

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 2 (Senator Green)

Finance

Environmental Matters

Retail Electric and Gas Industries - Aggregators - Counties and Municipal Corporations

This bill repeals the prohibition against a county or municipal corporation acting as an aggregator that purchases electricity or gas on behalf of consumers. It also provides that a county or municipality may act as an aggregator only on behalf of customers located within the boundaries of the county or municipality. A combination of two or more counties or municipalities may also act as an aggregator.

The bill takes effect June 1, 2002.

Fiscal Summary

State Effect: The bill would not impact State operations or finances. The Public Service Commission (PSC) could handle any additional work resulting from the bill using existing budgeted resources.

Local Effect: Potential meaningful. However, because the bill is enabling in nature, counties that could not act as aggregators with a generally neutral net fiscal effect would likely not choose to become aggregators.

Small Business Effect: Potential minimal.

Analysis

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

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

Additional Information

Prior Introductions: In 2001, SB 77 passed the Senate but was referred to interim study by the House Environmental Matters Committee. In 2000, a similar bill, SB 66, was not reported from the Senate Finance Committee.

Cross File: None.

Information Source(s): Montgomery County, Prince George's County, Calvert County, Howard County, Public Service Commission, Office of People's Counsel, Department of Legislative Services

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lc/jr

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