

HOUSE BILL 1372

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CF SB 942

By: **Delegates Hecht, Davis, Feldman, Haddaway, Krysiak, Manno, McHale, Rudolph, and Taylor**

Introduced and read first time: February 18, 2010

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Customer Education on Customer Choice**

3 FOR the purpose of requiring an electric company that provides standard offer service
4 to include certain information in a certain manner and at certain intervals
5 about certain electricity supply options available to a customer; requiring the
6 Public Service Commission to educate consumers about customer choice in
7 accordance with a certain provision of law; requiring the Commission to host a
8 certain section on its website related to customer choice; requiring the website
9 to include certain information; requiring the Commission to maintain a certain
10 secure portal on its website to receive certain information from certain
11 electricity suppliers; requiring certain electricity suppliers to submit certain
12 information to the Commission through the secure portal at certain intervals;
13 requiring the Commission to work with certain media outlets to develop and air
14 certain public service announcements related to customer choice; requiring the
15 Commission to recover certain costs in accordance with a certain provision of
16 law; requiring the Commission to submit a certain report to the General
17 Assembly by a certain date; requiring the Commission to convene a certain
18 workgroup for a certain purpose; providing for the membership of the
19 workgroup; requiring the Commission, by regulation or order, to establish
20 certain requirements for certain information provided to customers by
21 electricity suppliers based on certain recommendations; requiring the
22 Commission to consult with the Maryland Energy Administration and the Office
23 of People’s Counsel for a certain purpose; defining a certain term; and generally
24 relating to customer choice.

25 BY repealing and reenacting, without amendments,
26 Article – Public Utility Companies
27 Section 7–510(c)(1) and (2)
28 Annotated Code of Maryland
29 (2008 Replacement Volume and 2009 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Public Utility Companies
3 Section 7–510(c)(3)
4 Annotated Code of Maryland
5 (2008 Replacement Volume and 2009 Supplement)

6 BY adding to
7 Article – Public Utility Companies
8 Section 7–510.1
9 Annotated Code of Maryland
10 (2008 Replacement Volume and 2009 Supplement)

11 Preamble

12 WHEREAS, Collectively, Maryland retail electric customers can save millions of
13 dollars by switching from standard offer service to a competitive electricity supplier;
14 and

15 WHEREAS, Customers lack sufficient information about how to compare offers
16 from electricity suppliers in order to make an informed decision about switching
17 electricity suppliers; and

18 WHEREAS, Customer education is essential for Maryland customers to realize
19 the significant savings currently available through the competitive electricity supply
20 market; and

21 WHEREAS, The Public Service Commission, the Maryland Energy
22 Administration, and the Office of People’s Counsel are the appropriate entities to
23 educate customers about how to select an electricity supplier that best meets the
24 customers’ needs; now, therefore,

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

27 **Article – Public Utility Companies**

28 7–510.

29 (c) (1) Beginning on the initial implementation date, an electric
30 company’s obligation to provide electricity supply and electricity supply service is
31 stated by this subsection.

32 (2) Electricity supply purchased from a customer’s electric company is
33 known as standard offer service. A customer is considered to have chosen the standard
34 offer service if the customer:

- 1 (i) is not allowed to choose an electricity supplier under the
2 phase in of customer choice in subsection (a) of this section;
- 3 (ii) contracts for electricity with an electricity supplier and it is
4 not delivered;
- 5 (iii) cannot arrange for electricity from an electricity supplier;
- 6 (iv) does not choose an electricity supplier;
- 7 (v) chooses the standard offer service; or
- 8 (vi) has been denied service or referred to the standard offer
9 service by an electricity supplier in accordance with § 7-507(e)(6) of this subtitle.

10 (3) (i) Except as provided under subparagraph (ii) of this
11 paragraph, any obligation of an electric company to provide standard offer service
12 shall cease on July 1, 2003.

13 (ii) 1. Electric cooperatives and municipal electric utilities
14 may choose to continue providing standard offer service in their respective distribution
15 territories and may cease offering that service after notifying the Commission at least
16 12 months in advance.

