

SENATE BILL 417

C5

EMERGENCY BILL

8lr1538

CF 8lr1443

By: **Senators Edwards, Brinkley, Kittleman, and Munson**

Introduced and read first time: January 31, 2008

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Energy Efficiency and Conservation Programs**
3 **and Services – Prohibition of Surcharge Without Customer Consent**

4 FOR the purpose of prohibiting the Public Service Commission from approving any
5 program or service for the use and conservation of energy that requires or
6 allows a gas company or an electric company to provide a product or service to a
7 gas customer or an electric customer for which the customer would be charged a
8 surcharge without a certain consent; requiring a gas company or an electric
9 company under certain circumstances to separately state a certain surcharge
10 and clearly describe the purpose of the surcharge on a customer's bill; requiring,
11 under certain circumstances, a gas company or an electric company to refund
12 the amount of the surcharge or credit the amount of the surcharge; making this
13 Act an emergency measure; and generally relating to energy efficiency and
14 conservation programs and services approved by the Public Service
15 Commission.

16 BY repealing and reenacting, with amendments,
17 Article – Public Utility Companies
18 Section 7–211
19 Annotated Code of Maryland
20 (1998 Volume and 2007 Supplement)

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

23 **Article – Public Utility Companies**

24 7–211.

25 (a) Subject to review and approval by the Commission, each gas company
26 and electric company shall develop and implement programs and services to encourage

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 and promote the efficient use and conservation of energy by consumers, gas
2 companies, and electric companies.

3 (b) The Commission shall:

4 (1) require each gas company and electric company to establish any
5 program or service that the Commission deems appropriate and cost effective to
6 encourage and promote the efficient use and conservation of energy;

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

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

14 (c) (1) **THE COMMISSION MAY NOT APPROVE ANY PROGRAM OR**
15 **SERVICE FOR THE USE AND CONSERVATION OF ENERGY THAT REQUIRES OR**
16 **ALLOWS A GAS COMPANY OR AN ELECTRIC COMPANY TO PROVIDE, DIRECTLY OR**
17 **INDIRECTLY, A PRODUCT OR A SERVICE TO A GAS CUSTOMER OR AN ELECTRIC**
18 **CUSTOMER FOR WHICH THE CUSTOMER WOULD BE ASSESSED A SURCHARGE ON**
19 **THE CUSTOMER'S GAS BILL OR ELECTRIC BILL WITHOUT THE PRIOR WRITTEN**
20 **CONSENT OF THE CUSTOMER.**

21 (2) **IF A CUSTOMER CONSENTS TO A SURCHARGE FOR A PRODUCT**
22 **OR A SERVICE FOR THE USE AND CONSERVATION OF ENERGY, THE GAS**
23 **COMPANY OR THE ELECTRIC COMPANY SHALL, ON THE CUSTOMER'S BILL:**

24 (i) **SEPARATELY STATE THE SURCHARGE; AND**

25 (ii) **CLEARLY DESCRIBE THE PURPOSE OF THE**
26 **SURCHARGE.**

27 [(c)] (D) (1) On or before February 1, 2001, the Commission, in
28 consultation with the Maryland Energy Administration, shall report, subject to §
29 2-1246 of the State Government Article, to the General Assembly on:

30 (i) the status of programs and services to encourage and
31 promote the efficient use and conservation of energy; and

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

1 (2) In determining whether a program or service encourages and
2 promotes the efficient use and conservation of energy, the Commission shall consider,
3 among other factors:

- 4 (i) the impact on jobs;
- 5 (ii) the impact on the environment;
- 6 (iii) the impact on rates; and
- 7 (iv) the cost-effectiveness.

8 SECTION 2. AND BE IT FURTHER ENACTED, That, if on or after September
9 1, 2007, a gas company or an electric company has collected any surcharge for a
10 product or a service for the use and conservation of energy without the prior written
11 consent of the customer surcharged, the gas company or the electric company shall
12 refund the amount of the surcharge to the customer or credit the amount of the
13 surcharge to the customer's account.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
15 measure, is necessary for the immediate preservation of the public health or safety,
16 has been passed by a yea and nay vote supported by three-fifths of all the members
17 elected to each of the two Houses of the General Assembly, and shall take effect from
18 the date it is enacted.