

HOUSE BILL 770

C5

~~EMERGENCY BILL~~

(2lr0780)

ENROLLED BILL

— *Economic Matters/Finance* —

Introduced by **Delegate Davis**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Public Service Commission – Electric Companies – New Generation Facilities**
3 **and Customer Credits *and the Electric Universal Service Program***

4 FOR the purpose of ~~providing that the Public Service Commission may not require a~~
5 ~~certain electric company to construct, acquire, or lease, and operate, its own~~
6 ~~generating facilities and certain transmission facilities;~~ providing that if a
7 certain party to a merger or acquisition of an electric company or an affiliate of
8 an electric company is required to distribute a credit to certain customers under
9 an agreement with the Public Service Commission, the ~~party or electric~~
10 ~~company may not pay the credit directly to the customers but shall deposit the~~
11 ~~amount of the credit in the electric universal service program fund to be~~
12 ~~disbursed in a certain manner~~ Commission shall consider the adequacy of the
13 current funding of the electric universal service program in providing certain
14 assistance; providing that certain funds deposited into the electric universal
15 service fund are in addition to, and may not substitute for, certain funds;

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.

Italics indicate opposite chamber/conference committee amendments.



1 ~~providing for the application of certain provisions of this Act; making this Act~~
 2 ~~an emergency measure;~~ and generally relating to new electric generating
 3 facilities and electric customer credits *and the Electric Universal Service*
 4 *Program.*

5 ~~BY repealing and reenacting, with amendments,~~
 6 ~~Article – Public Utilities~~
 7 ~~Section 7–510(e)(6)~~
 8 ~~Annotated Code of Maryland~~
 9 ~~(2010 Replacement Volume and 2011 Supplement)~~

10 BY repealing and reenacting, without amendments,
 11 Article – Public Utilities
 12 Section 7–512.1(e) and (f)
 13 Annotated Code of Maryland
 14 (2010 Replacement Volume and 2011 Supplement)

15 BY adding to
 16 Article – Public Utilities
 17 Section 7–512.1(g)
 18 Annotated Code of Maryland
 19 (2010 Replacement Volume and 2011 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 Utilities~~

23 ~~7–510.~~

24 ~~(e) (6) In order to meet long term, anticipated demand in the State for~~
 25 ~~standard offer service and other electricity supply, the Commission may [require or]~~
 26 ~~allow an investor owned electric company to construct, acquire, or lease, and operate,~~
 27 ~~its own generating facilities, and transmission facilities necessary to interconnect the~~
 28 ~~generating facilities with the electric grid, subject to appropriate cost recovery.~~

29 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
 30 ~~read as follows:~~

31 ~~Article – Public Utilities~~

32 ~~7–512.1.~~

33 (e) The total amount of funds to be collected for the electric universal service
 34 program each year shall be \$37 million, allocated in the following manner:

1 (1) \$27.4 million shall be collected from the industrial and commercial
2 classes; and

3 (2) \$9.6 million shall be collected from the residential class.

4 (f) (1) In this subsection, “fund” means the electric universal service
5 program fund.

6 (2) There is an electric universal service program fund.

7 (3) (i) 1. The Comptroller shall collect the revenue collected by
8 electric companies under subsection (b) of this section and place the revenue into the
9 fund.

10 2. The General Assembly may appropriate funds
11 supplemental to the funds collected under subparagraph 1 of this subparagraph.

12 (ii) The fund is a continuing, nonlapsing fund that is not subject
13 to § 7–302 of the State Finance and Procurement Article.

14 (iii) The purpose of the fund is to assist electric customers as
15 provided in subsection (a)(1) of this section.

16 (4) The Department of Human Resources, with oversight by the
17 Commission, shall disburse the bill assistance and arrearage retirement funds in
18 accordance with the provisions of this section.

19 (5) The Comptroller annually shall disburse up to \$1,000,000 of
20 low-income residential weatherization funds to the Department of Housing and
21 Community Development, as provided in the State budget.