17 2. On and after July 1, 2003, an electric company
18 continues to have the obligation to provide standard offer service to residential and
19 small commercial customers at a market price that permits recovery of the verifiable,
20 prudently incurred costs to procure or produce the electricity plus a reasonable return.

21 **(III) 1. AN ELECTRIC COMPANY THAT PROVIDES**
22 **STANDARD OFFER SERVICE TO A CUSTOMER SHALL INCLUDE, IN THE MANNER**
23 **SPECIFIED BY THE COMMISSION, INFORMATION ABOUT COMPETITIVE**
24 **ELECTRICITY SUPPLY OPTIONS AVAILABLE TO THE CUSTOMER AND HOW TO**
25 **FIND MORE INFORMATION ON THE COMMISSION'S WEBSITE:**

26 **A. YEARLY AS A BILL INSERT WITH THE CUSTOMER'S**
27 **BILL;**

28 **B. AS PART OF ANY COMPANY NEWSLETTER TO THE**
29 **CUSTOMER; AND**

30 **C. AS PART OF ANY EXISTING EDUCATIONAL**
31 **CAMPAIGN APPROVED BY THE COMMISSION RELATED TO ENERGY EFFICIENCY**
32 **AND CONSERVATION.**

1 **2. IF THE COMMISSION DETERMINES THAT AN**
2 **ELECTRIC COMPANY HAS INCURRED ADDITIONAL COSTS AS A RESULT OF**
3 **COMPLYING WITH SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE**
4 **COMMISSION SHALL AUTHORIZE THE ELECTRIC COMPANY TO RECOVER THE**
5 **ADDITIONAL COSTS FROM ALL CUSTOMERS OF ALL RATE CLASSES THROUGH A**
6 **MECHANISM DETERMINED BY THE COMMISSION.**

7 **[(iii)] (IV) 1.** On or before December 31, 2008, and every 5
8 years thereafter, the Commission shall report to the Governor and, in accordance with
9 § 2-1246 of the State Government Article, to the General Assembly on the status of
10 the standard offer service, the development of competition, and the transition of
11 standard offer service to a default service.

12 2. The Commission shall establish, by order or
13 regulation, the definition of “default service”.

14 **7-510.1.**

15 **(A) THE COMMISSION SHALL EDUCATE CUSTOMERS ABOUT CUSTOMER**
16 **CHOICE IN ACCORDANCE WITH THIS SECTION.**

17 **(B) (1) THE COMMISSION SHALL HOST AND REGULARLY UPDATE A**
18 **USER-FRIENDLY CUSTOMER CHOICE EDUCATION SECTION ON ITS WEBSITE AND**
19 **PROMINENTLY DISPLAY A LINK TO THAT SECTION OF THE COMMISSION’S**
20 **WEBSITE ON THE HOME PAGE OF THE COMMISSION’S WEBSITE.**

21 **(2) THE CUSTOMER CHOICE EDUCATION SECTION OF THE**
22 **COMMISSION’S WEBSITE SHALL INCLUDE:**

23 **(I) A CLEAR AND SIMPLE DESCRIPTION OF:**

24 1. CUSTOMER CHOICE;
25 2. HOW CUSTOMERS CAN SHOP FOR AN ELECTRICITY
26 SUPPLIER; AND

27 3. WHAT KINDS OF COMPETITIVE ELECTRICITY
28 SUPPLY OPTIONS CUSTOMERS HAVE, INCLUDING:

29 A. RENEWABLE ENERGY SUPPLY;
30 B. FIXED AND VARIABLE PRICING; AND
31 C. OTHER COMMON CONTRACT TERMS;

1 **(II) FACT SHEETS THAT:**

2 1. ANSWER COMMON QUESTIONS ABOUT CUSTOMER
3 CHOICE;

4 2. ADVISE CUSTOMERS ABOUT THE QUESTIONS
5 CUSTOMERS SHOULD ASK WHEN CHOOSING AN ELECTRICITY SUPPLIER; AND

6 3. LIST THE KINDS OF DISCLOSURES THAT
7 ELECTRICITY SUPPLIERS MUST MAKE TO CUSTOMERS; AND

8 **(III) A LIST OF ALL ELECTRICITY SUPPLIERS THAT HAVE**
9 **OPEN OFFERS TO SUPPLY ELECTRICITY IN A CUSTOMER'S SERVICE AREA,**
10 **SEARCHABLE BY ZIP CODE.**

