

HOUSE BILL 1548

C5

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By: **Chair, Economic Matters Committee (By Request – Departmental – Public Service Commission)**

Introduced and read first time: February 25, 2008

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Standard Offer Service Auctions – Disclosure of**
3 **Bid Information**

4 FOR the purpose of authorizing the Public Service Commission to disclose certain
5 information relating to bids made in certain auctions for standard offer service
6 after a certain period of time; and generally relating to the disclosure of certain
7 bid information by the Public Service Commission.

8 BY repealing and reenacting, with amendments,
9 Article – Public Utility Companies
10 Section 7–510(c)(4)
11 Annotated Code of Maryland
12 (1998 Volume and 2007 Supplement)

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

15 **Article – Public Utility Companies**

16 7–510.

17 (c) (4) (i) On or before July 1, 2001, the Commission shall adopt
18 regulations or issue orders to establish procedures for the competitive selection of
19 wholesale electricity suppliers, including an affiliate of an electric company, to provide
20 electricity for standard offer service to customers of electric companies under
21 paragraph (2) of this subsection, except for customers of electric cooperatives and
22 municipal electric utilities. Unless delayed by the Commission, the competitive
23 selection shall take effect no later than July 1, 2003.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) 1. Under the obligation to provide standard offer service
2 in accordance with paragraph (3)(ii) of this subsection, the Commission, by regulation
3 or order, and in a manner that is designed to obtain the best price for residential and
4 small commercial customers in light of market conditions at the time of procurement
5 and the need to protect these customers from excessive price increases:

6 A. shall require each investor-owned electric company to
7 obtain its electricity supply for residential and small commercial customers
8 participating in standard offer service through a competitive process in accordance
9 with this paragraph; and

10 B. may require or allow an investor-owned electric
11 company to procure electricity for these customers directly from an electricity supplier
12 through one or more bilateral contracts outside the competitive process.

13 2. A. As the Commission directs, the competitive
14 process shall include a series of competitive wholesale bids in which the
15 investor-owned electric company solicits bids to supply anticipated standard offer
16 service load for residential and small commercial customers as part of a portfolio of
17 blended wholesale supply contracts of short, medium, or long terms, and other
18 appropriate electricity products and strategies, as needed to meet demand in a
19 cost-effective manner.

20 B. The competitive process may include different bidding
21 structures and mechanisms for base load, peak load, and very short-term
22 procurement.

23 C. By regulation or order, as a part of the competitive
24 process, the Commission shall require or allow the procurement of cost-effective
25 energy efficiency and conservation measures and services with projected and verifiable
26 energy savings to offset anticipated demand to be served by standard offer service, and
27 the imposition of other cost-effective demand-side management programs.

28 3. A. In order to prevent an excessive amount of load
29 being exposed to upward price risks and volatility, the Commission may stagger the
30 dates for the competitive wholesale auctions.

31 B. By regulation or order, the Commission may allow a
32 date on which a competitive wholesale auction takes place to be altered based on
33 current market conditions.

34 4. By regulation or order, the Commission may allow an
35 investor-owned electric company to refuse to accept some or all of the bids made in a
36 competitive wholesale auction in accordance with standards adopted by the
37 Commission.

1 5. The investor-owned electric company shall publicly
2 disclose the names of all bidders and the names and load allocation of all successful
3 bidders 90 days after all contracts for supply are executed.

4 **6. IF THE COMMISSION DETERMINES THAT**
5 **DISCLOSURE WOULD NOT CREATE MARKET MANIPULATION OR OTHER**
6 **NONCOMPETITIVE BEHAVIOR AND WOULD NOT ADVERSELY IMPACT A**
7 **COMPETITIVE SUPPLY MARKET, THE COMMISSION MAY, AFTER ALL CONTRACTS**
8 **FOR SUPPLY ARE EXECUTED FOLLOWING A COMPETITIVE WHOLESALE AUCTION,**
9 **PUBLICLY DISCLOSE:**

- 10 **A. THE NAMES OF ALL BIDDERS IN THE AUCTION;**
- 11 **B. THE BID PRICE FOR ALL OFFERS BY THE BIDDERS;**
- 12 **AND**
- 13 **C. THE PRICE FOR ALL BLOCKS OF ELECTRICITY**
14 **SUPPLY.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 June 1, 2008.