

# 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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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2011

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## CHAPTER \_\_\_\_\_

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~~ providing that a certain  
5 provision of law relating to the use of certain proceeds received by the Maryland  
6 Strategic Energy Investment Fund from being used to offset electricity rates of  
7 and credited to a certain account does not apply to residential customers of a  
8 small rural electric cooperative; requiring, as approved by the Public Service  
9 Commission, certain small rural electric cooperatives to distribute certain  
10 moneys held in a certain account as of a certain date to certain organizations;  
11 and generally relating to the Maryland Strategic Energy Investment Fund and  
12 small rural electric cooperatives.

13 BY repealing and reenacting, without amendments,  
14 Article – State Government  
15 Section 9–20B–05(a) and (b)  
16 Annotated Code of Maryland  
17 (2009 Replacement Volume and 2010 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – State Government  
20 Section 9–20B–05(g)  
21 Annotated Code of Maryland  
22 (2009 Replacement Volume and 2010 Supplement)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to  
2 Article – State Government  
3 Section 9–20B–05(g–2)  
4 Annotated Code of Maryland  
5 (2009 Replacement Volume and 2010 Supplement)

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

8 **Article – State Government**

9 9–20B–05.

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

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

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

16 (1) 17% shall be credited to an energy assistance account to be used  
17 for the Electric Universal Service Program and other electricity assistance programs  
18 in the Department of Human Resources;

19 (2) **EXCEPT AS PROVIDED IN SUBSECTION (G–2) OF THIS SECTION,**  
20 23% shall be credited to a rate relief account to provide rate relief by offsetting  
21 electricity rates of residential customers, including an offset of surcharges imposed on  
22 ratepayers under § 7–211 of the Public Utilities Article, on a per customer basis and in  
23 a manner prescribed by the Public Service Commission;

24 (3) at least 46% shall be credited to a low and moderate income  
25 efficiency and conservation programs account and to a general efficiency and  
26 conservation programs account for energy efficiency and conservation programs,  
27 projects, or activities and demand response programs, of which at least one–half shall  
28 be targeted to the low and moderate income efficiency and conservation programs  
29 account for:

30 (i) the low–income residential sector at no cost to the  
31 participants of the programs, projects, or activities; and

32 (ii) the moderate–income residential sector;

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

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

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

4 (iii) climate change programs; and

5 (5) up to 3.5%, but not more than \$4,000,000, shall be credited to an  
6 administrative expense account for costs related to the administration of the Fund,  
7 including the review of electric company plans for achieving electricity savings and  
8 demand reductions that the electric companies are required under law to submit to the  
9 Administration.

10 ~~(G-2) THE RATE RELIEF ACCOUNT ESTABLISHED UNDER SUBSECTION~~  
11 ~~SUBSECTION (G)(2) OF THIS SECTION MAY NOT BE USED TO OFFSET THE~~  
12 ~~ELECTRICITY RATES OF DOES NOT APPLY TO RESIDENTIAL CUSTOMERS OF A~~  
13 ~~SMALL RURAL ELECTRIC COOPERATIVE, AS DEFINED IN § 1-101 OF THE PUBLIC~~  
14 ~~UTILITIES ARTICLE.~~

15 SECTION 2. AND BE IT FURTHER ENACTED, That, as approved by the  
16 Public Service Commission, each small rural electric cooperative, as defined in § 1-101  
17 of the Public Utilities Article, shall distribute to one or more organizations that  
18 provide assistance to low income residents in the small rural electric cooperative's  
19 service territory any moneys held as of the effective date of this Act in an escrow  
20 account for small rural electric cooperative residential customers established in  
21 connection with § 9-20B-05(g)(2) of the State Government Article, as in effect before  
22 the effective date of this Act.

23 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
24 effect ~~October~~ June 1, 2011.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.