

---

By: **Senators Frosh and Middleton**  
Introduced and read first time: February 3, 2005  
Assigned to: Finance

---

A BILL ENTITLED

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

18 BY adding to  
19 Article - Public Utility Companies  
20 Section 7-801 through 7-809 to be under the new subtitle "Subtitle 8.  
21 Energy-Saving Investment Program"  
22 Annotated Code of Maryland  
23 (1998 Volume and 2004 Supplement)

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

1 **Article - Public Utility Companies**

## 2 SUBTITLE 8. ENERGY-SAVING INVESTMENT PROGRAM.

3 7-801.

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 § 7-805 OF THIS SUBTITLE.9 (D) "CHARGE" MEANS THE ENERGY-SAVING INVESTMENT CHARGE ASSESSED  
10 UNDER THIS SUBTITLE.11 (E) "COST-EFFECTIVE" MEANS THAT THE TOTAL RESOURCE BENEFITS OF A  
12 PROGRAM EXCEED THE TOTAL RESOURCE COSTS ATTRIBUTABLE TO THE PROGRAM  
13 FOR THE PROGRAM'S FULL DURATION AND THE LIFE OF MEASURES IMPLEMENTED  
14 UNDER THE PROGRAM.

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

16 (G) "ENERGY PERFORMANCE CONTRACT" MEANS A CONTRACT CONSISTENT  
17 WITH TITLE 12, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.18 (H) "FUND" MEANS THE ENERGY-SAVING INVESTMENT FUND ESTABLISHED  
19 UNDER § 7-802 OF THIS SUBTITLE.20 (I) "LOW-INCOME CUSTOMER" MEANS A CUSTOMER WITH A HOUSEHOLD  
21 INCOME NOT EXCEEDING 150% OF THE FEDERAL POVERTY LEVEL, IN THE  
22 GUIDELINES FOR THE 48 CONTIGUOUS STATES PUBLISHED BY THE FEDERAL  
23 DEPARTMENT OF HEALTH AND HUMAN SERVICES.24 (J) "PLAN" MEANS THE ENERGY-SAVING INVESTMENT PLAN ESTABLISHED  
25 UNDER § 7-804 OF THIS SUBTITLE.

26 7-802.

27 (A) THERE IS AN ENERGY-SAVING INVESTMENT PROGRAM.

28 (B) THE ENERGY-SAVING INVESTMENT PROGRAM CONSISTS OF ENERGY  
29 EFFICIENCY PROGRAMS.

30 7-803.

31 (A) THERE IS AN ENERGY-SAVING INVESTMENT FUND.

32 (B) THE PURPOSE OF THE FUND IS TO INCREASE THE OPPORTUNITIES FOR  
33 ENERGY CONSUMERS THROUGHOUT MARYLAND TO:

- 1 (1) SAVE ENERGY;
- 2 (2) REDUCE CONSUMERS' TOTAL ENERGY COSTS; AND
- 3 (3) REDUCE POLLUTION AND THREATS TO PUBLIC HEALTH ASSOCIATED  
4 WITH ENERGY PRODUCTION AND CONSUMPTION.

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

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

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

16 (II) THE ELECTRIC UNIVERSAL SERVICE PROGRAM UNDER § 7-512.1  
17 OF THIS TITLE.

18 (D) THE FUND CONSISTS OF:

19 (1) THE CHARGE COLLECTED UNDER THIS SUBTITLE;

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

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

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

27 (2) THE COLLECTIONS FROM THE CHARGE SHALL ACCRUE TO THE  
28 FUND.

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

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

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

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

3 7-804.

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

6 (B) (1) THIS SUBSECTION DOES NOT APPLY TO A RETAIL RESIDENTIAL  
7 ELECTRIC CUSTOMER WHO IS EXEMPTED UNDER § 7-803(C)(2) OF THIS SUBTITLE OR  
8 SUBSECTION (D) OF THIS SECTION.

9 (2) DURING THE PERIOD OCTOBER 1, 2005 THROUGH SEPTEMBER 30,  
10 2006, THE CHARGE FOR A RESIDENTIAL RETAIL ELECTRIC CUSTOMER SHALL BE SET  
11 TO RECOVER 0.025 CENT ON EACH KILOWATT-HOUR OF ELECTRICITY DELIVERED TO  
12 A RETAIL RESIDENTIAL ELECTRIC CUSTOMER IN THE STATE.

