DETERMINES THAT AN ELECTRIC UTILITY MAY RECOVER STRANDED COSTS OR MUST RETURN STRANDED BENEFITS TO RATEPAYERS, THE COMMISSION MAY UTILIZE A NON-BYPASSABLE, NON-DISCRIMINATORY MECHANISM THAT IS:

(1) FAIR TO ALL CUSTOMER CLASSES; AND

(2) LIMITED IN DURATION.

(J) THE COMMISSION SHALL RECONCILE ANY RECOVERY OF STRANDED COSTS ON A PERIODIC BASIS WITH ACTUAL MARKET CONDITIONS.

(K) THE COMMISSION MAY ESTABLISH REASONABLE INCENTIVES FOR THE REDUCTION OF ANY AUTHORIZED RECOVERY OF STRANDED COSTS.

7-513.

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

(2) "ANTICOMPETITIVE CONDUCT" MEANS AN ACTIVITY WHICH ALONE OR IN COMBINATION WITH ANOTHER ACTIVITY WOULD, IF PROVED:

- (I) BE IN VIOLATION OF FEDERAL OR STATE ANTITRUST LAWS;
- (II) CONSTITUTE FAVORABLE TREATMENT OF AN AFFILIATE OR SUBSIDIARY;
- (III) DISCRIMINATE AGAINST A NONRELATED ENTITY;
- (IV) CONSTITUTE A BARRIER TO ENTRY; OR
- (V) CONFER AN UNFAIR COMPETITIVE ADVANTAGE ON AN ENTITY.

(3) "ANTICOMPETITIVE CONDITION" MEANS A CONDITION WHICH WOULD ALLOW A PARTY TO:

- (I) EXERCISE VERTICAL OR HORIZONTAL MARKET POWER;
- (II) USE THE OWNERSHIP OR CONTROL OF A REGULATED FACILITY TO FAVOR AN UNREGULATED AFFILIATE OR SUBSIDIARY OR TO DISCRIMINATE AGAINST A NONAFFILIATED ENTITY;
- (III) ERECT A BARRIER TO ENTRY; OR
- (IV) COMPETE UNFAIRLY OR DENY EFFECTIVE CHOICE OF SERVICES OR EFFECTIVE COMPETITION TO CONSUMERS.

(B) THE COMMISSION SHALL MONITOR THE MARKETS FOR ELECTRIC SERVICES TO IDENTIFY AND PREVENT ANY CONDUCT WHICH IMPEDES THE DEVELOPMENT OF FULLY COMPETITIVE MARKETS WHERE THE COMMISSION HAS DETERMINED THAT MARKETS CAN BECOME COMPETITIVE.

(C) (1) ANY COMPETITOR OR POTENTIAL COMPETITOR IN A COMPETITIVE ELECTRIC SERVICE MARKET, THE PEOPLE'S COUNSEL, OR AN AGGRIEVED OR POTENTIALLY AGGRIEVED CUSTOMER OR CUSTOMER GROUP MAY FILE A COMPLAINT WITH THE COMMISSION SEEKING AN INVESTIGATION OF ANTICOMPETITIVE CONDUCT OR AN ANTICOMPETITIVE CONDITION.

(2) BASED ON A COMPLAINT FILED UNDER THIS SUBSECTION AND ANY OTHER INFORMATION OBTAINED BY THE COMMISSION, THE COMMISSION MAY INITIATE AN INVESTIGATION TO DETERMINE IF ANTICOMPETITIVE BEHAVIOR HAS OCCURRED OR AN ANTICOMPETITIVE CONDITION EXISTS.

(3) THE COMMISSION SHALL INCLUDE THE USE OF ANTITRUST ANALYSIS AND PRINCIPLES IN REACHING ITS DETERMINATIONS.

