Unofficial Copy C5

By: **Delegates Billings, Hubbard, Frush, and Morhaim** Introduced and read first time: February 7, 2000 Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

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Electric Industry - Aggregation - Counties and Municipal Corporations

3 FOR the purpose of altering the definition of "aggregator" to include a county or

4 municipal corporation that acts on behalf of a customer to purchase electricity

5 for customers under certain circumstances; authorizing a county or municipal

6 corporation to act as an aggregator unless certain circumstances exist; providing

7 a time for the Public Service Commission to make a certain determination;

8 establishing a process by which a certain customer will be deemed to have given

9 permission to the county or municipal corporation to act as its aggregator;

10 requiring the Public Service Commission to adopt certain regulations by a

11 certain date; requiring the Commission to consider certain factors; and

12 generally relating to the ability of a county or municipal corporation to

13 aggregate electricity customers within the county or municipal corporation.

14 BY repealing and reenacting, with amendments,

15 Article - Public Utility Companies

16 Section 1-101(b) and 7-510(f)

17 Annotated Code of Maryland

18 (1998 Volume and 1999 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

21

Article - Public Utility Companies

22 1-101.

23 (b) (1) "Aggregator" means an entity or an individual that acts on behalf of a 24 customer to purchase electricity.

(2) "AGGREGATOR" INCLUDES A COUNTY OR MUNICIPAL CORPORATION
THAT ACTS ON BEHALF OF A CUSTOMER TO PURCHASE ELECTRICITY FOR RETAIL
RESIDENTIAL AND SMALL COMMERCIAL ELECTRIC CUSTOMERS:

	HOUSE BILL 529
(I)	LOCATED WITHIN THE COUNTY OR MUNICIPAL CORPORATION;
(II)	THAT HAVE NOT SELECTED ANOTHER AGGREGATOR OR

3 (II) THAT HAVE NOT SELECTED ANOTHER AGGREGATOR OR
4 REFUSED TO PARTICIPATE IN THE AGGREGATION ACTIVITIES OF THE COUNTY OR
5 MUNICIPAL CORPORATION.

6 [(2)] (3) "Aggregator" does not include:

7 (i) an entity or individual that purchases electricity ONLY for its 8 own use or for the use of its subsidiaries or affiliates;

(ii) a municipal electric utility serving only in its distribution

10 territory; or

(iii) a combination of governmental units that purchases electricity
ONLY for use by the governmental units.

13 7-510.

14 (f) (1) A county or municipal corporation may [not] act as an aggregator
15 unless the Commission determines [there is not sufficient competition] THAT MORE
16 THAN 20% OF THE RETAIL RESIDENTIAL AND SMALL COMMERCIAL ELECTRIC
17 CUSTOMERS within the boundaries of the county or municipal corporation HAVE
18 SELECTED AN AGGREGATOR OTHER THAN THE STANDARD OFFER SERVICE
19 SUPPLIER.

(2) THE COMMISSION SHALL MAKE ITS DETERMINATION UNDER
 PARAGRAPH (1) OF THIS SUBSECTION AT THE TIME THE COUNTY OR MUNICIPAL
 CORPORATION APPLIES FOR A LICENSE TO BECOME AN AGGREGATOR UNDER § 7-507
 OF THIS SUBTITLE.

(3) (I) IF A COUNTY OR MUNICIPAL CORPORATION CHOOSES TO ACT
AS AN AGGREGATOR UNDER THIS SUBSECTION, THE COUNTY OR MUNICIPAL
CORPORATION SHALL PROVIDE A WRITTEN NOTICE TO ALL RESIDENTIAL AND SMALL
COMMERCIAL ELECTRIC CUSTOMERS WITHIN ITS BOUNDARIES THAT HAVE NOT
CHOSEN AN AGGREGATOR OF ITS INTENTIONS TO ACT AS AN AGGREGATOR.

(II) IN THE NOTICE REQUIRED UNDER THIS PARAGRAPH, THE
COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE THE RESIDENTIAL AND
SMALL COMMERCIAL CUSTOMERS WITH THE OPPORTUNITY TO REFUSE TO
PARTICIPATE IN THE AGGREGATION ACTIVITIES OF THE COUNTY OR MUNICIPAL
CORPORATION.

(III) A RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER IS
DEEMED TO HAVE GIVEN PERMISSION TO THE COUNTY OR MUNICIPAL
CORPORATION TO ACT AS ITS AGGREGATOR:

ON RECEIPT BY THE COUNTY OR MUNICIPAL
 CORPORATION OF A RETURNED NOTICE EXPLICITLY GRANTING PERMISSION; OR

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2 AND

HOUSE BILL 529

2. IF AFTER 30 DAYS FROM THE RECEIPT OF THE NOTICE BY
 THE CUSTOMER, THE NOTICE IS NOT RETURNED TO THE COUNTY OR MUNICIPAL
 CORPORATION.

4 (4) THIS SUBSECTION MAY NOT BE CONSTRUED TO PREVENT A
5 RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER WITHIN THE BOUNDARIES OF THE
6 COUNTY OR MUNICIPAL CORPORATION FROM OPTING INTO THE COUNTY OR
7 MUNICIPAL CORPORATION'S AGGREGATION ACTIVITIES AFTER IT HAS CHOSEN TO
8 DISCONTINUE SERVICE WITH ANOTHER AGGREGATOR.

9 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,

10 2000, the Public Service Commission shall adopt regulations to establish standards

11 and procedures to implement this Act. In adopting these regulations, the Commission

12 shall consider: (1) whether to require a code of conduct for counties and municipal

13 corporations that are aggregators to maintain separation between the county or

14 municipal corporation's aggregator activities and its other activities to assure that

15 aggregation results in benefits being passed on to ratepayers; and (2) whether to 16 establish a priority system among a county and the municipal corporations within the

17 county that would define which entity has the first opportunity to aggregate for

18 customers within the jurisdiction of both the county and the municipal corporation.

19 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall 20 take effect October 1, 2000.

21 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act 22 shall take affect lung 1, 2000

22 shall take effect June 1, 2000.

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