

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 490

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Taylor” and substitute “Taylor, Burns, Petzold, Harrison, and McHale”; strike in its entirety line 2 and substitute “Maryland Energy Administration - Energy Efficiency Programs”; strike beginning with “establishing” in line 3 down through “collections;” in line 9; in line 10, strike “, manage, supervise,;” in line 11, strike “administer” and substitute “submit a plan containing”; in the same line, after “programs” insert “to the Public Service Commission; authorizing interested persons to submit certain programs to the Commission including certain required information; requiring the Commission to review and approve certain plans or portions of plans using certain considerations; requiring the Administration to update the plan periodically; requiring the Commission to report periodically on certain matters to the General Assembly”; strike beginning with “providing” in line 11 down through “Act;” in line 16; in line 17, strike “Energy-Saving Investment Program” and substitute “Maryland Energy Administration, the Public Service Commission, and energy efficiency programs”; in line 18, strike “adding to” and substitute “repealing and reenacting, with amendments,”; and strike beginning with “7-801” in line 20 down through “Program” in line 21 and substitute “7-211”.

AMENDMENT NO. 2

On pages 2 through 11, strike in their entirety the lines beginning with line 2 on page 2 through line 27 on page 11 and substitute:

“7-211.

(a) (1) ON OR BEFORE OCTOBER 1, 2005, THE MARYLAND ENERGY ADMINISTRATION SHALL DEVELOP AND SUBMIT TO THE COMMISSION A PLAN OF PROGRAMS AND SERVICES TO ENCOURAGE AND PROMOTE THE EFFICIENT USE AND CONSERVATION OF ENERGY BY CONSUMERS, GAS COMPANIES, AND ELECTRIC COMPANIES.

(Over)

(2) EACH PLAN OR UPDATE TO THE PLAN SHALL CONTAIN COST-EFFECTIVE RESIDENTIAL ENERGY EFFICIENCY PROGRAMS SUFFICIENT TO ACHIEVE, IF IMPLEMENTED, ANNUAL ENERGY SAVINGS OF AT LEAST:

(I) 0.5% OF THE TOTAL RESIDENTIAL ELECTRICITY CONSUMPTION IN THE STATE IN THE YEAR IMMEDIATELY PRECEDING SUBMISSION OF THE PLAN OR UPDATE; AND

(II) 0.5% OF THE TOTAL RESIDENTIAL NATURAL GAS CONSUMPTION IN THE STATE IN THE YEAR IMMEDIATELY PRECEDING SUBMISSION OF THE PLAN OR UPDATE.

(3) FOR THE PURPOSES OF PARAGRAPH (2) OF THIS SUBSECTION ONLY, THE PROJECTED ENERGY SAVINGS ATTRIBUTED TO ALL ENERGY EFFICIENCY PROGRAMS CONTAINED IN THE PLAN SHALL CONSIST OF THE INCREMENTAL SAVINGS PRESENTED BY THE PROGRAMS WITHOUT CONSIDERING ENERGY SAVINGS FROM PREVIOUSLY IMPLEMENTED PROGRAMS.

(4) (I) WITHIN 120 DAYS AFTER RECEIVING A PLAN OR PLAN UPDATE, THE COMMISSION SHALL:

1. REVIEW THE PLAN OR PLAN UPDATE; AND

2. A. APPROVE OR DISAPPROVE ALL OF THE PLAN OR PLAN UPDATE; OR

B. APPROVE A PORTION OF THE PLAN OR PLAN UPDATE.

(II) FOR GOOD CAUSE, THE COMMISSION MAY EXTEND ITS PERIOD OF REVIEW AND APPROVAL OF A PLAN OR UPDATE FOR AN ADDITIONAL PERIOD NOT EXCEEDING 60 DAYS.

(5) EVERY 2 YEARS THE ADMINISTRATION SHALL:

(I) UPDATE THE PLAN; AND

(II) SUBMIT THE UPDATE TO THE COMMISSION FOR REVIEW AND APPROVAL ON OR BEFORE OCTOBER 1 OF EACH ODD-NUMBERED YEAR.

(B) Subject to review and approval by the Commission, each gas company and electric company shall develop and implement programs and services to encourage and promote the efficient use and conservation of energy by consumers, gas companies, and electric companies.

(C) AN INTERESTED PERSON MAY SUBMIT AN ENERGY EFFICIENCY PROGRAM FOR THE COMMISSION'S CONSIDERATION.

(D) ANY PROPOSAL FOR AN ENERGY EFFICIENCY PROGRAM SUBMITTED TO THE COMMISSION SHALL INCLUDE ONE OR MORE PROPOSED COST-EFFECTIVENESS TESTS AND INFORMATION ADDRESSING THE CONSIDERATIONS IN SUBSECTION (F) OF THIS SECTION.

[(b)] (E) The Commission shall:

(1) require each gas company and electric company to establish any program or service that the Commission deems appropriate and cost effective to encourage and promote the efficient use and conservation of energy;

(2) adopt rate-making policies that provide cost recovery and, in appropriate circumstances, reasonable financial incentives for gas companies and electric companies to establish programs and services that encourage and promote the efficient use and conservation of energy; and

(3) ensure that adoption of electric customer choice under Subtitle 5 of this title does not adversely impact the continuation of cost effective energy conservation and efficiency programs.

[(c)] (F) [(1) On or before February 1, 2001, the Commission, in consultation with the Maryland Energy Administration, shall report, subject to § 2-1246 of the State Government Article, to the General Assembly on:

(Over)

(i) the status of programs and services to encourage and promote the efficient use and conservation of energy; and

(ii) a recommendation for the appropriate funding level to adequately fund these programs and services.

(2)] In determining whether a program or service encourages and promotes the efficient use and conservation of energy, the Commission shall consider, among other factors:

(i) the impact on jobs;

(ii) the impact on the environment;

(iii) THE IMPACT ON CONSUMER ENERGY BILLS;

(IV) the impact on rates; and

[(iv)] (V) [the] cost-effectiveness.

(G) (1) EVERY 2 YEARS BEGINNING IN 2006, ON OR BEFORE FEBRUARY 1, IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, THE COMMISSION SHALL PREPARE AND SUBMIT A REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

(2) THE REPORT SHALL INCLUDE:

(I) THE STATUS OF PROGRAMS AND SERVICES TO ENCOURAGE AND PROMOTE THE EFFICIENT USE AND CONSERVATION OF ENERGY;

(II) PLANS SUBMITTED AND APPROVED UNDER THIS SECTION, INCLUDING APPROVED PROGRAMS AND SERVICES;

(III) COST-EFFECTIVENESS TESTS USED BY THE COMMISSION;

AND

(IV) A RECOMMENDATION FOR THE APPROPRIATE FUNDING LEVEL AND METHODS TO ADEQUATELY FUND APPROVED PROGRAMS AND SERVICES.”.

On page 11, strike beginning with “It” in line 29 down through “effect.” in line 31.