(4) IF THE COMMISSION FINDS THAT ANTICOMPETITIVE BEHAVIOR HAS OCCURRED OR AN ANTICOMPETITIVE CONDITION EXISTS, THE COMMISSION MAY IMPOSE ANY APPROPRIATE STRUCTURAL OR BEHAVIORAL REMEDY, INCLUDING DIVESTITURE AND CONDITIONS AND LIMITATIONS ON THE OWNERSHIP, OPERATION, AND CONTROL OF THE ASSETS OF A PROVIDER OF ELECTRIC SERVICE.

(D) THE COMMISSION MAY INITIATE ON ITS OWN MOTION AN INVESTIGATION OF POTENTIALLY ANTICOMPETITIVE CONDUCT OR ANTICOMPETITIVE CONDITIONS.

(E) (1) THE COMMISSION MAY DETERMINE THE EFFECT ON THE MARKET FOR COMPETITIVE ELECTRIC SERVICES OF:

(I) MERGERS, CONSOLIDATIONS, OR ACQUISITIONS OF ASSETS OF PROVIDERS OF ELECTRIC SERVICES;

(II) TRANSMISSION CONGESTION OR CONSTRAINTS; AND

(III) THE DISPOSITION OF OWNERSHIP, OPERATION, OR CONTROL OF ASSETS OR PROVIDERS OF ELECTRIC SERVICE.

(2) THE COMMISSION SHALL INCLUDE THE USE OF ANTITRUST ANALYSIS IN MAKING ITS DETERMINATIONS UNDER THIS SUBSECTION.

(3) THE COMMISSION MAY DENY OR PLACE CONDITIONS ON ANY TRANSACTION COVERED BY THIS SUBSECTION.

(F) THE COMMISSION SHALL:

(1) ADOPT REGULATIONS CONSISTENT WITH THIS SECTION BEFORE RETAIL ACCESS COMMENCES UNDER § 7-502 OF THIS SUBTITLE, ESTABLISHING DEFINITIONS AND PROCEDURAL RULES CONSISTENT WITH THIS SECTION; AND

(2) COORDINATE, SHARE INFORMATION WITH, AND COOPERATE WITH THE ANTITRUST DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL.

(G) IN ORDER TO CARRY OUT ITS RESPONSIBILITIES UNDER THIS SECTION, THE COMMISSION MAY OBTAIN DOCUMENTS, INFORMATION, OR DATA IT DETERMINES TO BE NECESSARY FROM AN ENTITY OVER WHICH IT HAS JURISDICTION.

(H) NOTHING IN THIS SECTION MAY BE CONSTRUED TO EXEMPT PROVIDERS OF COMPETITIVE ELECTRIC SERVICES AND THEIR AFFILIATES FROM ANY OTHER APPLICABLE STATUTE OF THIS STATE OR THE UNITED STATES RELATING TO CONSUMER OR ANTITRUST PROTECTIONS.

(I) THE RIGHTS AND REMEDIES PROVIDED IN THIS SECTION SUPPLEMENT ANY OTHER RIGHTS OR REMEDIES WHICH MAY EXIST UNDER STATE OR FEDERAL LAW OR COMMON LAW.

7-514.

(A) A VERTICALLY INTEGRATED INVESTOR-OWNED ELECTRIC COMPANY MAY NOT PROVIDE COMPETITIVE ELECTRIC SERVICE EXCEPT THROUGH AN AFFILIATE.

(B) THE COMMISSION SHALL PROHIBIT A PROVIDER OF A NONCOMPETITIVE ELECTRIC SERVICE FROM PROVIDING A COMPETITIVE SERVICE, EXCEPT THROUGH AN AFFILIATE OF THE PROVIDER.

(C) THE COMMISSION SHALL REQUIRE EACH PROVIDER OF A NONCOMPETITIVE SERVICE THAT IS NECESSARY TO THE PROVISION OF A COMPETITIVE SERVICE TO MAKE ITS FACILITIES OR SERVICES AVAILABLE TO ALL ELECTRIC SERVICE PROVIDERS ON EQUAL AND NONDISCRIMINATORY TERMS AND CONDITIONS.