13 (3) (I) ON OR AFTER OCTOBER 1, 2006, THE CHARGE UNDER THIS  
14 SUBSECTION MAY BE RESET IF THE COMMISSION DETERMINES THAT THE APPROVED  
15 ENERGY EFFICIENCY PROGRAMS FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS  
16 UNDER § 7-805(I) OF THIS SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.025 CENT  
17 PER KILOWATT-HOUR.

18 (II) IF THE COMMISSION DETERMINES THAT THE APPROVED  
19 ENERGY EFFICIENCY PROGRAMS FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS  
20 UNDER § 7-805(I) OF THIS SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.025 CENT  
21 PER KILOWATT-HOUR, THE CHARGE UNDER THIS SUBSECTION SHALL BE SET AT 0.05  
22 CENT PER KILOWATT-HOUR.

23 (4) (I) ON OR AFTER SEPTEMBER 30 OF THE YEAR AFTER THE CHARGE  
24 WAS SET AT 0.05 CENT PER KILOWATT-HOUR, THE CHARGE UNDER THIS SUBSECTION  
25 MAY BE RESET IF THE COMMISSION DETERMINES THAT THE APPROVED ENERGY  
26 EFFICIENCY PROGRAMS FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS UNDER §  
27 7-805(I) OF THIS SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.05 CENT PER  
28 KILOWATT-HOUR.

29 (II) IF THE COMMISSION DETERMINES THAT THE APPROVED  
30 ENERGY EFFICIENCY PROGRAMS FOR RESIDENTIAL RETAIL ELECTRIC CUSTOMERS  
31 UNDER § 7-805(I) OF THIS SUBTITLE REQUIRE A CHARGE THAT EXCEEDS 0.05 CENT  
32 PER KILOWATT-HOUR, THE CHARGE UNDER THIS SUBSECTION SHALL BE SET AT 0.1  
33 CENT PER KILOWATT-HOUR.

34 (5) ON OR AFTER SEPTEMBER 30 OF THE YEAR AFTER THE CHARGE  
35 UNDER THIS SUBSECTION WAS SET AT 0.05 CENT PER KILOWATT-HOUR OR 0.1 CENT  
36 PER KILOWATT-HOUR, THE CHARGE SHALL BE RESET TO A LOWER RATE, NOT LESS  
37 THAN 0.025 CENT PER KILOWATT-HOUR, IF THE COMMISSION DETERMINES THAT  
38 THE APPROVED ENERGY EFFICIENCY PROGRAMS FOR RESIDENTIAL RETAIL  
39 ELECTRIC CUSTOMERS UNDER § 7-805(I) OF THIS SUBTITLE DO NOT REQUIRE A  
40 CHARGE THAT EXCEEDS THE LOWER RATE PER KILOWATT-HOUR.

1 (6) THE CHARGE UNDER THIS SUBSECTION EXPIRES ON SEPTEMBER 30,  
2 2014.

3 (C) (1) THIS SUBSECTION DOES NOT APPLY TO A RESIDENTIAL RETAIL GAS  
4 CUSTOMER WHO IS EXEMPTED UNDER § 7-803(C)(2) OF THIS SUBTITLE OR  
5 SUBSECTION (D) OF THIS SECTION.

6 (2) DURING THE PERIOD OCTOBER 1, 2005 THROUGH SEPTEMBER 30,  
7 2006, 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, 2006, 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 ENERGY EFFICIENCY PROGRAMS  
19 FOR RESIDENTIAL RETAIL GAS CUSTOMERS UNDER § 7-805(I) OF THIS SUBTITLE:

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

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

24 (4) THE CHARGE UNDER THIS SUBSECTION:

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

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

33 (5) THE CHARGE UNDER THIS SUBSECTION EXPIRES ON SEPTEMBER 30,  
34 2014.

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

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

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

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

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

16 7-805.

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

19 (2) ALL DISBURSEMENTS FROM THE FUND SHALL BE IN ACCORDANCE  
20 WITH THE PLAN.

21 (3) THE ADMINISTRATION SHALL SUBMIT THE INITIAL PLAN TO THE  
22 COMMISSION ON OR BEFORE MARCH 1, 2006.

