

HOUSE BILL 1229

C5, P2

9lr1144

By: **Delegate Rudolph**

Introduced and read first time: February 13, 2009

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity - Provision of Electricity Supply to Units of State Government**
3 **and Local Governments**

4 FOR the purpose of requiring the Department of General Services to procure a certain
5 electricity supply on behalf of certain units of State government and certain
6 counties and municipal corporations; requiring the Department to procure a
7 certain electricity supply through competitive sealed proposals under certain
8 circumstances; requiring the Department, after consulting with the Public
9 Service Commission and the Maryland Energy Administration, to adopt certain
10 regulations under certain circumstances; requiring the Department to report to
11 the Governor and the General Assembly on or before a certain date each year;
12 defining a certain term; providing that existing obligations or contract rights
13 may not be impaired by this Act; and generally relating to the procurement of
14 electricity for units of State government and local governments.

15 BY adding to

16 Article - Public Utility Companies

17 Section 7-510.1

18 Annotated Code of Maryland

19 (2008 Replacement Volume and 2008 Supplement)

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

22 **Article - Public Utility Companies**

23 **7-510.1.**

24 (A) IN THIS SECTION, "DEPARTMENT" MEANS THE DEPARTMENT OF
25 GENERAL SERVICES.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) (1) NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT**
2 **SHALL PROCURE ELECTRICITY SUPPLY ON BEHALF OF ALL UNITS OF STATE**
3 **GOVERNMENT.**

4 **(2) ON REQUEST OF ANY COUNTY OR MUNICIPAL CORPORATION**
5 **AND IN CONNECTION WITH THE PROCUREMENT OF ELECTRICITY UNDER**
6 **PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL PROCURE**
7 **ELECTRICITY SUPPLY ON BEHALF OF THE COUNTY OR MUNICIPAL**
8 **CORPORATION.**

9 **(C) NOTWITHSTANDING § 7-510 OF THIS SUBTITLE, THE DEPARTMENT**
10 **SHALL PROCURE ELECTRICITY SUPPLY THROUGH COMPETITIVE SEALED**
11 **PROPOSALS UNDER § 13-104 OF THE STATE FINANCE AND PROCUREMENT**
12 **ARTICLE.**

13 **(D) THE DEPARTMENT, AFTER CONSULTING WITH THE COMMISSION**
14 **AND THE MARYLAND ENERGY ADMINISTRATION, SHALL ADOPT REGULATIONS**
15 **TO CARRY OUT THIS SECTION, INCLUDING REGULATIONS THAT:**

16 **(1) FOR THE PURPOSE OF CONTRACTING FOR THE PURCHASE OF**
17 **ELECTRICITY, DIVIDE THE STATE INTO REGIONS THAT MAY GENERALLY**
18 **FOLLOW THE SERVICE TERRITORIES OF ELECTRIC COMPANIES THAT OPERATE**
19 **IN THE STATE;**

20 **(2) DETERMINE A STRATEGY OF HOW BEST TO STRUCTURE**
21 **PROCUREMENT IN SUCH A WAY AS TO MEET THE ELECTRICITY DEMANDS IN A**
22 **COST-EFFECTIVE MANNER, INCLUDING ENTERING INTO SUPPLY CONTRACTS OF**
23 **SHORT, MEDIUM, AND LONG TERMS; AND**

24 **(3) ESTABLISH A PREFERENCE SYSTEM FOR ELECTRICITY**
25 **GENERATED FROM RENEWABLE ENERGY SOURCES IN THE STATE.**

26 **(E) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT**
27 **SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF**
28 **THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY REGARDING THE**
29 **PROCUREMENT OF ELECTRICITY UNDER THIS SECTION.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing
31 obligation or contract right may not be impaired in any way by this Act.

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2009.