(D) (1) AN AFFILIATE OF A PROVIDER OF A NONCOMPETITIVE SERVICE MAY PROVIDE A COMPETITIVE SERVICE ONLY ON A FINDING BY THE COMMISSION, AFTER NOTICE AND HEARING, THAT:

(I) THE PROVIDER OF THE NONCOMPETITIVE SERVICE COMPLIES WITH SUBSECTION (C) OF THIS SECTION;

(II) THE AFFILIATE WILL HAVE, WITH RESPECT TO THE PROVISION OF THE ELECTRIC SERVICE, AN ARM'S LENGTH RELATIONSHIP WITH THE ENTITY THAT PROVIDES THE NONCOMPETITIVE SERVICE;

(III) THE BUSINESS OR ORGANIZATIONAL RELATIONSHIP BETWEEN THE PROVIDER OF THE NONCOMPETITIVE SERVICE AND THE AFFILIATE PROVIDING THE COMPETITIVE SERVICE DOES NOT INTERFERE WITH THE DEVELOPMENT OF EFFECTIVE COMPETITION; AND

(IV) THE RISK OF ANTICOMPETITIVE BEHAVIOR BY THE PROVIDER OF THE NONCOMPETITIVE SERVICE OR THE AFFILIATE PROVIDING THE COMPETITIVE SERVICE IS MINIMAL, AND THE REGULATORY EXPENSES TO PREVENT THE ANTICOMPETITIVE BEHAVIOR ARE MINIMAL.

(2) THE COMMISSION SHALL ADOPT REGULATIONS TO SPECIFY THE INFORMATION THAT MUST BE SUBMITTED AND THE PROCEDURE THAT MUST BE USED TO PROCESS A REQUEST BY AN AFFILIATE OF A PROVIDER OF A NONCOMPETITIVE SERVICE FOR AUTHORIZATION TO PROVIDE A COMPETITIVE SERVICE.

(3) A PROVIDER OF NONCOMPETITIVE SERVICE AND ITS AFFILIATE WHICH IS PROVIDING A COMPETITIVE SERVICE UNDER THIS SECTION ARE SUBJECT TO ALL APPLICABLE STATE AND FEDERAL STATUTES RELATING TO CONSUMER AND ANTITRUST PROTECTIONS IN THE SAME MANNER AS IF THE PROVIDER AND ITS AFFILIATE WERE NOT AFFILIATED.

(E) THE COMMISSION HAS JURISDICTION OVER ELECTRIC UTILITY HOLDING COMPANIES, THEIR AFFILIATES, SUBSIDIARIES, AND ENTITIES CONTROLLED BY THEM FOR THE FOLLOWING PURPOSES:

(1) ACCESSING, EXAMINING, AND OBTAINING THEIR BOOKS AND RECORDS IN THE PERFORMANCE OF THE COMMISSION'S RESPONSIBILITIES UNDER THIS SUBTITLE;

(2) INVESTIGATING AND REGULATING TRANSACTIONS BETWEEN AND AMONG THEM TO THE EXTENT THAT A TRANSACTION MAY AFFECT THE INTERESTS OF RATEPAYERS AND CONSUMERS OF A REGULATED ELECTRIC SERVICE OR AN UNREGULATED ELECTRIC SERVICE; AND

(3) REVIEWING AND APPROVING, DENYING, OR PLACING CONDITIONS ON MERGERS, CONSOLIDATIONS, ACQUISITIONS, SALES, STOCK EXCHANGES, OR TRANSFERS OF AN ELECTRIC UTILITY HOLDING COMPANY OR ITS AFFILIATE WHICH PROVIDES REGULATED OR UNREGULATED ELECTRIC SERVICES.

7-515.

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

(2) "DISTRIBUTED GENERATION" MEANS SMALL SCALE GENERATION RESOURCES LOCATED ON THE DISTRIBUTION SYSTEM, ON THE PREMISES OF THE ELECTRICITY SUPPLIER OR THE CUSTOMER PREMISES.

