
By: **Senators Teitelbaum and Middleton**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 24, 2006

Rules suspended

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Investor-Owned Electric Companies - Electricity Supply**

3 FOR the purpose of requiring the Public Service Commission, by regulation or order,
4 to require certain electric companies to obtain electricity supply for certain
5 service to certain customers through a certain competitive process; providing
6 that a certain competitive process include a series of competitive wholesale bids
7 in a certain cycle in which each year a certain electric company solicits bids
8 designed to supply a certain percentage of the anticipated load for certain
9 customers; providing that existing obligations or contract rights may not be
10 impaired by this Act; and generally relating to the electricity supply of
11 investor-owned electric companies.

12 BY adding to

13 Article - Public Utility Companies

14 Section 7-510.1

15 Annotated Code of Maryland

16 (1998 Volume and 2005 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Public Utility Companies**

20 7-510.1.

21 (A) THE COMMISSION, BY REGULATION OR ORDER, SHALL REQUIRE EACH
22 INVESTOR-OWNED ELECTRIC COMPANY TO OBTAIN ITS ELECTRICITY SUPPLY FOR
23 RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS THROUGH A COMPETITIVE
24 PROCESS THAT IS DESIGNED TO OBTAIN THE BEST PRICE FOR THESE CUSTOMERS IN
25 LIGHT OF MARKET CONDITIONS AT THE TIME OF PROCUREMENT AND THE NEED TO
26 PROTECT THESE CUSTOMERS FROM EXCESSIVE PRICE INCREASES.

1 (B) THE COMPETITIVE PROCESS MUST INCLUDE A SERIES OF COMPETITIVE
2 WHOLESALE BIDS IN A 4-YEAR CYCLE IN WHICH EACH YEAR THE ELECTRIC
3 COMPANY SHALL SOLICIT BIDS DESIGNED TO SUPPLY 25% OF THE ANTICIPATED
4 LOAD FOR THOSE CUSTOMERS UNDER A PORTFOLIO OF BLENDED SUPPLY
5 CONTRACTS AS THE COMMISSION DIRECTS.

6 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing
7 obligation or contract right may not be impaired in any way by this Act.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2006.