

HOUSE BILL 24

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HB 345/02 - ENV

2003 Regular Session
3r0602

By: **Delegate Hubbard**

Introduced and read first time: January 13, 2003

Assigned to: Economic Matters

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
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; providing for
12 the effective dates of portions of this Act; and generally relating to the ability of
13 a county or municipal corporation to aggregate electricity customers within the
14 county or municipal corporation.

15 BY repealing and reenacting, with amendments,
16 Article - Public Utility Companies
17 Section 1-101(b) and 7-510(f)
18 Annotated Code of Maryland
19 (1998 Volume and 2002 Supplement)

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

22 **Article - Public Utility Companies**

23 1-101.

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

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

1 (I) LOCATED WITHIN THE COUNTY OR MUNICIPAL CORPORATION;
2 AND

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 or gas ONLY
8 for its own use or for the use of its subsidiaries or affiliates;

9 (ii) a municipal electric utility or a municipal gas utility serving
10 only in its distribution territory; or

11 (iii) a combination of governmental units that purchases electricity
12 or gas 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 FOR ELECTRICITY unless the Commission determines [there is not sufficient
16 competition] THAT MORE THAN 20% OF THE RETAIL RESIDENTIAL AND SMALL
17 COMMERCIAL ELECTRIC CUSTOMERS within the boundaries of the county or
18 municipal corporation HAVE SELECTED AN AGGREGATOR OTHER THAN THE
19 STANDARD OFFER SERVICE SUPPLIER.

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

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

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

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

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

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

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 THE CUSTOMER HAS
8 CHOSEN TO DISCONTINUE SERVICE WITH ANOTHER AGGREGATOR.

9 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,
10 2003, 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
20 shall take effect October 1, 2003.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
22 Section 3 of this Act, this Act shall take effect June 1, 2003.