(3) "RENEWABLE ENERGY RESOURCE" MEANS A SOURCE OF ELECTRICAL GENERATION, INCLUDING DISTRIBUTED GENERATION, THAT GENERATES POWER THAT CAN BE PHYSICALLY DELIVERED TO THE CONTROL REGION IN WHICH THE PJM INTERCHANGE OR ITS SUCCESSOR HAS AUTHORITY OVER TRANSMISSION AND THAT RELIES ONLY ON ONE OR MORE OF THE FOLLOWING TO GENERATE ELECTRICITY:

(I) SINGLE FUEL BIOMASS POWER CONVERSION TECHNOLOGIES INCLUDING GASIFICATION THAT USE BIOMASS FUELS AS WOOD, AGRICULTURAL OR FOOD WASTES, ENERGY CROPS, BIOGAS, OR ORGANIC REFUSE-DERIVED FUEL;

(II) FUEL CELLS UTILIZING RENEWABLE FUELS;

(III) RECOVERED METHANE;

(IV) GEOTHERMAL ENERGY;

(V) SOLAR PHOTOVOLTAIC OR SOLAR THERMAL ELECTRIC ENERGY;

(VI) OCEAN THERMAL, WAVE, AND TIDAL ENERGY;

(VII) WIND ENERGY; AND

(VIII) ANY OTHER ENERGY TECHNOLOGY ACCEPTED FOR INCLUSION IN THE RENEWABLES PORTFOLIO STANDARD BY THE COMMISSION, THE MARYLAND ENERGY ADMINISTRATION, AND THE DEPARTMENT OF NATURAL RESOURCES, EXCEPT FOR TECHNOLOGIES THAT INCLUDE COAL, OIL, OR DIRECT COMBUSTION OF NATURAL GAS.

(B) ON OR BEFORE APRIL 1, 2000, THE COMMISSION SHALL:

(1) DETERMINE THE AMOUNT OF RENEWABLE ENERGY KILOWATT-HOUR SALES AND NET-METERING CREDITS TO END-USE CUSTOMERS IN THE STATE FOR CALENDAR YEAR 1998; AND

(2) DETERMINE THE STATEWIDE PERCENTAGE OF RENEWABLE KILOWATT-HOURS SOLD AND CREDITED OF THE TOTAL KILOWATT-HOURS SOLD IN THE STATE FOR CALENDAR YEAR 1998.

(C) EACH RETAIL ELECTRIC SERVICE PROVIDER SHALL PROVIDE A MINIMUM PERCENTAGE OF KILOWATT-HOUR SALES TO END-USE CUSTOMERS IN THE STATE FROM RENEWABLE ENERGY SOURCES THAT:

(1) EQUALS 1% BY 2004, INCREASING BY 0.5% EACH YEAR THEREAFTER TO A TOTAL OF 5% IN 2010; AND

(2) AFTER 2010, GROWS BY 1% PER YEAR THEREAFTER UNTIL A DATE DETERMINED BY THE COMMISSION IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION.

(D) EACH RETAIL ELECTRIC SERVICE PROVIDER COVERED BY THIS SECTION SHALL SUBMIT AN ANNUAL REPORT TO THE COMMISSION, IN A FORMAT THE COMMISSION SPECIFIES, DEMONSTRATING THE ACHIEVEMENT OF THE REQUIREMENTS SET FORTH IN SUBSECTION (C) OF THIS SECTION.

(E) (1) A RETAIL ELECTRIC SERVICE PROVIDER THAT FAILS TO SUBMIT AN ANNUAL REPORT OR TO ACHIEVE THE REQUIREMENTS UNDER SUBSECTION (C) OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY NOT EXCEEDING \$5,000.

(2) EACH DAY A VIOLATION OCCURS IS A SEPARATE VIOLATION.

7-516.