23 (4) THE ADMINISTRATION SHALL PERIODICALLY UPDATE THE PLAN.  
24 THE ADMINISTRATION SHALL SUBMIT ITS FIRST UPDATED PLAN TO THE  
25 COMMISSION ON OR BEFORE MARCH 1, 2009.

26 (B) THE PLAN SHALL DESCRIBE, EVALUATE, AND RECOMMEND ENERGY  
27 EFFICIENCY PROGRAMS THAT ARE DESIGNED TO ACCOMPLISH ONE OR MORE OF  
28 THE FOLLOWING OBJECTIVES:

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

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

36 (3) TO REDUCE PEAK DEMAND FOR ELECTRICITY AND IMPROVE  
37 SERVICE RELIABILITY FOR ALL CUSTOMERS THROUGH ENERGY EFFICIENCY

1 MEASURES THAT ARE ESPECIALLY EFFECTIVE AT REDUCING PEAK SYSTEM  
2 DEMANDS;

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

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

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

10 (C) THE PLAN SHALL CONTAIN:

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

16 (2) COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS RECOMMENDED  
17 FOR IMPLEMENTATION, INCLUDING:

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

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

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

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

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

31 (5) AN EVALUATION OF EACH RECOMMENDED ENERGY EFFICIENCY  
32 PROGRAM, INCLUDING AN ASSESSMENT OF ITS COST-EFFECTIVENESS;

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

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

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

5 (D) THE PLAN SHALL PROVIDE THAT:

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

9 (2) EACH RECOMMENDED ENERGY EFFICIENCY PROGRAM WILL YIELD  
10 NET SAVINGS OF ENERGY;

11 (3) FUNDS DERIVED FROM RESIDENTIAL RETAIL ELECTRIC CUSTOMERS  
12 SHALL BE DISBURSED FOR ENERGY EFFICIENCY PROGRAMS TO SERVE THOSE  
13 CUSTOMERS AND FUNDS DERIVED FROM RESIDENTIAL RETAIL GAS CUSTOMERS  
14 SHALL BE DISBURSED FOR ENERGY EFFICIENCY PROGRAMS TO SERVE THOSE  
15 CUSTOMERS;

16 (4) AT LEAST 5% OF EACH OF THE FUNDS DERIVED FROM RESIDENTIAL  
17 RETAIL ELECTRIC CUSTOMERS AND RESIDENTIAL RETAIL GAS CUSTOMERS,  
18 RESPECTIVELY, SHALL BE DIRECTED TOWARD ENERGY EFFICIENCY PROGRAMS TO  
19 SERVE LOW-INCOME RESIDENTIAL ELECTRIC CUSTOMERS AND LOW-INCOME  
20 RESIDENTIAL GAS CUSTOMERS, RESPECTIVELY;

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

23 (6) INVESTMENTS IN ENERGY EFFICIENCY PROGRAMS IN THE SERVICE  
24 AREA OF EACH ELECTRIC COMPANY, GAS COMPANY, AND PARTICIPATING MUNICIPAL  
25 CORPORATION OR COOPERATIVE WILL BEAR A REASONABLE RELATIONSHIP TO THE  
26 AMOUNT OF FUNDS DEPOSITED IN THE ENERGY-SAVING INVESTMENT FUND BY THE  
27 COMPANY, MUNICIPAL CORPORATION, OR COOPERATIVE.

28 (E) FOR PURPOSES OF DETERMINING WHETHER AN ENERGY EFFICIENCY  
29 PROGRAM IS COST-EFFECTIVE, BENEFITS OF THE ENERGY EFFICIENCY PROGRAM  
30 INCLUDE THE MONETARY VALUE OF ELECTRICITY, NATURAL GAS, AND WATER  
31 SAVED AS A RESULT OF THE ENERGY EFFICIENCY PROGRAM.

32 (F) FOR PURPOSES OF PRIORITIZING ENERGY EFFICIENCY PROGRAM  
33 IMPLEMENTATION:

34 (1) AN APPROPRIATE RANGE OF MONETARY VALUE SHALL BE ASSIGNED  
35 TO EACH EXTERNALITY ASSOCIATED WITH THE ENERGY EFFICIENCY PROGRAM; AND

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



1 (G) THE ADMINISTRATION SHALL ANNUALLY DETERMINE THE AMOUNT OF  
2 FUNDS NECESSARY TO IMPLEMENT ENERGY EFFICIENCY PROGRAMS APPROVED BY  
3 THE COMMISSION AND SHALL OBTAIN THE FUNDS FROM THE ENERGY SAVINGS  
4 INVESTMENT FUND ON REQUEST TO THE STATE TREASURER.

