

HOUSE BILL 770

C5

EMERGENCY BILL

2lr0780

By: **Delegate Davis**

Introduced and read first time: February 9, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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

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 Commission, the party or electric company may not pay
10 the credit directly to the customers but shall deposit the amount of the credit in
11 the electric universal service program fund to be disbursed in a certain manner;
12 providing for the application of certain provisions of this Act; making this Act
13 an emergency measure; and generally relating to new electric generating
14 facilities and electric customer credits.

15 BY repealing and reenacting, with amendments,
16 Article – Public Utilities
17 Section 7–510(c)(6)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2011 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – Public Utilities
22 Section 7–512.1(e) and (f)
23 Annotated Code of Maryland
24 (2010 Replacement Volume and 2011 Supplement)

25 BY adding to
26 Article – Public Utilities
27 Section 7–512.1(g)
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2010 Replacement Volume and 2011 Supplement)

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

4 **Article – Public Utilities**

5 7–510.

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
12 read as follows:

13 **Article – Public Utilities**

14 7–512.1.

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

17 (1) \$27.4 million shall be collected from the industrial and commercial
18 classes; and

19 (2) \$9.6 million shall be collected from the residential class.

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

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

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

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

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

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

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

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

7 (6) (i) At the end of a given fiscal year, any unexpended bill
8 assistance and arrearage retirement funds that were collected for that fiscal year shall
9 be retained in the fund and shall be made available for disbursement through the first
10 6 months of the next fiscal year to customers who:

11 1. qualify for assistance from the fund during the given
12 fiscal year;

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

15 3. remain eligible for assistance at the time services are
16 provided.

17 (ii) If the Commission determines that an extension is needed,
18 the Commission may extend up to an additional 3 months the period in which
19 unexpended bill assistance and arrearage retirement funds may be made available for
20 disbursement under subparagraph (i) of this paragraph.

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

27 **(G) (1) IF A PARTY TO A MERGER OR ACQUISITION OF AN ELECTRIC**
28 **COMPANY OR AN AFFILIATE OF AN ELECTRIC COMPANY IS REQUIRED TO**
29 **DISTRIBUTE A CREDIT TO THE CUSTOMERS IN THE ELECTRIC COMPANY'S**
30 **SERVICE TERRITORY UNDER AN AGREEMENT WITH THE COMMISSION IN**
31 **CONNECTION WITH THE MERGER OR ACQUISITION, THE PARTY OR THE**
32 **ELECTRIC COMPANY MAY NOT PAY THE CREDIT DIRECTLY TO THE CUSTOMERS**
33 **BUT SHALL DEPOSIT THE ENTIRE AMOUNT OF THE CREDIT IN THE ELECTRIC**
34 **UNIVERSAL SERVICE PROGRAM FUND TO BE DISBURSED IN A MANNER**
35 **APPROVED BY THE COMMISSION.**

1 **(2) THE FUNDS DEPOSITED INTO THE ELECTRIC UNIVERSAL**
2 **SERVICE PROGRAM FUND UNDER THIS SECTION ARE IN ADDITION TO, AND MAY**
3 **NOT SUBSTITUTE FOR, FUNDS COLLECTED UNDER SUBSECTION (E) OF THIS**
4 **SECTION.**

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

10 SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency
11 measure, is necessary for the immediate preservation of the public health or safety,
12 has been passed by a yea and nay vote supported by three-fifths of all the members
13 elected to each of the two Houses of the General Assembly, and shall take effect from
14 the date it is enacted.