(A) FOR EMISSIONS OF OXIDES OF NITROGEN INTO THE AMBIENT AIR, EACH RETAIL ELECTRIC SERVICE PROVIDER OR OTHER ENTITY THAT SELLS RETAIL ELECTRIC POWER TO CUSTOMERS IN THE STATE SHALL:

(1) MEET OR EXCEED THE STANDARD OF .15 POUNDS PER MILLION BTU;
OR

(2) DEMONSTRATE THAT IT HAS OBTAINED SUFFICIENT CREDITS TO MEET OR EXCEED THE STANDARD SET FORTH IN PARAGRAPH (1) OF THIS SUBSECTION.

(B) FOR EMISSIONS OF SULFUR DIOXIDE INTO THE AMBIENT AIR, EACH RETAIL ELECTRIC SERVICE PROVIDER OR OTHER ENTITY THAT SELLS RETAIL ELECTRIC POWER TO CUSTOMERS IN THE STATE SHALL MEET OR EXCEED THE STANDARD OF 1.2 POUNDS PER MILLION BTU.

(C) THE REQUIREMENTS OF SUBSECTIONS (A) AND (B) OF THIS SECTION SHALL BECOME EFFECTIVE WHEN CUSTOMER RETAIL ACCESS TO COMPETITIVE ELECTRIC SUPPLIES BEGINS UNDER § 7-502 OF THIS SUBTITLE.

(D) AN ELECTRIC SERVICE PROVIDER SUBJECT TO SUBSECTIONS (A) AND (B) OF THIS SECTION SHALL CERTIFY TO THE COMMISSION THAT IT COMPLIES WITH SUBSECTIONS (A) AND (B) OF THIS SECTION.

(E) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF THE ENVIRONMENT, SHALL ADOPT APPROPRIATE MEASURES TO MAINTAIN ENVIRONMENTAL SAFEGUARDS, ADAPT EXISTING PROGRAMS, AND DEVELOP NEW PROGRAMS AS APPROPRIATE TO ENSURE THAT FEDERAL AND STATE ENVIRONMENTAL PROTECTION STANDARDS ARE NOT COMPROMISED IN A COMPETITIVE ELECTRICITY MARKET.

7-517.

(A) EACH RETAIL ELECTRIC SERVICE PROVIDER SHALL DISCLOSE TO ITS CUSTOMERS ON A QUARTERLY BASIS:

(1) THE SOURCES OF ELECTRICITY SUPPLIED, BROKEN OUT BY PERCENTAGES, OF RENEWABLE ENERGY RESOURCE-GENERATED POWER, COAL-FIRED POWER, NATURAL GAS-FIRED POWER, NUCLEAR POWER, OIL-FIRED POWER, AND OTHER RESOURCES;

(2) A PIE CHART WHICH GRAPHICALLY DEPICTS THE PERCENTAGES OF THE SOURCES OF THE ELECTRICITY SUPPLIED AS SET FORTH IN PARAGRAPH (1) OF THIS SUBSECTION; AND

(3) TO THE MAXIMUM EXTENT PRACTICABLE, A STANDARDIZED CHART THAT:

(I) LISTS THE AMOUNTS OF CARBON DIOXIDE, OXIDES OF NITROGEN, SULFUR DIOXIDE EMISSIONS, AND NUCLEAR WASTE ATTRIBUTABLE TO THE SOURCES OF ELECTRICITY SUPPLIES AS LISTED IN PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) COMPARES THE AMOUNTS LISTED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE AMOUNTS OF CARBON DIOXIDE, OXIDES OF NITROGEN, SULFUR DIOXIDE EMISSIONS, AND NUCLEAR WASTE, RESPECTIVELY, ATTRIBUTABLE TO THE MOST EFFICIENT, LEAST POLLUTING ELECTRIC ENERGY ALTERNATIVE AVAILABLE FOR RETAIL SALE IN THE STATE.

(B) ON OR BEFORE JANUARY 1, 2000, THE COMMISSION SHALL, IN CONSULTATION WITH THE DEPARTMENT OF THE ENVIRONMENT, CONDUCT

PROCEEDINGS TO ESTABLISH THE STANDARDS AND PROCEDURES TO IMPLEMENT THIS SECTION.

