
By: **Senator Frosh**
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Assigned to: Finance

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Senate action: Adopted
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CHAPTER _____

1 AN ACT concerning

2 **Energy-Saving Investment Program**

3 FOR the purpose of establishing an Energy-Saving Investment Program
4 administered by the Maryland Energy Administration and consisting of energy
5 efficiency programs and renewable energy projects; creating an Energy-Saving
6 Investment Fund to provide funding for certain purposes; requiring certain
7 electric customers and certain gas customers to contribute to the Fund through
8 a certain energy-saving investment charge, to be set by the Public Service
9 Commission in a certain manner; providing for State matching funding for the
10 Fund; requiring the Maryland Energy Administration to develop, manage,
11 supervise, and administer certain energy efficiency programs and renewable
12 energy projects; providing for the preparation and submission of a plan for the
13 disbursement of funds to implement certain energy efficiency programs and
14 renewable energy projects throughout the State; establishing an Energy-Saving
15 Investment Advisory Board with certain membership and duties; providing for
16 the disposition of certain funds after a certain date; defining certain terms;
17 providing for the termination of this Act; and generally relating to the
18 Energy-Saving Investment Program.

19 BY adding to
20 Article - Public Utility Companies
21 Section 7-701 through ~~7-708~~ 7-709 to be under the new subtitle "Subtitle 7.
22 Energy-Saving Investment Program"
23 Annotated Code of Maryland
24 (1998 Volume and 2003 Supplement)

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

1 **Article - Public Utility Companies**2 **SUBTITLE 7. ENERGY-SAVING INVESTMENT PROGRAM.**

3 7-701.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (B) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.

7 (C) "BOARD" MEANS THE ENERGY-SAVING INVESTMENT ADVISORY BOARD
8 ESTABLISHED UNDER § 7-705 OF THIS SUBTITLE.9 (D) "CHARGE" MEANS THE ENERGY-SAVING INVESTMENT CHARGE ASSESSED
10 UNDER THIS SUBTITLE.11 (E) "COST-EFFECTIVE" MEANS THAT THE BENEFITS OF A PROGRAM EXCEED
12 THE COSTS ATTRIBUTABLE TO THE PROGRAM FOR THE PROGRAM'S FULL DURATION
13 AND THE LIFE OF MEASURES IMPLEMENTED UNDER THE PROGRAM.

14 (F) "ENERGY" MEANS ELECTRICITY AND NATURAL GAS.

15 (G) "ENERGY PERFORMANCE CONTRACT" MEANS A CONTRACT ~~STATING THE~~
16 ~~TERMS AND CONDITIONS, INCLUDING MEASUREMENT AND VERIFICATION OF~~
17 ~~ENERGY SAVINGS, FOR A COMPREHENSIVE ENERGY EFFICIENCY PROJECT THAT IS~~
18 ~~ELIGIBLE TO COMPETE FOR FUNDS FROM THE FUND CONSISTENT WITH TITLE 12,~~
19 SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.20 (H) "FUND" MEANS THE ENERGY-SAVING INVESTMENT FUND ESTABLISHED
21 UNDER § 7-702 OF THIS SUBTITLE.22 (I) "LOW-INCOME CUSTOMER" MEANS A CUSTOMER WITH A HOUSEHOLD
23 INCOME NOT EXCEEDING 150% OF THE FEDERAL POVERTY LEVEL, IN THE
24 GUIDELINES FOR THE 48 CONTIGUOUS STATES PUBLISHED BY THE FEDERAL
25 DEPARTMENT OF HEALTH AND HUMAN SERVICES.26 ~~(J) "MEASUREMENT AND VERIFICATION OF ENERGY SAVINGS" MEANS THE~~
27 ~~ACTUAL AND CONTINUOUS MONITORING AND MEASUREMENT OF ENERGY USAGE BY~~
28 ~~ENERGY EFFICIENT EQUIPMENT IN A FACILITY, UNDER A NATIONALLY RECOGNIZED~~
29 ~~PROTOCOL FOR MEASUREMENT AND VERIFICATION, USED IN CONJUNCTION WITH~~
30 ~~PROCEDURES FOR REPORTING ENERGY SAVINGS PRODUCED BY THE ENERGY~~
31 ~~EFFICIENT EQUIPMENT.~~32 ~~(K)~~ (J) "PLAN" MEANS THE ENERGY-SAVING INVESTMENT PLAN
33 ESTABLISHED UNDER § 7-704 OF THIS SUBTITLE.34 (K) "RENEWABLE ENERGY PROJECTS" MEAN PROJECTS THAT USE ONE OR
35 MORE OF THE FOLLOWING SOURCES OF ENERGY:

