

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 198 (Delegate Billings)
Environmental Matters

Electric Industry - Aggregation - Counties and Municipal Corporations

This bill allows a county or municipal corporation to act as an aggregator that purchases electricity on behalf of customers unless the Public Service Commission (PSC) determines that more than 20% of the retail residential and small commercial electric customers within the boundaries of the county or municipal corporation have selected an aggregator other than the standard offer service supplier.

A county or municipal corporation that chooses to act as an aggregator pursuant to the bill must send a specified notice to residential and small electric customers. A customer is deemed to have given permission to the county or municipal corporation to act as its aggregator under certain circumstances.

The PSC must adopt regulations to establish standards and procedures to implement the bill by October 1, 2001.

Fiscal Summary

State Effect: The bill would not significantly impact State operations or finances.

Local Effect: The bill is not expected to have a net effect on revenues or expenditures for counties or municipalities that choose to become aggregators.

Small Business Effect: Potential minimal.

Analysis

Current Law: A county or municipal corporation may not act as an aggregator unless the PSC determines there is not sufficient competition within the boundaries of the county or municipal corporation.

Background: Aggregation allows customers to benefit from electric competition by pooling together to negotiate discounted prices.

State Fiscal Effect: The PSC could handle the bill's requirements using existing budgeted resources.

Local Fiscal Effect: The bill is enabling in nature and is not expected to have a net effect on expenditures or revenues for counties or municipalities that choose to become aggregators. It is assumed that aggregation would generally be performed on a cost-recovery basis.

Additional Information

Prior Introductions: This bill was introduced as HB 529 in 2000. It received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Public Service Commission; Montgomery, Prince George's and Somerset counties; City of Bowie; Town of Thurmont; Town of Elkton; City of Annapolis, City of Takoma Park; Department of Legislative Services

Fiscal Note History: First Reader – February 15, 2001
jm/jr

Analysis by: Brian D. Baugus

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510