7-518.

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

(2) "ELIGIBLE EMPLOYEES" MEANS ALL EMPLOYEES OF AN INVESTOR-OWNED ELECTRIC COMPANY WHO ARE:

(I) NOT OFFICERS OF THE ELECTRIC COMPANY;

(II) EMPLOYED BY THE ELECTRIC COMPANY ON JANUARY 1, 1999;

AND

(III) LAID OFF DUE TO COMPETITION.

(3) "COMPETITION" MEANS RETAIL ACCESS OR THE SALE OR MERGER OF ANY GENERATION ASSET THAT OCCURS BEFORE OCTOBER 1, 1999.

(B) (1) IN THE ABSENCE OF OTHER JUST CAUSE AS DETERMINED BY THE COMMISSION, A LAYOFF AFTER OCTOBER 1, 1999, AND BEFORE THE DATE DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION IS DEEMED TO HAVE RESULTED FROM COMPETITION.

(2) THE COMMISSION SHALL DETERMINE A DATE AFTER WHICH A LAYOFF IS DEEMED NOT TO HAVE RESULTED FROM COMPETITION.

(3) AN EMPLOYEE WHOSE JOB DUTIES OR ASSIGNMENT ARE TRANSFERRED WITHIN A COMPANY OR WITHIN AFFILIATED COMPANIES AT SIMILAR LEVELS OF COMPENSATION IS NOT AN ELIGIBLE EMPLOYEE FOR THAT REASON.

(C) (1) BEFORE THE COMMENCEMENT OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE, EACH INVESTOR-OWNED ELECTRIC COMPANY SHALL PREPARE A PLAN FOR PROVIDING TRANSITION SERVICES AND BENEFITS FOR ELIGIBLE EMPLOYEES.

(2) THE PLAN SHALL:

(I) INCLUDE A PROGRAM TO ASSIST ELIGIBLE EMPLOYEES IN MAINTAINING FRINGE BENEFITS AND OBTAINING EMPLOYMENT THAT MAKES USE OF THEIR POTENTIAL;

(II) FOR 2 YEARS AFTER THE BEGINNING OF RETAIL ACCESS, PROVIDE TO ELIGIBLE EMPLOYEES RETRAINING SERVICES AND OUT-PLACEMENT SERVICES AND BENEFITS, INCLUDING INTENSIVE VOCATIONAL-INTERESTS-AND-APTITUDE SCREENING;

(III) PROVIDE FULL TUITION FOR 2 YEARS AT THE UNIVERSITY OF MARYLAND OR, IN THE DISCRETION OF THE EMPLOYEE, A VOCATIONAL OR

TECHNICAL SCHOOL IN THE STATE, OR OTHER REASONABLE RETRAINING SERVICES OF VALUE EQUAL TO FULL IN-STATE TUITION FOR 2 YEARS AT THE UNIVERSITY OF MARYLAND;

(IV) FOR 2 YEARS, OR UNTIL PERMANENT REPLACEMENT COVERAGE IS OBTAINED THROUGH REEMPLOYMENT, WHICHEVER COMES FIRST, PROVIDE CONTINUED HEALTH CARE INSURANCE FOR INDIVIDUALS WHO ELECT TO PARTICIPATE, AT THE BENEFIT AND CONTRIBUTION LEVELS EXISTING DURING THE INDIVIDUAL'S EMPLOYMENT WITH THE INVESTOR-OWNED ELECTRIC UTILITY; AND

(V) PROVIDE FOR SEVERANCE PAY EQUAL TO 2 WEEKS OF BASE PAY FOR EACH YEAR OF FULL-TIME EMPLOYMENT.

(D) (1) EACH INVESTOR-OWNED ELECTRIC COMPANY SHALL FILE WITH THE COMMISSION A PLAN FOR PROVIDING TRANSITIONAL SERVICES AND BENEFITS FOR ELIGIBLE EMPLOYEES THAT COMPLIES WITH THIS SECTION.

