

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 215

(Chairman, Economic Matters Committee)

(By Request – Departmental – Public Service Commission)

Economic Matters

Finance

Electric Restructuring - Competitive Metering

This departmental bill repeals the requirement that metering of electricity be a competitive service, thus returning metering services to full regulation by the Public Service Commission (PSC).

Fiscal Summary

State Effect: The bill would not substantively change State activities or operations.

Local Effect: None.

Small Business Effect: PSC has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The Electric Customer Choice and Competition Act of 1999 required competitive metering to begin for large customers on January 1, 2002 and for all other customers on April 1, 2002. Electric cooperatives and municipal utilities are excluded.

Background: The Act restructured the electric utility industry in Maryland, introducing customer choice of an electric supplier effective July 1, 2000. The electricity industry provides three main services: the generation of electricity, the transmission of that electricity, and the distribution of the electricity to customers. Before deregulation, the local electric utilities “bundled” these three services and provided them to their customers

within their geographically defined monopoly service territories. The generation component was deregulated; the transmission and distribution components remain regulated as monopoly services. Competitive metering was considered as part of the deregulated services. Three of the four investor owned utilities included competitive metering provisions in their restructuring settlements with PSC.

In 2000, PSC established the Competitive Metering Roundtable Working Group to examine and evaluate the prospects for implementing competitive metering. The workgroup issued a report to PSC dated May 8, 2001 that presented two differing approaches to implementing competitive metering. The report concluded that competitive metering is not clearly defined and its interpretation would determine the best method for attempting to make the metering market competitive. The workgroup was unable to arrive at a consensus position and thus presented both approaches to PSC.

Competitive metering means that a meter can be installed by an electric supplier on a customer's premises in addition to the distribution meter already in place. That is, if the customer selected an electric supplier different from the electric distributor, the customer could have two electric meters on their premises. To date, no competitive meters have been installed in Maryland and no vendors have come forth with the ability to provide competitive meters. PSC advises that regaining regulatory control over metering would allow PSC and electric companies to introduce technologies in metering that would benefit all major stakeholders.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, Office of People's Counsel, Department of Legislative Services

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