

SB0400/847276/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 400
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and”; in the same line, after “Middleton” insert “, and Pugh”; in line 5, strike “beginning on a certain date;” and substitute “; requiring the Commission to conduct certain hearings which include the use of certain experts and consultants; repealing certain provisions relating to a certain merger and certain reporting requirements; altering certain considerations that the Commission is required to review in a certain study; prohibiting the Commission from approving an opt-out aggregation program under certain circumstances; requiring the Commission to identify the implications of certain aspects of an opt-out aggregation program; providing that certain requirements may not be construed to interfere with the development and implementation of certain programs and services; requiring the Commission to make certain determinations in its study of establishing a certain long-term goal; requiring the Commission to provide a certain interim report by a certain date; requiring the Commission to provide a certain final report by a certain date; providing that certain hearings are not required to be evidentiary proceedings; providing that certain unexpended funds shall be considered encumbered and may not be deducted from certain appropriations; allowing the Commission to impose on certain persons up to a certain amount as a special assessment; allowing certain funds to be expended for certain purposes in accordance with an approved budget amendment; specifying the calculation of certain bills sent to certain electric companies and electricity suppliers; allowing the Commission to use a certain procurement process under certain circumstances; making stylistic changes;”;

after line 10, insert:

“BY repealing and reenacting, without amendments,

Chapter 5 of the Acts of the General Assembly of the First Special Session of
2006

(Over)

Section 18 (a)(2) and (3), (b), and (c)”.

AMENDMENT NO. 2

On page 2, in line 3, strike “investigatory and evidentiary proceedings” and substitute “hearings”; strike beginning with “on” in line 8 down through “(4)” in line 14; in lines 15 and 16, strike “including: (i)” and substitute “resulting from”; strike in their entirety lines 19 through 22, inclusive; in line 23, strike “(5)” and substitute “(3)”; in line 24, strike “(4)” and substitute “(2)”; and in line 29, strike “initiate an evidentiary proceeding” and substitute “conduct hearings, including the use of any necessary outside experts and consultants,”.

On page 3, in line 1, strike “residents” and substitute “residential and small commercial customers”; in line 2, strike the first “and” and substitute “, including”; in line 13, after “(3)” insert “in order to encourage the procurement and implementation of cost-effective energy efficiency and conservation programs and services:

(i)”;

in line 15, after “of” insert “cost-effective”; in lines 15 and 16, in each instance, strike “measures” and substitute “programs”; in line 17, after “generation,” insert “and

(ii) establishing a long-term goal for savings over a period of time of the total residential retail energy consumed in a year in an electric company’s service territory through the procurement and implementation of cost-effective energy efficiency and conservation programs and services under §§ 7-211 and 7-510(c)(4)(ii)2C of the Public Utility Companies Article;”;

in line 22, strike “and”; in line 24, after “demand” insert “and small commercial electric customer demand”; in line 25, after “companies” insert “; and

(6) establishing an Office of Retail Market Development”;

strike beginning with “On” in line 26 down through “(d)” in line 29; and in line 32, strike “On or before December 31, 2006, and based” and substitute “Based”.

AMENDMENT NO. 3

On page 4, in lines 2 and 4, in each instance, strike “measures” and substitute “programs”; in line 16, strike “(e)” and substitute “(d)”; in the same line, after “aggregation” insert “for residential and small commercial customers in the service territories of investor-owned electric companies”; in line 18, after “Act.” insert “The Commission may not approve an opt-out aggregation program unless the General Assembly through legislation authorizes the Commission to allow opt-out aggregation. In its study of opt-out aggregation, the Commission shall identify the implications of the various aspects of an opt-out aggregation program, including:

(1) limiting the establishment of an opt-out aggregation program to only residential customers;

(2) restricting the amount of load that may be moved from the standard offer service in any year to an opt-out aggregation program;

(3) limiting volumetric risk costs for customers remaining with the standard offer service;

(4) ensuring the ability of eligible low-income customers in an opt-out aggregation program to obtain funds through the Electric Universal Service Program and other programs available to low-income customers;

(5) to prevent cost shifting, requiring a firewall between ratepayers and taxpayers in a local government that has an opt-out aggregation program;

(6) if an opt-out aggregation program is more expensive, or becomes more expensive, than the standard offer service due to the procurement of renewable

(Over)

energy, requiring an alternative option for customers in the opt-out aggregation program;

(7) specifying the methods, timing, and adequacy of notification to customers who are placed in an opt-out aggregation program;

(8) specifying whether delinquent accounts in an opt-out aggregation program would be returned to the standard offer service;

(9) requiring that no additional fees, taxes, or other charges other than the actual cost of the service may be charged to customers in an opt-out aggregation program;

(10) identifying up front costs of implementing an opt-out aggregation program, including specifying the costs associated with the role of hiring consultants, and determining how costs are paid;

(11) identifying when contracts would best be awarded for an opt-out aggregation program in relation to the standard offer service;

(12) specifying other standards and procedures to protect customers in an opt-out aggregation program, including prohibiting discrimination based on the location of the customer; and

(13) ensuring that the renewable portfolio standard requirements under Title 7, Subtitle 7 of the Public Utility Companies Article apply to an opt-out aggregation program.