(2) A PLAN MUST BE FILED BY THE EARLIER OF:

(I) THE ELECTRIC UTILITY FINALIZING ANY COMPETITION-RELATED TRANSACTION THAT WOULD RESULT IN AN ELIGIBLE EMPLOYEE BEING LAID OFF; OR

(II) 90 DAYS BEFORE THE START OF RETAIL ACCESS UNDER § 7-502 OF THIS SUBTITLE.

(3) BEFORE FILING THE PLAN WITH THE COMMISSION, THE INVESTOR-OWNED ELECTRIC COMPANY SHALL INFORM ITS EMPLOYEES AND THEIR CERTIFIED REPRESENTATIVES OF THE PROVISIONS OF THE PROPOSED PLAN AND, IN ACCORDANCE WITH APPLICABLE LAW, SHALL CONFER WITH THOSE EMPLOYEES OR THEIR CERTIFIED REPRESENTATIVES REGARDING:

(I) THE IMPACT OF THE PROPOSED PLAN ON THOSE EMPLOYEES;
AND

(II) MEASURES TO MINIMIZE ANY RESULTING HARDSHIPS ON THOSE EMPLOYEES.

(4) (I) WHILE A PLAN IS IN EFFECT, AN INVESTOR-OWNED ELECTRIC COMPANY SHALL FILE NOTICE WITH THE COMMISSION OF ANY CLOSURE OR RELOCATION OF FACILITIES AND ANY ACTION OR REORGANIZATION THAT MAY RESULT IN LAYOFFS.

(II) THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE ACTIONS, THE REASONS FOR THE ACTIONS, AND AN ASSESSMENT OF THE EFFECTS OF THE ACTIONS ON THE INVESTOR-OWNED ELECTRIC COMPANY'S EMPLOYEES.

(E) (1) IF AN INVESTOR-OWNED ELECTRIC COMPANY OR ONE OR MORE OF ITS AFFILIATES, SUBSIDIARIES, OR PARENT COMPANIES IS A PARTY TO A COLLECTIVE BARGAINING AGREEMENT RECOGNIZED BY FEDERAL OR STATE LAW,

AND IF AS A RESULT OF COMPETITION ANY OF THOSE COMPANIES CREATES, ACQUIRES, OR MERGES WITH ANY OTHER ENTITY, THAT ENTITY SHALL CONTINUE TO RECOGNIZE AND BARGAIN WITH THE UNION REPRESENTING THE EMPLOYEES OF THE COMPANY AT THE TIME OF THE CREATION, ACQUISITION, OR MERGER AND SHALL REFRAIN FROM MAKING UNILATERAL CHANGES IN THE EMPLOYEES' TERMS AND CONDITIONS OF EMPLOYMENT.

(2) ANY SUCCESSOR EMPLOYER SHALL BE BOUND TO THE TERMS OF THE COLLECTIVE BARGAINING AGREEMENT TO THE EXTENT ALLOWED BY FEDERAL LAW.

(F) (1) THE COMMISSION SHALL ALLOCATE THE REASONABLE ACCRUAL INCREMENT COST OF THE SERVICES AND BENEFITS REQUIRED UNDER THIS SECTION TO RATEPAYERS THROUGH CHARGES COLLECTED BY THE DISTRIBUTION UTILITY.

(2) ALL CHARGES COLLECTED UNDER THIS SECTION SHALL BE TRANSFERRED TO A SYSTEM BENEFITS ADMINISTRATOR IN THE DISTRIBUTION UTILITY AND USED TO PROVIDE SERVICES AND BENEFITS UNDER THIS SECTION.

(G) NOTHING IN THIS SECTION MAY PREVENT ANY COMPANY, CORPORATION, OR OTHER BUSINESS FROM ENTERING INTO A COLLECTIVE AGREEMENT AS ALLOWED BY STATE OR FEDERAL LAW.

7-519.