11 **(3) TO THE EXTENT PRACTICABLE, THE LIST OF ELECTRICITY**
12 **SUPPLIERS REQUIRED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION SHALL**
13 **INCLUDE:**

14 **(I) THE TERMS OF ANY OPEN OFFERS TO SUPPLY**
15 **ELECTRICITY, INCLUDING:**

16 1. THE DURATION OF THE CONTRACT;

17 2. THE COST OF ELECTRICITY PER KILOWATT-HOUR;
18 AND

19 3. ANY CANCELLATION FEES; AND

20 **(II) A LINK TO THE WEBSITE OF EACH ELECTRICITY**
21 **SUPPLIER WITH AN OPEN OFFER TO SUPPLY ELECTRICITY.**

22 **(C) (1) TO ENSURE THE CURRENCY AND ACCURACY OF INFORMATION**
23 **REQUIRED UNDER SUBSECTION (B)(2)(III) OF THIS SECTION, THE COMMISSION**
24 **SHALL MAINTAIN A SECURE PORTAL ON ITS WEBSITE TO RECEIVE INFORMATION**
25 **ABOUT OFFERS TO SUPPLY ELECTRICITY FROM ELECTRICITY SUPPLIERS.**

26 **(2) AT LEAST ONCE EACH MONTH, EACH ELECTRICITY SUPPLIER**
27 **WITH AN OPEN OFFER TO SUPPLY ELECTRICITY SHALL SUBMIT DETAILED**
28 **INFORMATION ABOUT THE OFFER TO THE COMMISSION THROUGH A SECURE**
29 **PORTAL MAINTAINED BY THE COMMISSION ON THE COMMISSION'S WEBSITE**
30 **FOR THIS PURPOSE.**

1 **(D) THE COMMISSION SHALL WORK WITH MEDIA OUTLETS IN THE**
2 **STATE TO DEVELOP AND AIR PUBLIC SERVICE ANNOUNCEMENTS PUBLICIZING**
3 **CUSTOMER CHOICE AND DIRECTING CUSTOMERS TO THE COMMISSION'S**
4 **WEBSITE FOR ADDITIONAL INFORMATION.**

5 **(E) THE COMMISSION SHALL RECOVER THE COST OF COMPLYING WITH**
6 **THIS SECTION AS PROVIDED UNDER § 2-110 OF THIS ARTICLE.**

7 **(F) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE COMMISSION**
8 **SHALL REPORT, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT**
9 **ARTICLE, TO THE GENERAL ASSEMBLY ON THE STATUS AND SUCCESS OF THE**
10 **COMMISSION'S EFFORTS TO EDUCATE CUSTOMERS ABOUT CUSTOMER CHOICE**
11 **UNDER THIS SECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That:

13 (a) The Public Service Commission shall convene a workgroup of interested
14 parties to make a recommendation about what information should be included in the
15 information provided to customers under § 7-510(c)(3)(iii) of the Public Utility
16 Companies Article, as enacted by this Act.

17 (b) (1) The membership of the workgroup under subsection (a) of this
18 section shall be appointed by the Commission and consist at minimum of:

19 (i) the Director of the Maryland Energy Administration or the
20 Director's designee;

21 (ii) a representative of each electric company;

22 (iii) one representative of electricity suppliers serving residential
23 customers in the State;

24 (iv) a representative of the Retail Energy Supply Association;
25 and

26 (v) a representative of retail electric customers.

27 (2) On or before December 1, 2010, the Commission shall establish, by
28 regulation or order, the requirements for the information based on the
29 recommendations of the workgroup.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the Public Service
31 Commission shall consult with the Maryland Energy Administration and the Office of
32 People's Counsel about the best way to promote customer choice, as defined in § 7-501
33 of the Public Utility Companies Article.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2010.