

SENATE BILL 991

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8lr2662
CF HB 822

By: **Senators Garagiola, Astle, Kittleman, Klausmeier, and Pugh**

Introduced and read first time: March 3, 2008

Assigned to: Rules

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 except under certain circumstances; requiring the
9 Commission to study and evaluate certain alternatives to certain long-term
10 contracts and electricity generating facilities and certain electricity
11 transmission alternatives; requiring the Commission, in coordination with the
12 Department of the Environment, to study and evaluate the impact of certain
13 long-term contracts and electricity generating facilities on the environment,
14 expenses to certain electricity customers, and the potential of certain rate
15 increases as compared with certain existing alternatives; requiring the
16 Commission to report the results of a certain study and evaluations to the
17 Governor and the General Assembly on or before a certain date; prohibiting the
18 Commission from requiring or approving certain electric companies to buy or
19 build certain generation assets or enter into certain long-term contracts until a
20 certain date if certain circumstances exist; providing for the termination of this
21 Act; and generally relating to alternatives to long-term electricity generation
22 contracts and new electricity generation.

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, That:

25 (a) Except as authorized or required for compliance with the provisions of the
26 Renewable Energy Portfolio Standard set forth in Title 7, Subtitle 7 of the Public
27 Utility Companies Article, the Public Service Commission may not require or approve
28 electric companies to buy or build generation assets or enter into long-term electricity
29 generation contracts until:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

11 (i) upgrades to lower voltage parallel facilities;

12 (ii) flexible AC transmission devices;

13 (iii) static VAR compensators;

14 (iv) phase-angle regulators;

15 (v) shunt capacitors; and

16 (vi) double-circuiting;

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

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

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

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

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

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

1 (2) in coordination with the Department of the Environment, conduct
2 investigatory and evidentiary proceedings, including the use of any necessary outside
3 experts and consultants, to study and evaluate the impact of long-term electricity
4 generation contracts and new electricity generating facilities on the environment and
5 short-term and long-term expenses to electricity customers and whether, and to what
6 extent, there would be a rate increase after termination of a long-term contract as
7 compared with existing alternatives;

8 (3) demonstrate that new transmission is not to be available before
9 there is a possibility of intermittent power outages; and

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

13 SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding
14 Sections 1 and 2 of this Act, if Chapter ____ (S.B. 205/H.B. 374) of the Acts of the
15 General Assembly of 2008 are enacted, and except as required or authorized for
16 compliance with the provisions of the Renewable Energy Portfolio Standard set forth
17 in Title 7, Subtitle 7 of the Public Utility Companies Article, the Public Service
18 Commission may not require or approve electric companies to buy or build generation
19 assets or enter into long-term electricity generation contracts until on or after June 1,
20 2009.

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