22 (6) (i) At the end of a given fiscal year, any unexpended bill
23 assistance and arrearage retirement funds that were collected for that fiscal year shall
24 be retained in the fund and shall be made available for disbursement through the first
25 6 months of the next fiscal year to customers who:

26 1. qualify for assistance from the fund during the given
27 fiscal year;

28 2. apply for assistance from the fund before the end of
29 the given fiscal year; and

30 3. remain eligible for assistance at the time services are
31 provided.

32 (ii) If the Commission determines that an extension is needed,
33 the Commission may extend up to an additional 3 months the period in which

1 unexpended bill assistance and arrearage retirement funds may be made available for
2 disbursement under subparagraph (i) of this paragraph.

3 (iii) Any bill assistance and arrearage retirement funds collected
4 for a given fiscal year that are retained under subparagraph (i) of this paragraph and
5 that remain unexpended at the end of the period allowed under subparagraphs (i) and
6 (ii) of this paragraph shall be returned to each customer class in the proportion that
7 the customer class contributed charges to the fund for the given fiscal year in the form
8 of a credit toward the charge assessed in the following fiscal year.

9 (G) (1) IF A PARTY TO A MERGER OR ACQUISITION OF AN ELECTRIC
10 COMPANY OR AN AFFILIATE OF AN ELECTRIC COMPANY IS REQUIRED TO
11 DISTRIBUTE A CREDIT TO THE CUSTOMERS IN THE ELECTRIC COMPANY'S
12 SERVICE TERRITORY UNDER AN AGREEMENT WITH THE COMMISSION IN
13 CONNECTION WITH THE MERGER OR ACQUISITION, THE ~~PARTY OR THE~~
14 ~~ELECTRIC COMPANY MAY NOT PAY THE CREDIT DIRECTLY TO THE CUSTOMERS~~
15 ~~BUT SHALL DEPOSIT THE ENTIRE AMOUNT OF THE CREDIT IN THE ELECTRIC~~
16 ~~UNIVERSAL SERVICE PROGRAM FUND TO BE DISBURSED IN A MANNER~~
17 ~~APPROVED BY THE COMMISSION. COMMISSION SHALL CONSIDER THE~~
18 ADEQUACY OF THE CURRENT FUNDING OF THE ELECTRIC UNIVERSAL SERVICE
19 PROGRAM IN PROVIDING ASSISTANCE TO CUSTOMERS WHO QUALIFY UNDER
20 THIS SECTION.

21 (2) ~~THE ANY FUNDS DEPOSITED INTO THE ELECTRIC UNIVERSAL~~
22 ~~SERVICE PROGRAM FUND UNDER THIS SECTION AS A RESULT OF AN AGREEMENT~~
23 WITH THE COMMISSION IN CONNECTION WITH A MERGER OR ACQUISITION OF AN
24 ELECTRIC COMPANY OR AN AFFILIATE OF AN ELECTRIC COMPANY ARE IN
25 ADDITION TO, AND MAY NOT SUBSTITUTE FOR, FUNDS COLLECTED UNDER
26 SUBSECTION (E) OF THIS SECTION.

27 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~
28 ~~be construed to apply retroactively and shall be applied to and interpreted to affect the~~
29 ~~distribution of any credit required under an agreement with the Public Service~~
30 ~~Commission and a party to a merger or acquisition of an electric company or an~~
31 ~~affiliate of an electric company that occurs on or after January 1, 2011.~~

32 ~~SECTION 4. 2. AND BE IT FURTHER ENACTED, That this Act is an~~
33 ~~emergency measure, is necessary for the immediate preservation of the public health~~
34 ~~or safety, has been passed by a yea and nay vote supported by three fifths of all the~~
35 ~~members elected to each of the two Houses of the General Assembly, and shall take~~
36 ~~effect from the date it is enacted shall take effect June 1, 2012.~~