

# HOUSE BILL 281

C5, M3

1lr1965  
CF SB 67

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By: **Delegates Beitzel and Conway**

Introduced and read first time: January 31, 2011

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Strategic Energy Investment Fund – Small Rural Electric**  
3 **Cooperative – Prohibition**

4 FOR the purpose of prohibiting funds in a certain account in the Maryland Strategic  
5 Energy Investment Fund from being used to offset electricity rates of residential  
6 customers of a small rural electric cooperative; and generally relating to the  
7 Maryland Strategic Energy Investment Fund and small rural electric  
8 cooperatives.

9 BY repealing and reenacting, without amendments,  
10 Article – State Government  
11 Section 9–20B–05(a) and (b)  
12 Annotated Code of Maryland  
13 (2009 Replacement Volume and 2010 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – State Government  
16 Section 9–20B–05(g)  
17 Annotated Code of Maryland  
18 (2009 Replacement Volume and 2010 Supplement)

19 BY adding to  
20 Article – State Government  
21 Section 9–20B–05(g–2)  
22 Annotated Code of Maryland  
23 (2009 Replacement Volume and 2010 Supplement)

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

26 **Article – State Government**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 9-20B-05.

2 (a) There is a Maryland Strategic Energy Investment Fund.

3 (b) The purpose of the Fund is to implement the Strategic Energy  
4 Investment Program.

5 (g) Except as provided in subsection (g-1) of this section, proceeds received  
6 by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article  
7 shall be allocated to the following accounts:

8 (1) 17% shall be credited to an energy assistance account to be used  
9 for the Electric Universal Service Program and other electricity assistance programs  
10 in the Department of Human Resources;

11 (2) **EXCEPT AS PROVIDED IN SUBSECTION (G-2) OF THIS SECTION,**  
12 23% shall be credited to a rate relief account to provide rate relief by offsetting  
13 electricity rates of residential customers, including an offset of surcharges imposed on  
14 ratepayers under § 7-211 of the Public Utilities Article, on a per customer basis and in  
15 a manner prescribed by the Public Service Commission;

16 (3) at least 46% shall be credited to a low and moderate income  
17 efficiency and conservation programs account and to a general efficiency and  
18 conservation programs account for energy efficiency and conservation programs,  
19 projects, or activities and demand response programs, of which at least one-half shall  
20 be targeted to the low and moderate income efficiency and conservation programs  
21 account for:

22 (i) the low-income residential sector at no cost to the  
23 participants of the programs, projects, or activities; and

24 (ii) the moderate-income residential sector;

25 (4) up to 10.5% shall be credited to a renewable and clean energy  
26 programs account for:

27 (i) subject to subsection (i) of this section, renewable and clean  
28 energy programs and initiatives;

29 (ii) energy-related public education and outreach; and

30 (iii) climate change programs; and

31 (5) up to 3.5%, but not more than \$4,000,000, shall be credited to an  
32 administrative expense account for costs related to the administration of the Fund,  
33 including the review of electric company plans for achieving electricity savings and

1 demand reductions that the electric companies are required under law to submit to the  
2 Administration.

3 **(G-2) THE RATE RELIEF ACCOUNT ESTABLISHED UNDER SUBSECTION**  
4 **(G)(2) OF THIS SECTION MAY NOT BE USED TO OFFSET THE ELECTRICITY RATES**  
5 **OF RESIDENTIAL CUSTOMERS OF A SMALL RURAL ELECTRIC COOPERATIVE, AS**  
6 **DEFINED IN § 1-101 OF THE PUBLIC UTILITIES ARTICLE.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 October 1, 2011.