(A) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE AUTHORITY OF THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE ATTORNEY GENERAL TO ENFORCE CIVIL AND CRIMINAL VIOLATIONS OF TITLES 13 AND 14 OF THE COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE STATE LAW OR REGULATION IN CONNECTION WITH THE ACTIVITIES OF RETAIL ELECTRIC SERVICE PROVIDERS.

(B) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE OBLIGATIONS OF A DISTRIBUTION UTILITY OR RETAIL ELECTRIC SERVICE PROVIDER TO COMPLY WITH ADMINISTRATIVE RULES AND REGULATIONS REGARDING ANY GRANTS, PAYMENTS OR CREDITS FOR ELIGIBLE CUSTOMERS, AND OTHER ADMINISTRATIVE AND REPORTING DETAILS REQUIRED TO IMPLEMENT THE UNIVERSAL SERVICE PROGRAMS UNDER § 7-511 OF THIS SUBTITLE.

(C) NOTHING IN THIS SUBTITLE MAY PROHIBIT THE PARTICIPATION OF RETAIL ELECTRIC SERVICE PROVIDERS IN A UNIVERSAL SERVICE PROGRAM, IF IT IS DETERMINED THAT THE PARTICIPATION WILL NOT ADVERSELY AFFECT THE ABILITY OF ELIGIBLE LOW-INCOME CUSTOMERS TO MAINTAIN THEIR ELECTRIC UTILITY SERVICE.

Article - Commercial Law

13-104.

This title does not apply to:

(1) The professional services of a certified public accountant, architect, clergyman, professional engineer, lawyer, veterinarian, insurance company authorized to do business in the State, insurance agent or broker licensed by the State, Christian Science practitioner, land surveyor, property line surveyor, chiropractor, optometrist, physical therapist, podiatrist, real estate broker, associate real estate broker, or real estate salesperson, or medical or dental practitioner;

(2) A public service company THAT HAS ITS RATES SET BY THE PUBLIC SERVICE COMMISSION[, to the extent that the company's services and operations are regulated by the Public Service Commission]; or

(3) A television or radio broadcasting station or a publisher or printer of a newspaper, magazine, or other form of printed advertising who broadcasts, publishes, or prints an advertisement which violates this title, unless the station, publisher, or printer engages in an unfair or deceptive trade practice in the sale of its own goods or services or has knowledge that the advertising is in violation of this title.

Article - Natural Resources

3-302.

(a) There is an Environmental Trust Fund. For the purpose of this subtitle, there is established as an added cost of generation, an environmental surcharge per kilowatt hour of electric energy generated in the State to be paid by any electric company as defined in § 1-101 of the Public Utility Companies Article. This surcharge initially shall be assessed at 0.1 mill per kilowatt hour as of January 1, 1972. The Public Service Commission shall impose the surcharge per kilowatt hour of electric energy generated within the State and shall authorize the electric companies to add the full amount of the surcharge to customers' bills. To the extent that the surcharge is not collected from customers, the surcharge shall be deemed a cost of generation and shall be allowed and computed as such, together with other allowable expenses, for rate-making purposes. Revenues from the surcharge shall be collected by the Comptroller and placed in the Fund.

(b) (1) The Secretary, in consultation with the Director of the Maryland Energy Administration, annually shall coordinate the preparation of a budget required to carry out the provisions of this subtitle. Upon approval of the budget by the General Assembly, the Public Service Commission shall establish the amount of the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each subsequent fiscal year.

(2) Notwithstanding any other provisions of this subtitle, the amount of the surcharge for each account may not exceed the lesser of 0.15 mil per kilowatt hour

or \$1,000 per month and the surcharge may not continue beyond Fiscal Year [2000] 2005.

(3) The Comptroller shall maintain the method of collection of the surcharge from the companies and the collections shall accrue to the Fund. The Department shall credit against the amount required to be paid into the Environmental Trust Fund by each electric company an amount equal to 1 1/2% of the total surcharge attributed to each company on the basis of the electricity generated within Maryland.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1999.