

# HOUSE BILL 822

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CF 8lr2662

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By: **Delegates Feldman, McHale, and Miller**

Introduced and read first time: February 6, 2008

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Alternatives to Long-Term Electricity**  
3 **Generation Contracts and New Electricity Generation**

4 FOR the purpose of prohibiting the Public Service Commission from requiring or  
5 approving certain electric companies to buy or build certain generation assets or  
6 enter into certain long-term contracts until certain reasonable alternatives  
7 have been considered and pursued and the Commission reports the results of a  
8 certain study and evaluation; requiring the Commission to study and evaluate  
9 certain alternatives to certain long-term contracts and electricity generating  
10 facilities and certain electricity transmission alternatives; requiring the  
11 Commission, in coordination with the Department of the Environment, to study  
12 and evaluate the impact of certain long-term contracts and electricity  
13 generating facilities on the environment and expenses to certain electricity  
14 customers as compared with certain existing alternatives; requiring the  
15 Commission to report the results of a certain study and evaluations to the  
16 Governor and the General Assembly on or before a certain date; providing for  
17 the termination of this Act; and generally relating to alternatives to long-term  
18 electricity generation contracts and new electricity generation.

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That:

21 (a) The Public Service Commission may not require or approve electric  
22 companies to buy or build generation assets or enter into long-term electricity  
23 generation contracts until:

24 (1) all reasonable alternatives, including the alternatives listed in  
25 subsection (b) of this section have been fully considered and pursued; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) the Commission has reported the results of the study and evaluation required under Section 2 of this Act to the Governor and the General Assembly.

(b) The Commission shall consider the impact of the following existing alternatives to long-term generation contracts and new electricity generating facilities:

(1) transmission enhancement technologies to reduce congestion and increase import capability, including:

(i) upgrades to lower voltage parallel facilities;

(ii) flexible AC transmission devices;

(iii) static VAR compensators;

(iv) phase-angle regulators;

(v) shunt capacitors; and

(vi) double-circuiting;

(2) flexible demand response solutions such as demand side management and peak sharing;

(3) methods to utilize existing and potential customer-owned generation facilities;

(4) methods to postpone retirement of existing generation facilities; and

(5) any other alternatives studied by the Commission in accordance with Section 2 of this Act.

SECTION 2. AND BE IT FURTHER ENACTED, That the Public Service Commission shall:

(1) conduct investigatory and evidentiary proceedings, including the use of any necessary outside experts and consultants, to study and evaluate existing alternatives to long-term electricity generation contracts and new electricity generating facilities and the possibility of electricity transmission alternatives;

(2) in coordination with the Department of the Environment, conduct investigatory and evidentiary proceedings, including the use of any necessary outside experts and consultants, to study and evaluate the impact of long-term electricity generation contracts and new electricity generating facilities on the environment and expenses to electricity customers as compared with existing alternatives; and

1                   (3)     on or before January 1, 2009, report the result of the study and  
2     evaluations to the Governor and, in accordance with § 2-1246 of the State Government  
3     Article, the General Assembly.

4           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5     June 1, 2008. It shall remain effective for a period 1 year and 7 months and, at the end  
6     of December 31, 2010, with no further action required by the General Assembly, this  
7     Act shall be abrogated and of no further force and effect.