5 (H) (1) WHEN THE ADMINISTRATION SUBMITS THE PLAN OR UPDATE TO  
6 THE COMMISSION, THE COMMISSION SHALL REVIEW THE PLAN OR UPDATE, AND  
7 SHALL PROVIDE AN OPPORTUNITY FOR INTERESTED PARTIES TO COMMENT ON THE  
8 PLAN OR UPDATE. THE COMMISSION SHALL ISSUE A FINAL ORDER BASED ON ITS  
9 REVIEW WITHIN 90 DAYS AFTER RECEIVING THE PLAN OR UPDATE. IF THE  
10 COMMISSION DOES NOT ISSUE A FINAL ORDER ON THE PLAN, THE PLAN SHALL BE  
11 DEEMED APPROVED AS SUBMITTED ON THE 91ST DAY AFTER THE COMMISSION  
12 RECEIVES THE PLAN.

13 (2) THE COMMISSION SHALL APPROVE THE PLAN UNLESS IT FINDS  
14 THAT THE PLAN:

15 (I) IS INCONSISTENT WITH THE PURPOSES STATED IN § 7-802(B) OF  
16 THIS SUBTITLE;

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

19 (III) FAILS TO MEET THE PROVISIONS OF SUBSECTION (E) OF THIS  
20 SECTION.

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

25 (4) WITHIN 60 DAYS AFTER ANY FINAL ORDER REJECTING OR  
26 MODIFYING THE PLAN OR UPDATE OR ANY ENERGY EFFICIENCY PROGRAM  
27 RECOMMENDED IN THE PLAN OR UPDATE, THE ADMINISTRATION MAY FILE WITH  
28 THE COMMISSION A SUPPLEMENT TO THE PLAN SEEKING TO REMEDY ANY DEFECT  
29 IN THE PRIOR SUBMISSION IDENTIFIED IN THE ORDER OF THE COMMISSION. THE  
30 COMMISSION SHALL REVIEW THE SUPPLEMENT TO THE PLAN AND ISSUE A FINAL  
31 ORDER BASED ON ITS REVIEW WITHIN 60 DAYS AFTER RECEIVING THE SUPPLEMENT.  
32 IF THE COMMISSION DOES NOT ISSUE A FINAL ORDER ON THE SUPPLEMENT, THE  
33 SUPPLEMENT SHALL BE DEEMED APPROVED AS SUBMITTED ON THE 61ST DAY  
34 AFTER THE COMMISSION RECEIVES THE SUPPLEMENT.

35 (I) THE ADMINISTRATION SHALL:

36 (1) MANAGE, SUPERVISE, AND ADMINISTER THE ENERGY EFFICIENCY  
37 PROGRAMS IMPLEMENTED UNDER THE APPROVED PLAN;

38 (2) ADOPT REGULATIONS NECESSARY TO ENSURE THAT THE  
39 IMPLEMENTED ENERGY EFFICIENCY PROGRAMS CARRY OUT THE PURPOSES OF THE  
40 PLAN; AND

1 (3) DEVELOP PROCEDURES FOR MONITORING AND ASSESSING ALL  
2 ENERGY EFFICIENCY PROGRAMS IMPLEMENTED UNDER THE APPROVED PLAN.

3 7-806.

4 (A) ON OR BEFORE OCTOBER 1, 2005, THE DIRECTOR OF THE ADMINISTRATION  
5 SHALL CONVENE AN ENERGY-SAVING INVESTMENT ADVISORY BOARD.

