

HB0374/103291/4

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 374

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Vaughn” and substitute “Vaughn, Harrison, Kirk, Krysiak, and McHale”; in line 5, after “year;” insert “requiring the Public Service Commission to make certain calculations each year and to report those calculations to the General Assembly each year as part of its annual report;”; in the same line, strike “small” and substitute “certain”; in line 8, strike “Public Service”; in lines 11 and 25, in each instance, strike “measures” and substitute “programs”; strike beginning with “requiring” in line 18 down through the first “customers” in line 20 and substitute “requiring the Commission to monitor and analyze the impact of certain programs and services; requiring the Commission to direct electric companies to include certain information in a certain annual update and”; and in line 24, after “implementation;” insert “requiring the Administration, on or before a certain date, to review the anticipated achievement of certain goals for a certain purpose and, after providing opportunity for public comment, to study the feasibility of setting certain targets for natural gas companies and, after providing opportunity for public comment, report its findings to certain committees;”.

On page 2, in line 3, strike “and 7-510(c)(4)(ii)2.C.”; and strike in their entirety lines 6 through 10, inclusive.

AMENDMENT NO. 2

On page 2, after line 16, insert:

“(2) “DEMAND RESPONSE PROGRAM” MEANS A PROGRAM ESTABLISHED BY AN ELECTRIC COMPANY THAT PROMOTES CHANGES IN ELECTRIC USAGE BY CUSTOMERS FROM THEIR NORMAL CONSUMPTION PATTERNS IN RESPONSE TO:

(Over)

(I) CHANGES IN THE PRICE OF ELECTRICITY OVER TIME;

OR

(II) INCENTIVES DESIGNED TO INDUCE LOWER ELECTRICITY USE AT TIMES OF HIGH WHOLESALE MARKET PRICES OR WHEN SYSTEM RELIABILITY IS JEOPARDIZED.

(3) “ELECTRICITY CONSUMPTION” AND “ELECTRICITY CONSUMED” MEAN THE SUM OF RETAIL ELECTRICITY SALES TO ALL CUSTOMERS AND REPORTED ELECTRICITY LOSSES WITHIN THE ELECTRIC DISTRIBUTION SYSTEM.”;

in line 17, strike “(2)” and substitute “(4)”; after line 19, insert:

“(5) “PER CAPITA ELECTRICITY CONSUMPTION” MEANS THE RESULT CALCULATED BY DIVIDING THE TOTAL GIGAWATT-HOURS OF ELECTRICITY CONSUMED BY ELECTRICITY CUSTOMERS IN THE STATE AS OF DECEMBER 31 OF A YEAR, AS DETERMINED BY THE COMMISSION, BY THE POPULATION OF THE STATE AS OF DECEMBER 31 OF THAT YEAR, AS DETERMINED BY THE DEPARTMENT OF PLANNING.”;

in line 20, strike “(3)” and substitute “(6)”; in line 27, after “EFFICIENCY” insert “, CONSERVATION, AND DEMAND RESPONSE”; in line 31, after “IN” insert “PER CAPITA”; and after line 32, insert:

“(C) BEGINNING WITH THE 2008 CALENDAR YEAR AND EACH YEAR THEREAFTER, THE COMMISSION SHALL CALCULATE:

(1) THE PER CAPITA ELECTRICITY CONSUMPTION FOR THAT YEAR; AND

(2) THE PEAK DEMAND FOR THAT YEAR.

On page 3, in lines 1, 5, 8, 19, and 32, strike “(C)”, “(D)”, “(E)”, “(F)”, and “(G)”, respectively, and substitute “(D)”, “(E)”, “(F)”, “(G)”, and “(H)”, respectively; in line 6, strike “SMALL RURAL” and substitute “EACH”; in the same line, after “COOPERATIVE” insert “THAT SERVES A POPULATION OF LESS THAN 250,000 IN ITS DISTRIBUTION TERRITORY”; in the same line, strike “THESE” and substitute “ENERGY EFFICIENCY AND CONSERVATION”; in line 19, strike “ON” and substitute “EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, ON”; in line 20, after “SHALL” insert “:

(1) TO THE EXTENT THAT THE COMMISSION DETERMINES THAT COST-EFFECTIVE ENERGY EFFICIENCY AND CONSERVATION PROGRAMS AND SERVICES ARE AVAILABLE, FOR EACH AFFECTED CLASS,”;

in line 22, strike “MEASURES” and substitute “PROGRAMS”; in line 23, strike “ENERGY” and substitute “ELECTRICITY”; in lines 25 and 28, in each instance, after “A” insert “TARGETED”; strike beginning with “THE” in line 23 down through “(1)” in line 25; in line 28, after “(2)” insert “REQUIRE EACH ELECTRIC COMPANY TO IMPLEMENT A COST-EFFECTIVE DEMAND RESPONSE PROGRAM IN THE ELECTRIC COMPANY’S SERVICE TERRITORY THAT IS DESIGNED TO ACHIEVE”; in line 29, after “IN” insert “PER CAPITA”; in line 32, strike “OCTOBER” and substitute “JULY”; strike beginning with “SUBMIT” in line 33 down through “YEARS” in line 35 and substitute “CONSULT WITH THE MARYLAND ENERGY ADMINISTRATION REGARDING THE DESIGN AND ADEQUACY OF THE ELECTRIC COMPANY’S PLAN TO ACHIEVE THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS SPECIFIED IN SUBSECTION (G) OF THIS SECTION.

(II) AN ELECTRIC COMPANY SHALL PROVIDE THE MARYLAND ENERGY ADMINISTRATION WITH ANY ADDITIONAL INFORMATION REGARDING THE PLAN, AS REQUESTED.

(2) ON OR BEFORE SEPTEMBER 1, 2008, AND EVERY 3 YEARS THEREAFTER, AN ELECTRIC COMPANY SHALL SUBMIT ITS PLAN TO THE COMMISSION THAT DETAILS THE ELECTRIC COMPANY'S PROPOSALS FOR ACHIEVING THE ELECTRICITY SAVINGS AND DEMAND REDUCTION TARGETS IN SUBSECTION (G) OF THIS SECTION FOR THE 3 SUBSEQUENT CALENDAR YEARS.

(3) THE COMMISSION SHALL CONSIDER ANY WRITTEN FINDINGS PROVIDED BY THE MARYLAND ENERGY ADMINISTRATION REGARDING THE DESIGN AND ADEQUACY OF THE PLAN".

On page 4, in line 1, strike "(II)" and substitute "(4)"; in line 2, after "COMMISSION" insert "AND THE MARYLAND ENERGY ADMINISTRATION"; in lines 4 and 23, in each instance, strike "(F)" and substitute "(G)"; strike in their entirety lines 5 through 9, inclusive; in line 10, strike "(3)" and substitute "(5)"; in the same line, strike "THE" and substitute "THE PROPOSED ENERGY EFFICIENCY AND CONSERVATION MEASURES AND SERVICES AND THE PROPOSED DEMAND RESPONSE"; in line 14, after "APPROPRIATE" insert ", INCLUDING LOW-INCOME COMMUNITIES AND LOW- TO MODERATE-INCOME COMMUNITIES"; strike in their entirety lines 15 through 19, inclusive; in line 20, strike "(5)" and substitute "(6)"; strike in their entirety lines 24 through 26, inclusive and substitute:

"(I) (1) IN DETERMINING WHETHER A PROGRAM OR SERVICE ENCOURAGES AND PROMOTES THE EFFICIENT USE AND CONSERVATION OF ENERGY, THE COMMISSION SHALL CONSIDER THE:

- (I) COST-EFFECTIVENESS;
- (II) IMPACT ON RATES OF EACH RATEPAYER CLASS;
- (III) IMPACT ON JOBS; AND
- (IV) IMPACT ON THE ENVIRONMENT.

(2) THE COMMISSION SHALL MONITOR AND ANALYZE THE IMPACT OF EACH PROGRAM AND SERVICE TO ENSURE THAT THE OUTCOME OF EACH PROGRAM AND SERVICE PROVIDES THE BEST POSSIBLE RESULTS.

(3) IN MONITORING AND ANALYZING THE IMPACT OF A PROGRAM OR SERVICE UNDER PARAGRAPH (2) OF THIS SUBSECTION, IF THE COMMISSION FINDS THAT THE OUTCOME OF THE PROGRAM OR SERVICES MAY NOT BE PROVIDING THE BEST POSSIBLE RESULTS, THE COMMISSION SHALL DIRECT THE ELECTRIC COMPANY TO INCLUDE IN ITS ANNUAL UPDATE UNDER SUBSECTION (H)(4) OF THIS SECTION SPECIFIC MEASURES TO ADDRESS THE FINDINGS.

(J) (1) AT LEAST ONCE EACH YEAR, EACH ELECTRIC COMPANY AND GAS COMPANY SHALL NOTIFY AFFECTED CUSTOMERS OF THE ENERGY EFFICIENCY AND CONSERVATION CHARGES IMPOSED AND BENEFITS CONFERRED.

(2) THE NOTICE SHALL BE PROVIDED BY PUBLICATION ON THE COMPANY'S WEBSITE AND INCLUSION WITH BILLING INFORMATION SUCH AS A BILL INSERT OR BILL MESSAGE.”;

in line 27, strike “(H) (1)” and substitute “(K)”; strike beginning with “FEBRUARY” in line 27 down through “THEREAFTER” in line 28 and substitute “MARCH 1 OF EACH YEAR”; in lines 31 and 33, strike “(i)” and “(ii)”, respectively, and substitute “(1)” and “(2)”, respectively; in line 32, after “energy” insert “, INCLUDING AN EVALUATION OF THE IMPACT OF THE PROGRAMS AND SERVICES THAT ARE DIRECTED TO LOW-INCOME COMMUNITIES, LOW- TO MODERATE-INCOME COMMUNITIES TO THE EXTENT POSSIBLE, AND OTHER PARTICULAR CLASSES OF RATEPAYERS”; in the same line, strike “and”; and in line 34, after “services” insert “; AND”

(3) IN ACCORDANCE WITH PARAGRAPH (C) OF THIS SUBSECTION, THE PER CAPITA ELECTRICITY CONSUMPTION AND THE PEAK DEMAND FOR THE PREVIOUS CALENDAR YEAR.

On pages 5 and 6, strike in their entirety the lines beginning with line 1 on page 5 through line 7 on page 6, inclusive.

On page 6, after line 15, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 31, 2012, the Maryland Energy Administration, in consultation with the Public Service Commission, shall:

(1) review the anticipated achievement of the goals specified under § 7-211(b)(2) of the Public Utility Companies Article as enacted by this Act for purposes of determining whether electricity consumption and peak demand reduction targets should be set beyond 2015; and

(2) after providing opportunity for public comment, report its findings, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 31, 2012, the Maryland Energy Administration, in consultation with the Public Service Commission, shall:

(1) study the feasibility of setting energy savings targets in 2015 and 2020 for natural gas companies; and

(2) after providing opportunity for public comment, report its findings, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee.”;

in line 16, strike “3.” and substitute “5.”; and in line 17, strike “July” and substitute “June”.