C5 1lr2863 CF SB 715

By: Delegates Feldman, Barkley, and Barnes

Introduced and read first time: February 11, 2011

Assigned to: Economic Matters

AN ACT concerning

A BILL ENTITLED

2	Public Service Commission - Long-Term Contracts - Solar Renewable
3	Energy Credits

- 4 FOR the purpose of authorizing the Public Service Commission, by regulation or order, 5 to require or allow the procurement of solar renewable energy credits under 6 long-term contracts as part of a certain competitive process; requiring the 7 Commission to consider certain factors in determining a certain requirement to 8 procure solar renewable energy credits; providing for an exception to a certain 9 requirement that the duration of a certain contract term for solar renewable 10 energy credits may not be less than a certain number of years; and generally relating to the procurement of solar renewable energy credits under long-term 11 12 contracts as part of the competitive selection of wholesale electricity suppliers.
- 13 BY repealing and reenacting, with amendments.
- 14 Article Public Utilities
- 15 Section 7–510(c), 7–548(b)(5), and 7–709(c)(1)
- 16 Annotated Code of Maryland
- 17 (2010 Replacement Volume)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
- 20 Article Public Utilities
- 21 7–510.

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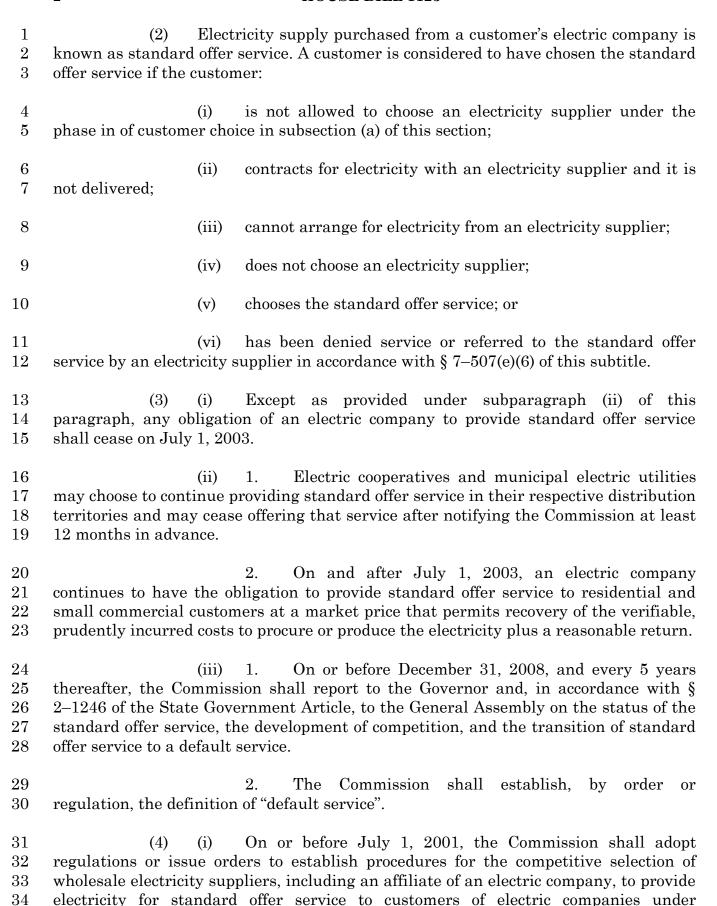
22 (c) (1) Beginning on the initial implementation date, an electric 23 company's obligation to provide electricity supply and electricity supply service is 24 stated by this subsection.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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paragraph (2) of this subsection, except for customers of electric cooperatives and

1 municipal electric utilities. Unless delayed by the Commission, the competitive selection shall take effect no later than July 1, 2003.

- (ii) 1. Under the obligation to provide standard offer service in accordance with paragraph (3)(ii) of this subsection, the Commission, by regulation or order, and in a manner that is designed to obtain the best price for residential and small commercial customers in light of market conditions at the time of procurement and the need to protect these customers from excessive price increases:
- A. shall require each investor—owned electric company to obtain its electricity supply for residential and small commercial customers participating in standard offer service through a competitive process in accordance with this paragraph; and
- B. may require or allow an investor—owned electric company to procure electricity for these customers directly from an electricity supplier through one or more bilateral contracts outside the competitive process.
 - 2. A. As the Commission directs, the competitive process shall include a series of competitive wholesale bids in which the investor—owned electric company solicits bids to supply anticipated standard offer service load for residential and small commercial customers as part of a portfolio of blended wholesale supply contracts of short, medium, or long terms, and other appropriate electricity products and strategies, as needed to meet demand in a cost—effective manner.
- B. The competitive process may include different bidding structures and mechanisms for base load, peak load, and very short-term procurement.
 - C. By regulation or order, as a part of the competitive process, the Commission shall require or allow the procurement of cost-effective energy efficiency and conservation measures and services with projected and verifiable energy savings to offset anticipated demand to be served by standard offer service, and the imposition of other cost-effective demand-side management programs.
- 30 3. A. In order to prevent an excessive amount of load being exposed to upward price risks and volatility, the Commission may stagger the dates for the competitive wholesale auctions.
 - B. By regulation or order, the Commission may allow a date on which a competitive wholesale auction takes place to be altered based on current market conditions.
- 36 4. By regulation or order, the Commission may allow an investor—owned electric company to refuse to accept some or all of the bids made in a competitive wholesale auction in accordance with standards adopted by the Commission.