- 1 (1) GEOHERMAL;
- 2 (2) WIND;
- 3 (3) HYDROPOWER, WHERE OUTPUT IS EQUAL TO OR LESS THAN 30
4 MEGAWATTS, OR THE FACILITY IS CERTIFIED BY THE LOW IMPACT HYDROPOWER
5 INSTITUTE;
- 6 (4) SOLAR ELECTRIC; AND
- 7 (5) BIOMASS USING:
- 8 (I) WOODY WASTE INCLUDING MILL RESIDUES BUT NOT
9 INCLUDING WOOD THAT HAS BEEN COATED WITH PAINTS, PLASTICS, OR FORMICA OR
10 TREATED WITH MATERIALS CONTAINING HALOGENS, CHLORINE, OR HALIDE
11 COMPOUNDS;
- 12 (II) AGRICULTURAL CROPS OR WASTE;
- 13 (III) ANIMAL AND OTHER ORGANIC WASTE;
- 14 (IV) ENERGY CROPS; OR
- 15 (V) LANDFILL GAS.
- 16 7-702.
- 17 (A) THERE IS AN ENERGY-SAVING INVESTMENT PROGRAM.
- 18 (B) THE ENERGY-SAVING INVESTMENT PROGRAM CONSISTS OF:
- 19 (1) ENERGY EFFICIENCY PROGRAMS; AND
- 20 (2) RENEWABLE ENERGY PROJECTS.
- 21 ~~7-702.~~ 7-703.
- 22 (A) THERE IS AN ENERGY-SAVING INVESTMENT FUND.
- 23 (B) THE PURPOSE OF THE FUND IS TO INCREASE THE OPPORTUNITIES FOR
24 ENERGY CONSUMERS THROUGHOUT MARYLAND TO:
- 25 (1) SAVE ENERGY;
- 26 (2) REDUCE CONSUMERS' TOTAL ENERGY COSTS; AND
- 27 (3) REDUCE POLLUTION AND THREATS TO PUBLIC HEALTH ASSOCIATED
28 WITH ENERGY PRODUCTION AND CONSUMPTION; ~~AND.~~
- 29 (4) ~~IMPROVE SERVICE RELIABILITY FOR ELECTRIC AND GAS~~
30 ~~CUSTOMERS.~~

1 (C) (1) EACH RESIDENTIAL RETAIL ELECTRIC CUSTOMER AND EACH
2 RESIDENTIAL RETAIL GAS CUSTOMER SHALL CONTRIBUTE TO THE FUND THROUGH
3 AN ENERGY-SAVING INVESTMENT CHARGE THAT EACH ELECTRIC COMPANY OR ITS
4 BILLING AGENT AND EACH GAS COMPANY OR ITS BILLING AGENT SHALL COLLECT
5 AND REMIT TO THE COMPTROLLER TO BE PLACED IN THE FUND.

6 (2) A RESIDENTIAL RETAIL ELECTRIC CUSTOMER OR A RESIDENTIAL
7 RETAIL GAS CUSTOMER SHALL BE EXEMPT FROM THE CHARGE IN PARAGRAPH (1) OF
8 THIS SUBSECTION FOR ALL UTILITY BILLING PERIODS DURING ANY PART OF WHICH
9 THE RESIDENTIAL CUSTOMER IS RECEIVING BENEFITS FROM:

10 (I) THE MARYLAND ENERGY ASSISTANCE PROGRAM UNDER
11 ARTICLE 41, § 6-406(2) AND ARTICLE 88A, § 15 OF THE CODE; OR

12 (II) THE ELECTRIC UNIVERSAL SERVICE PROGRAM UNDER § 7-512.1
13 OF THIS TITLE; ~~OR~~

14 ~~(III) ANY OTHER GAS OR ELECTRIC BILL ASSISTANCE PROGRAM~~
15 ~~ADMINISTERED BY THE DEPARTMENT OF HUMAN RESOURCES.~~

16 (D) THE FUND CONSISTS OF:

17 (1) THE CHARGE COLLECTED UNDER THIS SUBTITLE;

18 (2) FUNDS TO MATCH THE COLLECTED CHARGES, AS APPROPRIATED IN
19 THE STATE BUDGET AND SUBJECT TO THE AVAILABILITY OF FUNDS; AND

20 (3) ANY ADDITIONAL FUNDS APPROPRIATED TO THE FUND.

21 (E) (1) THE TREASURER SHALL HOLD THE FUND AND SHALL INVEST THE
22 MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE
23 INVESTED AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND IN
24 CONJUNCTION WITH THE ADMINISTRATION.

25 (2) THE COLLECTIONS FROM THE CHARGE SHALL ACCRUE TO THE
26 FUND.

27 (F) THE FUND IS A SPECIAL, CONTINUING, NONLAPSING FUND THAT IS NOT
28 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

29 (G) (1) NOT MORE THAN 10% OF THE FUNDS PLACED IN THE FUND MAY BE
30 EXPENDED BY THE ADMINISTRATION ON MANAGEMENT AND SUPERVISION OF
31 ACTIVITIES UNDER THIS SUBTITLE.

32 (2) THE COMMISSION MAY RETAIN 1% OF THE FUNDS PLACED IN THE
33 FUND TO OFFSET THE EXPENSES ASSOCIATED WITH THE ADMINISTRATION AND
34 OVERSIGHT OF THE ENERGY-SAVING INVESTMENT PROGRAM.

35 (H) THE ADMINISTRATION SHALL DISBURSE FUNDS FROM THE FUND IN
36 ACCORDANCE WITH THIS SUBTITLE.

1 ~~7-703; 7-704.~~

2 (A) THE COMMISSION SHALL SET THE LEVELS OF THE ENERGY-SAVING
3 INVESTMENT CHARGE IN ACCORDANCE WITH THIS SECTION.

4 (B) (1) THIS SUBSECTION DOES NOT APPLY TO A RETAIL RESIDENTIAL
5 ELECTRIC CUSTOMER WHO IS EXEMPTED UNDER ~~§ 7-702(C)(2)~~ § 7-703(C)(2) OF THIS
6 SUBTITLE OR SUBSECTION (D) OF THIS SECTION.

7 (2) DURING THE PERIOD OCTOBER 1, 2004 THROUGH SEPTEMBER 30,
8 2005, THE CHARGE FOR A RESIDENTIAL RETAIL ELECTRIC CUSTOMER SHALL BE SET
9 TO RECOVER 0.025 CENT ON EACH KILOWATT-HOUR OF ELECTRICITY DELIVERED TO
10 A RETAIL RESIDENTIAL ELECTRIC CUSTOMER IN THE STATE.

11 (3) (I) ON OR AFTER OCTOBER 1, 2005, THE CHARGE UNDER THIS
12 SUBSECTION MAY BE RESET IF THE COMMISSION DETERMINES THAT THE APPROVED
13 ~~PROGRAMS ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY PROJECTS~~
14 FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS UNDER ~~§ 7-704(G)~~ § 7-705(I) OF THIS
15 SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.025 CENT PER KILOWATT-HOUR.

16 (II) IF THE COMMISSION DETERMINES THAT THE APPROVED
17 ~~PROGRAMS ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY PROJECTS~~
18 FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS UNDER ~~§ 7-704(G)~~ § 7-705(I) OF THIS
19 SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.025 CENT PER KILOWATT-HOUR, THE
20 CHARGE UNDER THIS SUBSECTION SHALL BE SET AT 0.05 CENT PER
21 KILOWATT-HOUR.

22 (4) (I) ON OR AFTER SEPTEMBER 30 OF THE YEAR AFTER THE CHARGE
23 WAS SET AT 0.05 CENT PER KILOWATT-HOUR, THE CHARGE UNDER THIS SUBSECTION
24 MAY BE RESET IF THE COMMISSION DETERMINES THAT THE APPROVED ~~PROGRAMS~~
25 ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY PROJECTS FOR
26 RESIDENTIAL RETAIL ELECTRIC CUSTOMERS UNDER ~~§ 7-704(G)~~ § 7-705(I) OF THIS
27 SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.05 CENT PER KILOWATT-HOUR.

28 (II) IF THE COMMISSION DETERMINES THAT THE APPROVED
29 ~~PROGRAMS ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY PROJECTS~~
30 FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS UNDER ~~§ 7-704(G)~~ § 7-705(I) OF THIS
31 SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.05 CENT PER KILOWATT-HOUR, THE
32 CHARGE UNDER THIS SUBSECTION SHALL BE SET AT 0.1 CENT PER KILOWATT-HOUR.

33 (5) ON OR AFTER SEPTEMBER 30 OF THE YEAR AFTER THE CHARGE
34 UNDER THIS SUBSECTION WAS SET AT 0.05 CENT PER KILOWATT-HOUR OR 0.1 CENT
35 PER KILOWATT-HOUR, THE CHARGE SHALL BE RESET TO A LOWER RATE, NOT LESS
36 THAN 0.025 CENT PER KILOWATT-HOUR, IF THE COMMISSION DETERMINES THAT
37 THE APPROVED ~~PROGRAMS ENERGY EFFICIENCY PROGRAMS AND RENEWABLE~~
38 ENERGY PROJECTS FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS UNDER ~~§~~
39 ~~7-704(G)~~ § 7-705(I) OF THIS SUBTITLE DO NOT REQUIRE A CHARGE THAT EXCEEDS THE
40 LOWER RATE PER KILOWATT-HOUR.

1 (6) THE CHARGE UNDER THIS SUBSECTION EXPIRES ON SEPTEMBER 30,
2 2013.

3 (C) (1) THIS SUBSECTION DOES NOT APPLY TO A RESIDENTIAL RETAIL GAS
4 CUSTOMER WHO IS EXEMPTED UNDER ~~§ 7-702(C)(2)~~ 7-703(C)(2) OF THIS SUBTITLE OR
5 SUBSECTION (D) OF THIS SECTION.

6 (2) DURING THE PERIOD OCTOBER 1, 2004 THROUGH SEPTEMBER 30,
7 2005, THE CHARGE FOR A RESIDENTIAL RETAIL GAS CUSTOMER SHALL BE SET BY
8 THE COMMISSION AT AN AMOUNT ON EACH THERM OF GAS DELIVERED TO A
9 RESIDENTIAL RETAIL GAS CUSTOMER IN THE STATE THAT THE COMMISSION FINDS
10 TO HAVE THE SAME OR SUBSTANTIALLY SIMILAR EFFECT ON THE TOTAL YEARLY
11 GAS BILL OF AN AVERAGE RESIDENTIAL RETAIL GAS CUSTOMER AS 0.025 CENT FOR
12 EACH KILOWATT-HOUR HAS ON THE TOTAL YEARLY ELECTRICITY BILL OF AN
13 AVERAGE RESIDENTIAL RETAIL ELECTRIC CUSTOMER.

14 (3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, ON OR AFTER
15 OCTOBER 1, 2005, THE CHARGE UNDER THIS SUBSECTION SHALL BE RESET, IN A
16 MANNER SIMILAR TO THE MANNER SET FORTH IN SUBSECTION (B) OF THIS SECTION
17 FOR THE CHARGE FOR A RESIDENTIAL RETAIL ELECTRIC CUSTOMER, IF THE
18 COMMISSION DETERMINES THAT THE APPROVED ~~PROGRAMS~~ ENERGY EFFICIENCY
19 PROGRAMS AND RENEWABLE ENERGY PROJECTS FOR RESIDENTIAL RETAIL GAS
20 CUSTOMERS UNDER ~~§ 7-704(F)~~ § 7-705(I) OF THIS SUBTITLE:

21 (I) REQUIRE A CHARGE THAT EXCEEDS THE RATE SET FOR THE
22 PRECEDING FISCAL YEAR; OR

23 (II) DO NOT REQUIRE A CHARGE THAT EXCEEDS A RATE LOWER
24 THAN THE RATE SET FOR THE PRECEDING FISCAL YEAR.

25 (4) THE CHARGE UNDER THIS SUBSECTION:

26 (I) MAY NOT BE LESS THAN THE AMOUNT DETERMINED BY THE
27 COMMISSION UNDER PARAGRAPH (2) OF THIS SUBSECTION; AND

28 (II) MAY NOT EXCEED AN AMOUNT ON EACH THERM OF GAS
29 DELIVERED TO A RESIDENTIAL RETAIL GAS CUSTOMER IN THE STATE THAT THE
30 COMMISSION FINDS TO HAVE THE SAME OR SUBSTANTIALLY SIMILAR EFFECT OF
31 THE TOTAL YEARLY GAS BILL OF AN AVERAGE RESIDENTIAL RETAIL GAS CUSTOMER
32 AS 0.1 CENT FOR EACH KILOWATT-HOUR HAS ON THE TOTAL YEARLY ELECTRICITY
33 BILL OF AN AVERAGE RESIDENTIAL RETAIL ELECTRIC CUSTOMER.

34 (5) THE CHARGE UNDER THIS SUBSECTION EXPIRES ON SEPTEMBER 30,
35 2013.

36 (D) (1) A MUNICIPAL CORPORATION OR COOPERATIVE THAT PROVIDES
37 RETAIL ELECTRIC OR GAS SERVICE TO CUSTOMERS MAY DECLINE TO COLLECT THE
38 CHARGE FROM ITS CUSTOMERS AND TO REMIT THE PROCEEDS TO THE
39 COMPTROLLER IF IT GIVES PRIOR WRITTEN NOTICE TO THE COMPTROLLER

1 SPECIFYING THE DATE ON WHICH IT WILL DECLINE TO COLLECT AND REMIT THE
2 CHARGE.

3 (2) A MUNICIPAL CORPORATION OR COOPERATIVE THAT NOTIFIES THE
4 COMPTROLLER UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL SEND A SIMILAR
5 NOTICE TO THE COMMISSION AND THE ADMINISTRATION.

6 (E) THE COMMISSION MAY SUSPEND THE COLLECTION OF THE CHARGE FOR
7 UP TO 6 MONTHS IF THE COMMISSION FINDS THAT THE BALANCE IN THE FUND HAS
8 EXCEEDED \$35,000,000 FOR TWO CONSECUTIVE FISCAL QUARTERS.

9 (F) TO THE EXTENT THAT ANY ELECTRIC OR GAS COMPANY INDEPENDENTLY
10 RECEIVES APPROVAL UNDER § 7-211 OF THIS TITLE FROM THE COMMISSION FOR THE
11 DIRECT IMPLEMENTATION OF A RESIDENTIAL ENERGY EFFICIENCY PROGRAM, ANY
12 CUSTOMER CHARGE APPROVED BY THE COMMISSION TO SUPPORT THE PROGRAM
13 SHALL BE SUBTRACTED FROM THE AMOUNT OF THE CHARGE TO BE COLLECTED
14 FROM THAT COMPANY'S CUSTOMERS UNDER THIS SECTION.

15 (G) A CHARGE UNDER THIS SECTION MAY BE COMBINED WITH A CHARGE
16 AUTHORIZED UNDER § 7-512.1 OF THIS TITLE INTO ONE CHARGE ON A CUSTOMER'S
17 BILL.

18 ~~7-704.~~ 7-705.

19 (A) (1) THE ADMINISTRATION SHALL PREPARE AND MAINTAIN AN
20 ENERGY-SAVING INVESTMENT PLAN.

21 (2) ALL DISBURSEMENTS FROM THE FUND SHALL BE IN ACCORDANCE
22 WITH THE PLAN.

23 (3) THE ADMINISTRATION SHALL SUBMIT THE INITIAL PLAN TO THE
24 COMMISSION ON OR BEFORE MARCH 1, 2005.

25 (4) THE ADMINISTRATION SHALL PERIODICALLY UPDATE THE PLAN.
26 THE ADMINISTRATION SHALL SUBMIT ITS FIRST UPDATED PLAN TO THE
27 COMMISSION ON OR BEFORE MARCH 1, 2008.

28 (B) THE PLAN SHALL DESCRIBE, EVALUATE, AND RECOMMEND ~~PROGRAMS~~
29 ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY PROJECTS THAT ARE
30 DESIGNED TO ACCOMPLISH ONE OR MORE OF THE FOLLOWING OBJECTIVES:

31 (1) TO TRANSFORM MARKETS, SO THAT ENERGY-EFFICIENT PRODUCTS
32 AND SERVICES THAT ARE NOT BROADLY AVAILABLE AND USED BY MARYLAND
33 CONSUMERS BECOME STANDARD PRODUCT OFFERINGS;

34 (2) TO CAPTURE OPPORTUNITIES OTHERWISE LOST FOR
35 COST-EFFECTIVE ENERGY-EFFICIENT DESIGNS, MATERIALS, AND EQUIPMENT
36 WHEN HOMES AND BUILDINGS ARE BUILT, REMODELED, OR RENOVATED AND WHEN
37 EQUIPMENT IS REPLACED;

1 (3) TO REDUCE PEAK DEMAND FOR ELECTRICITY AND IMPROVE
2 SERVICE RELIABILITY FOR ALL CUSTOMERS THROUGH ENERGY EFFICIENCY
3 MEASURES THAT ARE ESPECIALLY EFFECTIVE AT REDUCING PEAK SYSTEM
4 DEMANDS; ~~AND~~

5 (4) TO REDUCE PEAK DEMAND AND SEASONAL PRICE VOLATILITY FOR
6 NATURAL GAS;

7 ~~(4)~~ (5) TO ENSURE THAT LOW-INCOME CUSTOMERS CAN FULLY
8 PARTICIPATE IN OPPORTUNITIES TO SAVE ENERGY AND REDUCE THEIR ENERGY
9 COSTS; AND

10 (6) TO ENCOURAGE THE DEVELOPMENT OF COMMERCIALY VIABLE
11 RENEWABLE ENERGY RESOURCES IN THE STATE.

12 (C) THE PLAN SHALL CONTAIN:

13 (1) RELEVANT BASELINE INFORMATION AS MAY BE AVAILABLE
14 REGARDING ENERGY SALES AND CONSUMPTION, PATTERNS OF ENERGY USAGE, AND
15 PREVAILING PRACTICES IN THE MARYLAND MARKETPLACE FOR GOODS AND
16 SERVICES THAT INFLUENCE ENERGY CONSUMPTION, TOGETHER WITH PLANS FOR
17 SUPPLEMENTING AVAILABLE BASELINE INFORMATION WITH NEW DATA;

18 (2) COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS RECOMMENDED
19 FOR IMPLEMENTATION, INCLUDING:

20 (I) MARKET TRANSFORMATION PROGRAMS AND
21 LOST-OPPORTUNITY PROGRAMS IN AREAS SUCH AS RESIDENTIAL APPLIANCES,
22 LIGHTING, WINDOWS, INSULATION, HEATING, AIR-CONDITIONING, AND NEW HOME
23 CONSTRUCTION;

24 (II) ENERGY PERFORMANCE CONTRACT PROGRAMS WITH OPEN
25 AND COMPETITIVE ACCESS TO ENERGY EFFICIENCY FUNDS; AND

26 (III) OTHER ENERGY EFFICIENCY PROGRAMS NECESSARY TO
27 ADDRESS THE SPECIALIZED NEEDS OF FARMERS, TENANTS, LOW-INCOME
28 CONSUMERS, OR OTHER RESIDENTIAL CUSTOMER GROUPS;

29 (3) GOALS, MILESTONES, PERFORMANCE INDICATORS, AND BUDGETS
30 FOR EACH ENERGY EFFICIENCY PROGRAM RECOMMENDED FOR IMPLEMENTATION;

31 (4) PROCEDURES FOR GATHERING INFORMATION ON THE EFFECTS OF
32 EACH RECOMMENDED ENERGY EFFICIENCY PROGRAM;

33 (5) AN EVALUATION OF EACH RECOMMENDED ENERGY EFFICIENCY
34 PROGRAM, INCLUDING AN ASSESSMENT OF ITS COST-EFFECTIVENESS ~~TO SOCIETY;~~
35 ~~AND;~~

36 (6) THE VIEWS AND RECOMMENDATIONS, IF ANY, OF THE BOARD;:

1 (7) A LIST OF RESIDENTIAL ENERGY EFFICIENCY PROGRAMS
2 INDEPENDENTLY UNDERTAKEN BY AN ELECTRIC OR GAS COMPANY WITH
3 COMMISSION APPROVAL UNDER § 7-211 OF THIS TITLE;

4 (8) A DEMONSTRATION THAT ANY ENERGY EFFICIENCY PROGRAM
5 RECOMMENDED UNDER THIS SECTION DOES NOT DUPLICATE AND IS NOT
6 INCONSISTENT WITH THE OBJECTIVES OF A RESIDENTIAL ENERGY EFFICIENCY
7 PROGRAM APPROVED UNDER § 7-211 OF THIS TITLE; AND

8 (9) AN ASSESSMENT OF THE CURRENT STATE OF RENEWABLE ENERGY
9 RESOURCE DEVELOPMENT IN THE STATE.

10 (D) THE PLAN SHALL ALSO CONTAIN RECOMMENDED RENEWABLE ENERGY
11 PROJECTS INCLUDING GOALS, MILESTONES, PERFORMANCE INDICATORS, AND
12 BUDGETS.

13 ~~(D)~~ (E) THE PLAN SHALL PROVIDE THAT:

14 (1) ENERGY EFFICIENCY PROGRAMS ARE OFFERED TO RESIDENTIAL
15 RETAIL ELECTRIC CUSTOMERS AND RESIDENTIAL RETAIL GAS CUSTOMERS IN AREAS
16 OF THE STATE WHERE THE CHARGE IS COLLECTED;

17 (2) EACH RECOMMENDED ENERGY EFFICIENCY PROGRAM WILL YIELD
18 NET SAVINGS OF ENERGY;

19 (3) FUNDS DERIVED FROM RESIDENTIAL RETAIL ELECTRIC CUSTOMERS
20 SHALL BE DISBURSED FOR ENERGY EFFICIENCY PROGRAMS TO SERVE THOSE
21 CUSTOMERS AND FUNDS DERIVED FROM RESIDENTIAL RETAIL GAS CUSTOMERS
22 SHALL BE DISBURSED FOR ENERGY EFFICIENCY PROGRAMS TO SERVE THOSE
23 CUSTOMERS;

24 (4) AT LEAST 5% OF EACH OF THE FUNDS DERIVED FROM RESIDENTIAL
25 RETAIL ELECTRIC CUSTOMERS AND RESIDENTIAL RETAIL GAS CUSTOMERS,
26 RESPECTIVELY, SHALL BE DIRECTED TOWARD ENERGY EFFICIENCY PROGRAMS TO
27 SERVE LOW-INCOME RESIDENTIAL ELECTRIC CUSTOMERS AND LOW-INCOME
28 RESIDENTIAL GAS CUSTOMERS, RESPECTIVELY;

29 (5) ANY ENERGY EFFICIENCY PROGRAM FOUND TO BE NO LONGER
30 COST-EFFECTIVE SHALL NOT BE CONTINUED; ~~AND~~

31 (6) INVESTMENTS IN ENERGY EFFICIENCY PROGRAMS IN THE SERVICE
32 AREA OF EACH ELECTRIC COMPANY, GAS COMPANY, AND PARTICIPATING MUNICIPAL
33 CORPORATION OR COOPERATIVE WILL BEAR A REASONABLE RELATIONSHIP TO THE
34 AMOUNT OF FUNDS DEPOSITED IN THE ENERGY-SAVING INVESTMENT FUND BY THE
35 COMPANY, MUNICIPAL CORPORATION, OR COOPERATIVE; AND

36 (7) NOT MORE THAN 20% OF THE FUNDS EXPENDED IN ANY ONE YEAR
37 SHALL BE DIRECTED TO RENEWABLE ENERGY PROJECTS.

1 ~~(E)~~ (F) FOR PURPOSES OF DETERMINING WHETHER A ENERGY EFFICIENCY
2 PROGRAM IS COST-EFFECTIVE;

3 ~~(+)~~ (+) BENEFITS OF THE ENERGY EFFICIENCY PROGRAM INCLUDE THE
4 MONETARY VALUE OF ALL RESOURCES SAVED AS A RESULT OF THE PROGRAM,
5 INCLUDING ELECTRICITY, ELECTRICITY, NATURAL GAS, AND WATER; AND SAVED AS
6 A RESULT OF THE ENERGY EFFICIENCY PROGRAM.

7 ~~(=)~~ (G) FOR PURPOSES OF PRIORITIZING ENERGY EFFICIENCY
8 PROGRAM IMPLEMENTATION:

9 (1) AN APPROPRIATE RANGE OF MONETARY VALUE SHALL BE ASSIGNED
10 TO EACH EXTERNALITY ASSOCIATED WITH THE PROGRAM, INCLUDING PUBLIC
11 HEALTH AND ENVIRONMENTAL QUALITY ENERGY EFFICIENCY PROGRAM; AND

12 (2) OTHER FACTORS BEING EQUAL, EMPHASIS SHALL BE GIVEN TO
13 ENERGY EFFICIENCY PROGRAMS THAT REDUCE PEAK DEMANDS FOR ELECTRICITY
14 OR NATURAL GAS.

15 ~~(F)~~ (H) THE ADMINISTRATION SHALL ANNUALLY DETERMINE THE AMOUNT
16 OF FUNDS NECESSARY TO IMPLEMENT ~~PROGRAMS~~ ENERGY EFFICIENCY PROGRAMS
17 AND RENEWABLE ENERGY PROJECTS APPROVED BY THE COMMISSION AND SHALL
18 OBTAIN THE FUNDS FROM THE ENERGY SAVINGS INVESTMENT FUND ON REQUEST
19 TO THE STATE TREASURER.

20 ~~(G)~~ (I) (1) WHEN THE ADMINISTRATION SUBMITS THE PLAN OR UPDATE
21 TO THE COMMISSION, THE COMMISSION SHALL REVIEW THE PLAN OR UPDATE, AND
22 SHALL PROVIDE AN OPPORTUNITY FOR INTERESTED PARTIES TO COMMENT ON THE
23 PLAN OR UPDATE. THE COMMISSION SHALL ISSUE A FINAL ORDER BASED ON ITS
24 REVIEW WITHIN 90 DAYS AFTER RECEIVING THE PLAN OR UPDATE. IF THE
25 COMMISSION DOES NOT ISSUE A FINAL ORDER ON THE PLAN, THE PLAN SHALL BE
26 DEEMED APPROVED AS SUBMITTED ON THE 91ST DAY AFTER THE COMMISSION
27 RECEIVES THE PLAN.

28 (2) THE COMMISSION SHALL APPROVE THE PLAN UNLESS IT FINDS
29 THAT THE PLAN:

30 (I) IS INCONSISTENT WITH THE PURPOSES STATED IN § 7-702(B) OF
31 THIS SUBTITLE;

32 (II) IS INCONSISTENT WITH THE OBJECTIVES STATED IN
33 SUBSECTION (B) OF THIS SECTION; OR

34 (III) FAILS TO MEET THE PROVISIONS OF SUBSECTION ~~(D)~~ (E) OF
35 THIS SECTION.

36 (3) AS PART OF ITS FINAL ORDER, THE COMMISSION MAY MODIFY OR
37 REJECT ANY ENERGY EFFICIENCY PROGRAM RECOMMENDED FOR
38 IMPLEMENTATION IF IT FINDS THAT THE ENERGY EFFICIENCY PROGRAM IS NOT
39 COST-EFFECTIVE.

1 (4) WITHIN 60 DAYS AFTER ANY FINAL ORDER REJECTING OR
 2 MODIFYING THE PLAN OR UPDATE OR ANY ENERGY EFFICIENCY PROGRAM OR
 3 RENEWABLE ENERGY PROJECT RECOMMENDED IN THE PLAN OR UPDATE, THE
 4 ADMINISTRATION MAY FILE WITH THE COMMISSION A SUPPLEMENT TO THE PLAN
 5 SEEKING TO REMEDY ANY DEFECT IN THE PRIOR SUBMISSION IDENTIFIED IN THE
 6 ORDER OF THE COMMISSION. THE COMMISSION SHALL REVIEW THE SUPPLEMENT
 7 TO THE PLAN AND ISSUE A FINAL ORDER BASED ON ITS REVIEW WITHIN 60 DAYS
 8 AFTER RECEIVING THE SUPPLEMENT. IF THE COMMISSION DOES NOT ISSUE A FINAL
 9 ORDER ON THE SUPPLEMENT, THE SUPPLEMENT SHALL BE DEEMED APPROVED AS
 10 SUBMITTED ON THE 61ST DAY AFTER THE COMMISSION RECEIVES THE
 11 SUPPLEMENT.

12 ~~(H)~~ (J) THE ADMINISTRATION SHALL:

13 (1) MANAGE, SUPERVISE, AND ADMINISTER THE ENERGY EFFICIENCY
 14 PROGRAMS AND RENEWABLE ENERGY PROJECTS IMPLEMENTED UNDER THE
 15 APPROVED PLAN;

16 (2) ADOPT REGULATIONS NECESSARY TO ENSURE THAT THE
 17 IMPLEMENTED ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY
 18 PROJECTS CARRY OUT THE PURPOSES OF THE PLAN; AND

19 (3) DEVELOP PROCEDURES FOR MONITORING AND ASSESSING ALL
 20 ENERGY EFFICIENCY PROGRAMS AND RENEWABLE ENERGY PROJECTS
 21 IMPLEMENTED UNDER THE APPROVED PLAN.

22 ~~7-705. 7-706.~~

23 (A) ON OR BEFORE OCTOBER 1, 2004, THE DIRECTOR OF THE ADMINISTRATION
 24 SHALL CONVENE AN ENERGY-SAVING INVESTMENT ADVISORY BOARD.

25 (B) THE BOARD SHALL CONSIST OF ~~UP TO EIGHT~~ THE FOLLOWING MEMBERS
 26 APPOINTED TO FIXED TERMS BY THE ADMINISTRATION, AND SHALL INCLUDE:

27 (1) A REPRESENTATIVE OF THE OFFICE OF PEOPLE'S COUNSEL,
 28 SELECTED BY THE PEOPLE'S COUNSEL;

29 (2) A REPRESENTATIVE OF THE STAFF OF THE COMMISSION, SELECTED
 30 BY THE CHAIRMAN OF THE COMMISSION;

31 (3) ~~TWO REPRESENTATIVES OF ONE REPRESENTATIVE OF EACH~~
 32 PARTICIPATING ELECTRIC COMPANIES COMPANY, INCLUDING AT LEAST ONE
 33 REPRESENTATIVE OF A EACH PARTICIPATING MUNICIPAL CORPORATION OR AND
 34 EACH PARTICIPATING COOPERATIVE, SELECTED BY THE RESPECTIVE ELECTRIC
 35 COMPANY, MUNICIPAL CORPORATION, AND COOPERATIVE;

36 (4) ONE REPRESENTATIVE OF A EACH PARTICIPATING GAS COMPANY,
 37 SELECTED BY THE RESPECTIVE GAS COMPANY;

1 (5) ONE REPRESENTATIVE OF A ~~NOT-FOR-PROFIT ORGANIZATION UNIT~~
 2 OF STATE GOVERNMENT THAT ADMINISTERS A WEATHERIZATION PROGRAM THAT
 3 SERVES LOW-INCOME RESIDENTS, SELECTED BY THE SECRETARY OF THAT UNIT OF
 4 STATE GOVERNMENT; AND

5 (6) TWO REPRESENTATIVES OF NOT-FOR-PROFIT ORGANIZATIONS
 6 CONCERNED WITH ENERGY AND ENVIRONMENTAL POLICY AND ONE
 7 REPRESENTATIVE OF A NOT-FOR-PROFIT ORGANIZATION THAT SERVES
 8 LOW-INCOME RESIDENTS.

9 (C) NOTWITHSTANDING SUBSECTION (B)(3) AND (4) OF THIS SECTION, A GAS
 10 AND ELECTRIC COMPANY SHALL ONLY HAVE ONE REPRESENTATIVE ON THE BOARD.

11 ~~(C)~~ (D) THE BOARD SHALL PROVIDE THE ADMINISTRATION WITH REVIEW
 12 AND COMMENT ON:

13 (1) DRAFT AND FINAL VERSIONS OF THE PLAN, PLAN UPDATES, AND
 14 PLAN SUPPLEMENTS;

15 (2) GOALS, MILESTONES, BUDGETS, AND PERFORMANCE INDICATORS
 16 FOR EACH ENERGY EFFICIENCY PROGRAM AND EACH RENEWABLE ENERGY
 17 PROJECT IN THE PLAN, ON A SEMIANNUAL BASIS;

18 (3) RECOMMENDATIONS FOR PROSPECTIVE ENERGY EFFICIENCY
 19 PROGRAMS AND RENEWABLE ENERGY PROJECTS; AND

20 (4) OTHER MATTERS CONCERNING THE ENERGY EFFICIENCY -SAVING
 21 INVESTMENT PROGRAM THAT THE BOARD CHOOSES TO ADDRESS.

22 ~~(D)~~ (E) NOTHING IN THIS SECTION AUTHORIZES THE BOARD TO APPROVE
 23 OR DISAPPROVE ~~PROGRAMS~~ ENERGY EFFICIENCY PROGRAMS OR RENEWABLE
 24 ENERGY PROJECTS, EXPENDITURES, THE SELECTION OF CONTRACTORS, THE LEVEL
 25 OF THE CHARGE, OR ANY OTHER RESPONSIBILITY OF THE ADMINISTRATION OR THE
 26 COMMISSION UNDER THIS SUBTITLE.

27 ~~7-706.~~ 7-707.

28 THE ADMINISTRATION MAY CONTRACT WITH ONE OR MORE
 29 NONGOVERNMENTAL ENTITIES FOR ASSISTANCE IN CARRYING OUT ITS
 30 RESPONSIBILITIES UNDER THIS SUBTITLE.

31 ~~7-707.~~ 7-708.

32 (A) ON OR BEFORE MARCH 30, 2006, AND MARCH 30 OF EACH SUCCEEDING
 33 YEAR THROUGH 2013, THE ADMINISTRATION SHALL, IN COOPERATION WITH THE
 34 COMPTROLLER, SUBMIT AN ANNUAL REPORT ON THE FUND TO THE GENERAL
 35 ASSEMBLY, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

36 (B) THE REPORT SHALL INCLUDE:

1 (1) AN ACCOUNTING OF ALL FUNDS DEPOSITED TO AND DISBURSED
2 FROM THE FUND;

3 (2) A DESCRIPTION OF ENERGY EFFICIENCY PROGRAMS AND
4 RENEWABLE ENERGY PROJECTS PROPOSED, UNDERWAY, OR COMPLETED; AND

5 (3) A SUMMARY OF ~~PROGRAM~~ ENERGY EFFICIENCY PROGRAM AND
6 RENEWABLE ENERGY PROJECT RESULTS, EXPRESSED, AS APPLICABLE, IN TERMS OF
7 ENERGY SAVINGS, COST SAVINGS TO CONSUMERS, POLLUTION PREVENTION, AND
8 MARKET EFFECTS.

9 ~~7-708; 7-709.~~

10 ANY UNCOMMITTED FUNDS REMAINING IN THE FUND AT THE END OF
11 SEPTEMBER 30, 2014 SHALL BE RETURNED TO RESIDENTIAL ELECTRIC AND GAS
12 CONSUMERS IN A MANNER PRESCRIBED BY THE COMMISSION.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
14 effect July 1, 2004. It shall remain effective for a period of 10 years and 9 months and,
15 at the end of March 31, 2015, with no further action required by the General
16 Assembly, this Act shall be abrogated and of no further force and effect.