### **HOUSE BILL 198**

Unofficial Copy C5 HB 529/00 - ENV 2001 Regular Session 1lr1379

By: Delegate Billings

Introduced and read first time: January 22, 2001

Assigned to: Environmental Matters

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#### A BILL ENTITLED

1 AN ACT concerning

# 2 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
- 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
- certain date; requiring the Commission to consider certain factors; and
- 12 generally relating to the ability of a county or municipal corporation to
- 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 2000 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 or gas.
- 25 (2) "AGGREGATOR" INCLUDES A COUNTY OR MUNICIPAL CORPORATION
- 26 THAT ACTS ON BEHALF OF A CUSTOMER TO PURCHASE ELECTRICITY FOR RETAIL
- 27 RESIDENTIAL AND SMALL COMMERCIAL ELECTRIC CUSTOMERS:

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1 2	AND	(I)	LOCATED WITHIN THE COUNTY OR MUNICIPAL CORPORATION;
	REFUSED TO PART MUNICIPAL CORPO		THAT HAVE NOT SELECTED ANOTHER AGGREGATOR OR E IN THE AGGREGATION ACTIVITIES OF THE COUNTY OR N.
6	[(2)]	(3)	"Aggregator" does not include:
7 8	for its own use or for	(i) the use of	an entity or individual that purchases electricity or gas ONLY fits subsidiaries or affiliates;
9 10	only in its distribution	(ii) n territory	a municipal electric utility or a municipal gas utility serving y; or
11 12	or gas ONLY for use	(iii) by the go	a combination of governmental units that purchases electricity overnmental units.
13	7-510.		
16 17 18	FOR ELECTRICITY competition] THAT I COMMERCIAL ELI	unless the MORE TECTRIC HAVE	y or municipal corporation may [not] act as an aggregator the Commission determines [there is not sufficient HAN 20% OF THE RETAIL RESIDENTIAL AND SMALL CUSTOMERS within the boundaries of the county or SELECTED AN AGGREGATOR OTHER THAN THE CE SUPPLIER.
22	PARAGRAPH (1) O	F THIS S PLIES F	OMMISSION SHALL MAKE ITS DETERMINATION UNDER SUBSECTION AT THE TIME THE COUNTY OR MUNICIPAL OR A LICENSE TO BECOME AN AGGREGATOR UNDER § 7-507
26 27	AS AN AGGREGAT CORPORATION SH COMMERCIAL ELI	IALL PR ECTRIC	IF A COUNTY OR MUNICIPAL CORPORATION CHOOSES TO ACT DER THIS SUBSECTION, THE COUNTY OR MUNICIPAL OVIDE A WRITTEN NOTICE TO ALL RESIDENTIAL AND SMALL CUSTOMERS WITHIN ITS BOUNDARIES THAT HAVE NOT OR OF ITS INTENTIONS TO ACT AS AN AGGREGATOR.
31 32	SMALL COMMERC	CIAL CU	IN THE NOTICE REQUIRED UNDER THIS PARAGRAPH, THE CORPORATION SHALL PROVIDE THE RESIDENTIAL AND STOMERS WITH THE OPPORTUNITY TO REFUSE TO GREGATION ACTIVITIES OF THE COUNTY OR MUNICIPAL
	DEEMED TO HAVE		A RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER IS PERMISSION TO THE COUNTY OR MUNICIPAL SITS AGGREGATOR:
37 38		F A RETU	1. ON RECEIPT BY THE COUNTY OR MUNICIPAL JRNED NOTICE EXPLICITLY GRANTING PERMISSION; OR

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- 1 2. IF AFTER 30 DAYS FROM THE RECEIPT OF THE NOTICE BY
- 2 THE CUSTOMER, THE NOTICE IS NOT RETURNED TO THE COUNTY OR MUNICIPAL
- 3 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 2001, 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, 2001.
- 21 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act
- 22 shall take effect June 1, 2001.