

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1525  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Delegate D. Davis” and substitute “Delegates D. Davis, Doory, McHale, Burns, Harrison, Kirk, Krysiak, Love, Moe, Taylor, Vaughn, and Stern”.

AMENDMENT NO. 2

On page 1, in line 8, after “manners;” insert “authorizing the Commission to take certain actions concerning certain competitive auctions and implementation of certain electricity rates;”; in line 9, after “circumstances;” insert “altering the amount and sources of funds to be assessed for the Electric Universal Service Program each year; authorizing bill assistance under the Program to be paid on a monthly basis; requiring the collection of certain funds for the Program in a certain manner;”; in line 14, after “7-510(c)” insert “and 7-512.1(a), (b), and (e)”; and after line 16, insert:

“BY repealing and reenacting, without amendments,

Article - Public Utility Companies

Section 7-512.1(f)

Annotated Code of Maryland

(1998 Volume and 2005 Supplement)”.

AMENDMENT NO. 3

On page 2, in line 20, in each instance, strike the bracket; in the same line, after “return” insert “CONSISTENT WITH THE DEGREE OF RISK ASSUMED”; in line 25, after “of” insert “WHOLESALE”; and in line 26, after “provide” insert “ELECTRICITY FOR”.

On page 3, in line 1, strike “FOR RESIDENTIAL CUSTOMERS” and substitute “AS THE COMMISSION DIRECTS”; in line 2, strike “MUST” and substitute “SHALL”; in line 4, strike “THOSE” and substitute “RESIDENTIAL AND SMALL COMMERCIAL”; in the same line, after “BLENDED” insert “WHOLESALE”; in line 5, strike “AS THE COMMISSION DIRECTS” and

(Over)

substitute “OF SHORT, MEDIUM, AND LONG TERMS AS NEEDED TO MEET DEMAND IN A COST-EFFECTIVE MANNER”; after line 5, insert:

“3. IN ORDER TO PREVENT AN EXCESSIVE AMOUNT OF LOAD BEING EXPOSED TO UPWARD PRICE RISKS, THE COMMISSION:

A. SHALL STAGGER THE DATES FOR THE COMPETITIVE WHOLESALE AUCTIONS; AND

B. MAY ALTER A DATE ON WHICH A COMPETITIVE WHOLESALE AUCTION TAKES PLACE BASED ON CURRENT MARKET CONDITIONS.”;

in line 14, after “(6)” insert “(I)”; and after line 16, insert:

“(II) THE COMMISSION MAY ADOPT, BY REGULATION OR ORDER, A PROCESS TO REQUIRE OR ALLOW AN ELECTRIC COMPANY TO OBTAIN ALL OR PART OF ITS ELECTRICITY SUPPLY FOR STANDARD OFFER SERVICE THROUGH NEGOTIATION OF BILATERAL CONTRACTS WITH ELECTRIC SUPPLIERS, EITHER IN CONJUNCTION WITH OR INSTEAD OF PROCUREMENT THROUGH COMPETITIVE WHOLESALE AUCTIONS.

(7) TO PROTECT RESIDENTIAL CUSTOMERS FROM THE IMPACT OF SUDDEN AND SIGNIFICANT INCREASES IN ELECTRICITY RATES, THE COMMISSION MAY HOLD PROCEEDINGS TO DETERMINE AN APPROPRIATE PHASED IMPLEMENTATION OF ELECTRICITY RATES.”

AMENDMENT NO. 4

On page 3, before line 17, insert:

“7-512.1.

(a) (1) The Commission shall establish an electric universal service program to assist electric customers with annual incomes at or below [150%] 175% of the federal poverty level.

(2) The components of the electric universal service program shall include:

(i) bill assistance, at a minimum of 50% of the determined need;

(ii) low-income weatherization; and

(iii) the retirement of arrearages for electric customers who have not previously received assistance in retiring arrearages under the universal service program, not to exceed a total of \$1.5 million in any given fiscal year.

(3) The Department of Housing and Community Development is responsible for administering the low-income weatherization component of the electric universal service program.

(4) The Department of Human Resources, through the Office of Home Energy Programs, is responsible for administering the bill assistance and the arrearage retirement components of the electric universal service program.

