

SENATE BILL 12

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SB 37/03 - FIN

2004 Regular Session
4r0977
CF 4r0329

(PRE-FILED)

By: **Senator Green**

Requested: November 17, 2003

Introduced and read first time: January 14, 2004

Assigned to: Finance

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 for certain customers unless certain
7 circumstances exist; providing a time for the Public Service Commission to make
8 a certain determination; establishing a process by which a certain customer will
9 be deemed to have given permission to the county or municipal corporation to
10 act as its aggregator; requiring the Public Service Commission to adopt certain
11 regulations by a certain date; requiring the Commission to consider certain
12 factors; providing for the effective dates of certain portions of this Act; and
13 generally relating to the ability of a county or municipal corporation to
14 aggregate electricity customers within the 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 2003 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:
- 4 1. SELECTED AN ELECTRICITY SUPPLIER OTHER THAN THE
5 STANDARD OFFER SERVICE SUPPLIER; OR
- 6 2. REFUSED TO PARTICIPATE IN THE AGGREGATION
7 ACTIVITIES OF THE COUNTY OR MUNICIPAL CORPORATION.
- 8 [(2)] (3) "Aggregator" does not include:
- 9 (i) an entity or individual that purchases electricity or gas ONLY
10 for its own use or for the use of its subsidiaries or affiliates;
- 11 (ii) a municipal electric utility or a municipal gas utility serving
12 only in its distribution territory; or
- 13 (iii) a combination of governmental units that purchases electricity
14 or gas ONLY for use by the governmental units.
- 15 7-510.
- 16 (f) (1) A county or municipal corporation may [not] act as an aggregator
17 FOR ELECTRICITY unless the Commission determines [there is not sufficient
18 competition] THAT MORE THAN 20% OF THE RETAIL RESIDENTIAL AND SMALL
19 COMMERCIAL ELECTRIC CUSTOMERS within the boundaries of the county or
20 municipal corporation HAVE SELECTED AN ELECTRICITY SUPPLIER OTHER THAN
21 THE STANDARD OFFER SERVICE SUPPLIER.
- 22 (2) THE COMMISSION SHALL MAKE ITS DETERMINATION UNDER
23 PARAGRAPH (1) OF THIS SUBSECTION AT THE TIME THE COUNTY OR MUNICIPAL
24 CORPORATION APPLIES FOR A LICENSE TO BECOME AN AGGREGATOR UNDER § 7-507
25 OF THIS SUBTITLE.
- 26 (3) (I) IF A COUNTY OR MUNICIPAL CORPORATION CHOOSES TO ACT
27 AS AN AGGREGATOR UNDER THIS SUBSECTION, THE COUNTY OR MUNICIPAL
28 CORPORATION SHALL PROVIDE A WRITTEN NOTICE TO ALL RESIDENTIAL AND SMALL
29 COMMERCIAL ELECTRIC CUSTOMERS WITHIN ITS BOUNDARIES THAT HAVE NOT
30 CHOSEN AN ELECTRICITY SUPPLIER OTHER THAN THE STANDARD OFFER SERVICE
31 SUPPLIER OF ITS INTENTIONS TO ACT AS AN AGGREGATOR.
- 32 (II) IN THE NOTICE REQUIRED UNDER THIS PARAGRAPH, THE
33 COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE THE RESIDENTIAL AND
34 SMALL COMMERCIAL CUSTOMERS THE OPPORTUNITY TO REFUSE TO PARTICIPATE
35 IN THE AGGREGATION ACTIVITIES OF THE COUNTY OR MUNICIPAL CORPORATION.

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

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

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

9 (4) THIS SUBSECTION MAY NOT BE CONSTRUED TO PREVENT A
10 RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER WITHIN THE BOUNDARIES OF THE
11 COUNTY OR MUNICIPAL CORPORATION FROM OPTING INTO THE COUNTY OR
12 MUNICIPAL CORPORATION'S AGGREGATION ACTIVITIES AFTER THE CUSTOMER HAS
13 CHOSEN TO DISCONTINUE SERVICE WITH AN ELECTRICITY SUPPLIER OTHER THAN
14 THE STANDARD OFFER SERVICE SUPPLIER.

15 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,
16 2004, the Public Service Commission shall adopt regulations to establish standards
17 and procedures to implement this Act. In adopting these regulations, the Commission
18 shall consider: (1) whether to require a code of conduct for counties and municipal
19 corporations that are aggregators to maintain separation between the county or
20 municipal corporation's aggregator activities and its other activities to assure that
21 aggregation results in benefits being passed on to ratepayers; and (2) whether to
22 establish a priority system among a county and the municipal corporations within the
23 county that would define which entity has the first opportunity to aggregate for
24 customers within the jurisdiction of both the county and the municipal corporation.

25 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act
26 shall take effect October 1, 2004.

27 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
28 Section 3 of this Act, this Act shall take effect June 1, 2004.