6 (B) THE BOARD SHALL CONSIST OF THE FOLLOWING MEMBERS APPOINTED  
7 TO FIXED TERMS BY THE ADMINISTRATION, AND SHALL INCLUDE:

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

10 (2) A REPRESENTATIVE OF THE STAFF OF THE COMMISSION, SELECTED  
11 BY THE CHAIRMAN OF THE COMMISSION;

12 (3) ONE REPRESENTATIVE OF EACH PARTICIPATING ELECTRIC  
13 COMPANY, INCLUDING ONE REPRESENTATIVE OF EACH PARTICIPATING MUNICIPAL  
14 CORPORATION AND EACH PARTICIPATING COOPERATIVE, SELECTED BY THE  
15 RESPECTIVE ELECTRIC COMPANY, MUNICIPAL CORPORATION, AND COOPERATIVE;

16 (4) ONE REPRESENTATIVE OF EACH PARTICIPATING GAS COMPANY,  
17 SELECTED BY THE RESPECTIVE GAS COMPANY;

18 (5) ONE REPRESENTATIVE OF A UNIT OF STATE GOVERNMENT THAT  
19 ADMINISTERS A WEATHERIZATION PROGRAM THAT SERVES LOW-INCOME  
20 RESIDENTS, SELECTED BY THE SECRETARY OF THAT UNIT OF STATE GOVERNMENT;  
21 AND

22 (6) TWO REPRESENTATIVES OF NOT-FOR-PROFIT ORGANIZATIONS  
23 CONCERNED WITH ENERGY AND ENVIRONMENTAL POLICY AND ONE  
24 REPRESENTATIVE OF A NOT-FOR-PROFIT ORGANIZATION THAT SERVES  
25 LOW-INCOME RESIDENTS.

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

28 (D) THE BOARD SHALL PROVIDE THE ADMINISTRATION WITH REVIEW AND  
29 COMMENT ON:

30 (1) DRAFT AND FINAL VERSIONS OF THE PLAN, PLAN UPDATES, AND  
31 PLAN SUPPLEMENTS;

32 (2) GOALS, MILESTONES, BUDGETS, AND PERFORMANCE INDICATORS  
33 FOR EACH ENERGY EFFICIENCY PROGRAM IN THE PLAN, ON A SEMIANNUAL BASIS;

34 (3) RECOMMENDATIONS FOR PROSPECTIVE ENERGY EFFICIENCY  
35 PROGRAMS; AND

1 (4) OTHER MATTERS CONCERNING THE ENERGY-SAVING INVESTMENT  
2 PROGRAM THAT THE BOARD CHOOSES TO ADDRESS.

3 (E) NOTHING IN THIS SECTION AUTHORIZES THE BOARD TO APPROVE OR  
4 DISAPPROVE ENERGY EFFICIENCY PROGRAMS, EXPENDITURES, THE SELECTION OF  
5 CONTRACTORS, THE LEVEL OF THE CHARGE, OR ANY OTHER RESPONSIBILITY OF  
6 THE ADMINISTRATION OR THE COMMISSION UNDER THIS SUBTITLE.

7 7-807.

8 THE ADMINISTRATION MAY CONTRACT WITH ONE OR MORE  
9 NONGOVERNMENTAL ENTITIES FOR ASSISTANCE IN CARRYING OUT ITS  
10 RESPONSIBILITIES UNDER THIS SUBTITLE.

11 7-808.

12 (A) ON OR BEFORE MARCH 30, 2007, AND MARCH 30 OF EACH SUCCEEDING  
13 YEAR THROUGH 2014, THE ADMINISTRATION SHALL, IN COOPERATION WITH THE  
14 COMPTROLLER, SUBMIT AN ANNUAL REPORT ON THE FUND TO THE GENERAL  
15 ASSEMBLY, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

16 (B) THE REPORT SHALL INCLUDE:

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

19 (2) A DESCRIPTION OF ENERGY EFFICIENCY PROGRAMS PROPOSED,  
20 UNDERWAY, OR COMPLETED; AND

21 (3) A SUMMARY OF ENERGY EFFICIENCY PROGRAM RESULTS,  
22 EXPRESSED, AS APPLICABLE, IN TERMS OF ENERGY SAVINGS, COST SAVINGS TO  
23 CONSUMERS, POLLUTION PREVENTION, AND MARKET EFFECTS.

24 7-809.

25 ANY UNCOMMITTED FUNDS REMAINING IN THE FUND AT THE END OF  
26 SEPTEMBER 30, 2015, SHALL BE RETURNED TO RESIDENTIAL ELECTRIC AND GAS  
27 CONSUMERS IN A MANNER PRESCRIBED BY THE COMMISSION.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
29 effect July 1, 2005. It shall remain effective for a period of 10 years and 9 months and,  
30 at the end of March 31, 2016, with no further action required by the General  
31 Assembly, this Act shall be abrogated and of no further force and effect.