

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 37 (Senator Green)
Finance

Economic 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, 2003.

Fiscal Summary

State Effect: 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 meaningful.

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.

Small Business Effect: To the extent that small businesses could benefit from lower energy costs through aggregation, the bill could have a positive effect.

Additional Information

Prior Introductions: In 2002, SB 2 passed the Senate but was not reported from the House Environmental Matters Committee. 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, but HB 24 (Delegate Hubbard) is a substantially similar bill.

Information Source(s): Baltimore City, Montgomery County, Town of Thurmont, Calvert County, Public Service Commission, Office of People's Counsel, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2003
mam/jr

Analysis by: Karen S. Benton

Direct Inquiries to:
(410) 946-5510
(301) 970-5510