(e) Regardless of whether the electric supply market remains restructured or returns to a regulated electric supply market, the requirement under subsection (b)(3)(ii) of this section relating to energy efficiency and conservation programs and services may not be construed to interfere with the development and implementation

of programs and services to encourage and promote the efficient use and conservation of energy by consumers, gas companies, and electric companies under § 7-211 of the Public Utility Companies Article. In its study of establishing a long-term goal for savings over a period of time of the total residential retail energy consumed in a certain year in an electric company's service territory through the procurement and implementation of cost-effective energy efficiency and conservation programs and services, the Commission shall determine:

(i) how a reasonable and achievable long-term goal would be established;

(ii) who should pay the costs of implementing programs and services that are tied to a long-term goal;

(iii) to encourage the continuation of cost-effective programs and services procured or implemented through an electric company prior to the establishment of a long-term goal, how those programs and services would be factored into establishing a long-term goal requirement on the electric company; and

(iv) how the development and implementation of programs and services from persons other than gas companies and electric companies could contribute to achieving a long-term goal.”;

after line 18, insert:

“SECTION 18. AND BE IT FURTHER ENACTED, That:

(a) Pursuant to Article III, § 52(14) of the Maryland Constitution, in addition to the amounts provided under Chapter 216 of the Acts of 2006 (The Budget Bill), the following appropriations shall be made for fiscal year 2007 to implement the requirements of this Act:

(Over)

(2) Public Service Commission

C90G00.01 General Administration and Hearings \$750,000

Special Funds

(3) People's Counsel

C91H00.01 General Administration \$500,000 Special

Funds

(b) Special funds appropriated in subsection (a)(2) through (4) of this section shall be recovered through the assessment on public utilities authorized under § 2-110 of the Public Utility Companies Article.

(c) Special funds appropriated in subsection (a)(5) of this section shall be credited from funds assessed under § 7-512.1 of the Public Utility Companies Article, as enacted by this Act, and the repeal of the income tax credit and designation of special funding under Sections 2 and 10 of this Act.”;

in line 20, strike “The” and substitute “Notwithstanding the reporting dates established under Section 5(b) and Section 7(c) of Chapter 5 of the Acts of the General Assembly of the First Special Session of 2006 prior to the amendment of those sections by this Act, the”; in line 21, strike “(b)”; in line 22, after “2006” insert “, as amended by this Act”; in line 24, after “sections” insert “and may include review and evaluation of the open record for any case pending before the Commission relating to the requirements of those sections”; and strike in their entirety lines 25 through 28 inclusive.

AMENDMENT NO. 4

On page 5, in line 1, strike “(c)” and substitute “(b) (1) On or before January 1, 2008, the Public Service Commission shall submit an interim report to the Governor

and, in accordance with § 2-1246 of the State Government Article, the General Assembly. The interim report shall include at a minimum:

(i) the identification of the issues relating to options for reregulation, as required to be studied under Section 7 of Chapter 5 of the Acts of the General Assembly of the First Special Session of 2006, as amended by this Act; and

(ii) to the extent possible, discussion of costs and benefits to residential and small commercial customers of returning to a regulated electric supply market.

(2)”;

in line 2, after “a” insert “final”; in the same line, strike “and evaluations” and substitute “, evaluation, and findings and recommendations, as required under subsection (a) of this section,”; in line 3, after “Assembly.” insert “As required to be studied under Section 5 and Section 7 of the Acts of the General Assembly of the First Special Session of 2006, as amended by this Act, the report shall include a full discussion of the costs and benefits to residential and small commercial customers of:

(i) continuing in a restructured electric supply market;

(ii) returning to a regulated electric supply market; and

(iii) allowing an electric supply market that includes a combination of competitive and regulated electric supply aspects.

(c) Any hearing conducted under this Act need not be an evidentiary proceeding.”;

after line 3, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding § 2-110(c)(10) of the Public Utility Companies Article, any unexpended funds at the end of fiscal 2007 that were appropriated under Section 18 (a)(2) and (3) of Chapter 5 of the Acts of the General Assembly of the First Special Session of 2006:

(1) shall be considered encumbered by the Public Service Commission and the Office of People’s Counsel, respectively, by June 30, 2007; and

(2) may not be deducted from the appropriation for fiscal 2008.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) Notwithstanding any other provision of law, for fiscal 2008 only, in addition to the amounts appropriated in the budget bill for fiscal 2008, the Public Service Commission may impose up to \$4,000,000 as a special assessment using the assessment process authorized under § 2-110 of the Public Utility Companies Article, provided that:

(1) the assessment shall be imposed only on those electric companies and electricity suppliers otherwise subject to the assessment under § 2-110 of the Public Utility Companies Article; and

(2) the limit under § 2-110(c)(12) of the Public Utility Companies Article does not apply to any assessment made under this section.

(b) (1) The amounts collected under subsection (a) of this section may be expended for fiscal 2008 for the support of the Commission in accordance with an approved budget amendment.

(2) Notwithstanding § 2-110(c)(10) of the Public Utility Companies Article, any unexpended funds at the end of fiscal 2008 that were collected under this section:

(i) shall be considered encumbered by the Public Service Commission by June 30, 2008; and

(ii) may not be deducted from the appropriation for fiscal 2009.

(c) The bill sent to each electric company and electricity supplier subject to the assessment under subsection (a) of this section shall equal the product of:

(1) the amount authorized to be collected under this section; multiplied by

(2) the ratio of the gross operating revenues of the entity subject to the special assessment to the total gross operating revenues for all entities subject to the assessment.

SECTION 5. AND BE IT FURTHER ENACTED, That notwithstanding any other provision of law, that the Public Service Commission may use an emergency procurement under § 13-108 of the State Finance and Procurement Article to obtain any outside experts or consultants necessary to conduct the studies required under this Act.”;

and in line 4, strike “3.” and substitute “6.”.