(5) The Department of Human Resources may, with input from a panel or roundtable of interested parties, contract to assist in administering the bill assistance and the arrearage retirement components of the electric universal service program.

(6) The Commission has oversight responsibility for the bill assistance and the arrearage retirement components of the electric universal service program.

(7) In a specific case, the electric universal service program may waive the income eligibility limitation under paragraph (1) of this subsection in order to provide assistance to an electric customer who would qualify for a similar waiver under the Maryland Energy Assistance Program established under Article 41, § 6-406 of the Code.

(b) (1) All customers shall contribute to the funding of the electric universal service program through a charge collected by each electric company.

(2) The Commission shall determine a fair and equitable allocation for collecting the charges among all customer classes pursuant to subsection (e) of this section.

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(3) In accordance with subsection (f)(6) of this section, any unexpended bill assistance and arrearage retirement funds returned to customers under subsection (f) of this section shall be returned to each customer class as a credit in the same proportion that the customer class contributed charges to the fund.

(4) [An] EXCEPT AS PROVIDED IN SUBSECTION (E)(3) OF THIS SECTION, AN electric company shall recover electric universal service program costs in accordance with § 7-512 of this subtitle.

(5) BILL ASSISTANCE PAYMENTS TO AN ELECTRIC COMPANY MAY BE ON A MONTHLY BASIS FOR EACH CUSTOMER.

[(5)] (6) The Commission shall determine the allocation of the electric universal service charge among the generation, transmission, and distribution rate components of all classes.

[(6)] (7) [The] FOR FUNDS COLLECTED UNDER SUBSECTION (E)(1) OR (2) OF THIS SECTION, THE Commission may not assess the electric universal service surcharge on a per kilowatt-hour basis.

(e) The total amount of funds to be collected for the electric universal service program each year shall be [~~\$34,000,000~~] \$40 MILLION, allocated in the following manner:

(1) [~~\$24.4~~] \$27.4 million shall be collected from the industrial and commercial classes; [and]

(2) \$9.6 million shall be collected from the residential class; AND

(3) \$3 MILLION SHALL BE COLLECTED FROM THE RETURN COMPONENT, IF ANY, INCLUDED IN THE RATES FOR STANDARD OFFER SERVICE ESTABLISHED BY THE COMMISSION UNDER § 7-510 OF THIS SUBTITLE.

(f) (1) In this subsection, “Fund” means the Electric Universal Service Program Fund.

(2) There is an Electric Universal Service Program Fund.

(3) (i) 1. The Comptroller shall collect the revenue collected by electric companies under subsection (b) of this section and place the revenue into the Fund.

2. The General Assembly may appropriate funds supplemental to the funds collected under sub-subparagraph 1 of this subparagraph.

(ii) The Fund is a continuing, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(iii) The purpose of the Fund is to assist electric customers as provided in subsection (a)(1) of this section.

(4) The Department of Human Resources, with oversight by the Commission, shall disburse the bill assistance and arrearage retirement funds in accordance with the provisions of this section.

(5) The Comptroller annually shall disburse \$1,000,000 of low-income weatherization funds to the Department of Housing and Community Development.

(6) (i) At the end of a given fiscal year, any unexpended bill assistance and arrearage retirement funds that were collected for that fiscal year shall be retained in the Fund and shall be made available for disbursement through the first 3 months of the next fiscal year to customers who:

1. qualify for assistance from the Fund during the given fiscal year;

2. apply for assistance from the Fund before the end of the given fiscal year; and

(Over)

3. remain eligible for assistance at the time services are provided.

(ii) If the Commission determines that an extension is needed, the Commission may extend up to an additional 3 months the period in which unexpended bill assistance and arrearage retirement funds may be made available for disbursement under subparagraph (i) of this paragraph.

(iii) Any bill assistance and arrearage retirement funds collected for a given fiscal year that are retained under subparagraph (i) of this paragraph and that remain unexpended at the end of the period allowed under subparagraphs (i) and (ii) of this paragraph shall be returned to each customer class in the proportion that the customer class contributed charges to the fund for the given fiscal year in the form of a credit toward the charge assessed in the following fiscal year.”.