

# SENATE BILL 539

C5

71r1517

---

By: **Senators Klausmeier, Astle, Britt, Dyson, and Exum**

Introduced and read first time: February 2, 2007

Assigned to: Finance

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Office of Retail Market Development**

3 FOR the purpose of establishing an Office of Retail Market Development in the Public  
4 Service Commission; providing for the appointment and term of the Director of  
5 the Office; providing for the duties of the Office; requiring the Office to submit a  
6 certain report to certain persons annually; providing for the contents of a  
7 certain report; requiring the Office to submit a certain plan to certain persons  
8 by a certain date; requiring the Office to give certain interested parties the  
9 opportunity to review a certain plan and to provide written comments regarding  
10 the plan; requiring that certain written comments be posted on the  
11 Commission’s website; providing that the plan contain certain summarized  
12 comments and be posted on the Commission’s website; requiring the  
13 Commission to initiate certain actions called for in a certain plan on or before a  
14 certain time; requiring the Commission to complete certain actions on or before  
15 a certain time; authorizing the Commission to take certain actions before a  
16 certain plan is submitted; declaring the intent of the General Assembly;  
17 defining certain terms; and generally relating to the Office of Retail Market  
18 Development in the Public Service Commission.

19 BY adding to

20 Article – Public Utility Companies

21 Section 7–801 through 7–803 to be under the new subtitle “Subtitle 8. Office of  
22 Retail Market Development”

23 Annotated Code of Maryland

24 (1998 Volume and 2006 Supplement)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utility Companies**

4 **SUBTITLE 8. OFFICE OF RETAIL MARKET DEVELOPMENT.**

5 **7-801.**

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
7 INDICATED.

8 (B) “DIRECTOR” MEANS THE DIRECTOR OF THE OFFICE OF RETAIL  
9 MARKET DEVELOPMENT.

10 (C) “OFFICE” MEANS THE OFFICE OF RETAIL MARKET DEVELOPMENT.

11 **7-802.**

12 **THE GENERAL ASSEMBLY FINDS THAT:**

13 (1) A COMPETITIVE WHOLESALE ELECTRICITY MARKET ALONE  
14 WILL NOT DELIVER THE FULL BENEFITS OF COMPETITION TO MARYLAND  
15 CONSUMERS;

16 (2) FOR CONSUMERS IN MARYLAND TO RECEIVE PRODUCTS,  
17 PRICES, AND TERMS TAILORED TO MEET THEIR NEEDS, A COMPETITIVE  
18 WHOLESALE ELECTRICITY MARKET MUST BE CLOSELY LINKED TO A  
19 COMPETITIVE RETAIL ELECTRIC MARKET;

20 (3) AS A RESULT OF THE LACK OF A COMPETITIVE RETAIL  
21 ELECTRIC MARKET, RESIDENTIAL AND SMALL COMMERCIAL ELECTRIC  
22 CUSTOMERS IN MARYLAND ARE FACED WITH ESCALATING ELECTRICITY BILLS  
23 AND HAVE FEW ALTERNATIVES TO THE RATES CHARGED BY THE STATE’S  
24 LARGEST ELECTRIC COMPANIES; AND

25 (4) THE COMMISSION SHOULD ACTIVELY SUPPORT AND  
26 ENCOURAGE THE DEVELOPMENT OF A COMPETITIVE RETAIL ELECTRIC MARKET  
27 IN THIS STATE.

1 **7-803.**

2 (A) **THERE IS AN OFFICE OF RETAIL MARKET DEVELOPMENT IN THE**  
3 **COMMISSION.**

4 (B) (1) **THE DIRECTOR IS THE CHIEF ADMINISTRATIVE OFFICER OF**  
5 **THE OFFICE.**

6 (2) **THE DIRECTOR IS APPOINTED BY AND SERVES AT THE**  
7 **PLEASURE OF THE EXECUTIVE DIRECTOR OF THE COMMISSION.**

8 (3) **THE DIRECTOR MAY BE REMOVED BY THE EXECUTIVE**  
9 **DIRECTOR WITH OR WITHOUT CAUSE.**

10 (C) **THE OFFICE SHALL:**

11 (1) **SEEK INPUT FROM ALL INTERESTED PARTIES AND DEVELOP A**  
12 **THOROUGH UNDERSTANDING AND CRITICAL ANALYSIS OF THE TOOLS AND**  
13 **TECHNOLOGIES USED TO PROMOTE RETAIL COMPETITION OF ENERGY SUPPLY**  
14 **IN OTHER STATES;**

15 (2) **MONITOR EXISTING COMPETITIVE CONDITIONS IN THE STATE;**

16 (3) **IDENTIFY BARRIERS TO RETAIL COMPETITION FOR ALL**  
17 **CUSTOMER CLASSES; AND**

18 (4) **ACTIVELY EXPLORE AND PROPOSE TO THE COMMISSION AND**  
19 **TO THE GENERAL ASSEMBLY SOLUTIONS TO OVERCOME IDENTIFIED BARRIERS.**

20 (D) (1) **ON OR BEFORE JUNE 30 OF EACH YEAR, THE DIRECTOR**  
21 **SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH**  
22 **§ 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

23 (2) **THE REPORT SHALL:**

24 (I) **DETAIL SPECIFIC ACCOMPLISHMENTS ACHIEVED BY**  
25 **THE OFFICE DURING THE PREVIOUS YEAR IN PROMOTING RETAIL ELECTRIC**  
26 **COMPETITION; AND**

1                                   **(II) PROPOSE ADMINISTRATIVE AND LEGISLATIVE ACTION**  
2 **NECESSARY TO PROMOTE FURTHER IMPROVEMENTS IN RETAIL ELECTRIC**  
3 **COMPETITION.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That:

5           (a)    On or before October 1, 2008, the Office of Retail Market Development  
6 shall conduct research, gather input from all interested parties, and develop and  
7 submit to the Public Service Commission, the Governor, and, in accordance with  
8 § 2-1246 of the State Government Article, the General Assembly, a detailed plan  
9 designed to promote, in the most expeditious manner possible, retail electric  
10 competition for residential and small commercial customers while maintaining safe,  
11 reliable, and affordable electricity service.

12           (b)    The Office of Retail Market Development shall give interested parties the  
13 opportunity to review the plan and provide written comments regarding the plan  
14 before its submission to the Commission, the Governor, and the General Assembly.  
15 Any written comments received by the Office of Retail Market Development shall be  
16 posted on the Commission's website. The final plan shall include summaries of any  
17 written comments and shall also be posted on the Commission's website.

18           (c)    On or before January 1, 2009, the Commission shall initiate any action  
19 called for in the plan described in subsection (a) of this section and the Commission  
20 shall complete any action taken in accordance with this subsection on or before  
21 December 1, 2009.

22           (d)    Nothing in this section shall prevent the Commission from taking any  
23 action to remove identified barriers to retail electric competition for residential and  
24 small commercial customers before the plan described in subsection (a) of this section  
25 is submitted.

26           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 June 1, 2007.