1 2 3	5. The investor—owned electric company shall publicly disclose the names of all bidders and the names and load allocation of all successful bidders 90 days after all contracts for supply are executed.
4 5 6 7	(5) (I) AS PART OF THE COMPETITIVE PROCESS UNDER PARAGRAPH (4) OF THIS SUBSECTION, BY REGULATION OR ORDER THE COMMISSION SHALL REQUIRE OR ALLOW THE PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS UNDER LONG-TERM CONTRACTS.
8 9 10	(II) IN DETERMINING A REQUIREMENT TO PROCURE SOLAR RENEWABLE ENERGY CREDITS UNDER THIS PARAGRAPH, THE COMMISSION SHALL CONSIDER:
11 12 13	1. THE CURRENT PERCENTAGE OF THE RENEWABLE ENERGY PORTFOLIO STANDARD UNDER SUBTITLE 7 OF THIS TITLE THAT IS FULFILLED BY SOLAR RENEWABLE ENERGY CREDITS; AND
14 15 16	2. THE EFFECT THAT REQUIRING THE PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS UNDER LONG-TERM CONTRACTS WILL HAVE ON:
17 18 19	A. ACHIEVING THE MINIMUM REQUIRED PERCENTAGE OF THE RENEWABLE ENERGY PORTFOLIO STANDARD THAT IS DERIVED FROM SOLAR ENERGY;
20	B. THE POTENTIAL IMPACT ON CUSTOMER BILLS;
21 22	C. The legislative intent and findings set forth in § 7–702 of this title; and
23 24	D. ANY OTHER ISSUES THE COMMISSION CONSIDERS RELEVANT.
25 26 27	(6) An electric company may procure the electricity needed to meet its standard offer service electricity supply obligation from any electricity supplier, including an affiliate of the electric company.
28 29 30 31	[(6)] (7) In order to meet long-term, anticipated demand in the State for standard offer service and other electricity supply, the Commission may require or allow an investor-owned electric company to construct, acquire, or lease, and operate, its own generating facilities, and transmission facilities necessary to interconnect the generating facilities with the electric grid, subject to appropriate cost recovery

1 2 3 4 5	implementation of electricit from the impact of sudd Commission in the case of	To determine whether an appropriate phased y rates that is necessary to protect residential customers en and significant increases in electricity rates, the an increase of 20% or more over the previous year's total ct evidentiary proceedings, including public hearings.
6 7 8 9 10	regulatory asset to be reco	A deferral of costs as part of a phased implementation investor—owned electric company shall be treated as a vered in accordance with a rate stabilization plan under ny other plan for phased implementation approved by the
11 12	2. reasonable, and in the publi	1 0 1
13 14	(iii) Thunder subparagraph (ii) of the	ne Commission shall approve the recovery of deferred costs his paragraph as:
15 16	1. stabilization plan under Par	g
17 18	2. mechanism approved by the	short–term recovery through a rate proceeding Commission.
19 20	(iv) The costs by:	ne Commission may approve a phasing in of increased
21 22	1. time; or	placing a cap on rates and allowing recovery over
23 24	2. to customers of any excess c	allowing rates to increase and providing for a rebate osts paid.
25 26 27 28 29	contracts of short, medium,	ervice load through a portfolio of blended wholesale supply and long terms, and other appropriate electricity products meet demand in a cost—effective manner, may choose to
30 31	board of directors; and	as approved and modified by the electric cooperative's
32	2.	with appropriate review for prudent cost recovery as

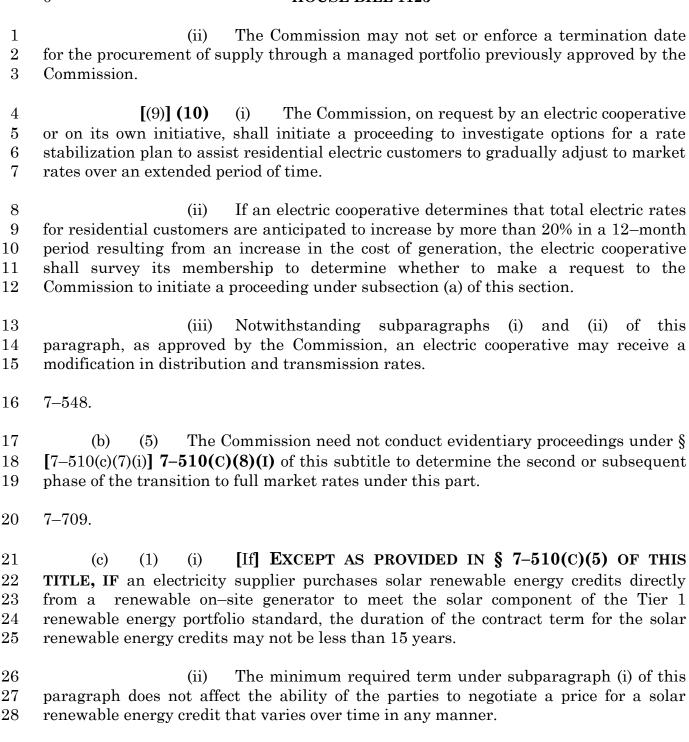
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determined by the Commission.

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July 1, 2011.



SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect