

HOUSE BILL 631

C5

7lr1857
CF SB 562

By: **Delegates Feldman, Ali, Bronrott, Dumais, Gilchrist, Gutierrez, Hucker, Kramer, Krysiak, Kullen, Lawton, Lee, Manno, Mizeur, Montgomery, Pena-Melnyk, Rice, Taylor, and Waldstreicher**

Introduced and read first time: February 8, 2007

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies – Energy Efficiency and Conservation Measures and**
3 **Services**

4 FOR the purpose of requiring each electric company to develop and implement certain
5 programs and services to encourage and promote the efficient use and
6 conservation of energy by certain persons as part of a certain procurement
7 process; requiring that, by a certain date and after a certain evidentiary
8 hearing, the Public Service Commission shall adopt regulations or issue orders
9 requiring each electric company to procure or provide to certain customers
10 certain energy efficiency and conservation measures and services that are
11 designed to achieve certain savings by a certain year; requiring the
12 Commission, by regulation or order, to adopt certain standards, remove certain
13 disincentives for an electric company to invest in certain measures, and create
14 certain shareholder incentives; and generally relating to energy conservation
15 efficiency measures and services.

16 BY repealing and reenacting, with amendments,
17 Article – Public Utility Companies
18 Section 7-211 and 7-510(c)(4)(ii)2.C.
19 Annotated Code of Maryland
20 (1998 Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Public Utility Companies

2 7-211.

10 (b) The Commission shall:

14 (2) adopt rate-making policies that provide cost recovery and, in
15 appropriate circumstances, reasonable financial incentives for gas companies and
16 electric companies to establish programs and services that encourage and promote the
17 efficient use and conservation of energy; and

18 (3) ensure that adoption of electric customer choice under Subtitle 5 of
19 this title does not adversely impact the continuation of cost effective energy
20 conservation and efficiency programs.

29 (2) THE COMMISSION, BY REGULATION OR ORDER, SHALL:

4 (II) REMOVE DISINCENTIVES FOR AN ELECTRIC COMPANY
5 TO INVEST IN MEASURES TO PROMOTE ENERGY EFFICIENCY; AND

6 (III) CREATE SHAREHOLDER INCENTIVES THAT MAKE AN
7 ELECTRIC COMPANY'S INVESTMENTS IN MEASURES TO PROMOTE ENERGY
8 EFFICIENCY AS FINANCIALLY ATTRACTIVE AS OTHER TYPES OF INVESTMENTS
9 MADE BY THE ELECTRIC COMPANY.

10 [(c)] (D) (1) On or before February 1, 2001, the Commission, in
11 consultation with the Maryland Energy Administration, shall report, subject to § 1246
12 of the State Government Article, to the General Assembly on:

15 (ii) a recommendation for the appropriate funding level to
16 adequately fund these programs and services.

20 (i) the impact on jobs;

21 (ii) the impact on the environment;

22 (iii) the impact on rates; and

23 (iv) the cost-effectiveness.

24 7-510.

25

26 process, the Commission shall require [or allow] the procurement of
27 cost-effective energy efficiency and conservation measures and services [with
28 projected and verifiable energy savings to offset anticipated demand to be served by
29 standard offer service,] **IN ACCORDANCE WITH § 7-211(A)(2) AND (C) OF THIS**

1 **TITLE** and **SHALL REQUIRE OR ALLOW** the imposition of other cost-effective
2 demand-side management programs.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2007.