

**SB0027/730513/1**

BY: Environmental Matters Committee

AMENDMENTS TO SENATE BILL 27

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Program -” insert “Funding”; in line 6, after “year;” insert “extending the termination date of a certain surcharge on electrical energy distributed to retail electric customers in the State;”; in line 10, strike “3-302(a)(1)” and substitute “3-302(a) and (b)(1)”; in line 15, strike “3-302(d)” and substitute “3-302(b)(2) and (d)”; and after line 17, insert:

“BY repealing and reenacting, with amendments,

Article – Public Utilities

Section 7-203

Annotated Code of Maryland

(2010 Replacement Volume and 2012 Supplement)”.

AMENDMENT NO. 2

On page 2, after line 3, insert:

“(2) For the purpose of this subtitle, there is established as an added cost of electricity distributed to retail electric customers within the State, an environmental surcharge per kilowatt hour of electric energy distributed in the State to be paid by any electric company as defined in § 1–101 of the Public Utilities Article. The Public Service Commission shall impose the surcharge per kilowatt hour of electric energy distributed to retail electric customers within the State and shall authorize the electric companies to add the full amount of the surcharge to retail electric customers’ bills. To the extent that the surcharge is not collected from retail electric customers, the surcharge shall be deemed a cost of distribution and shall be allowed and computed as such, together with other allowable expenses, for rate-making purposes. Revenues from the surcharge shall be collected by the Comptroller and placed in the Fund.

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(b) (1) The Secretary, in consultation with the Director of the Maryland Energy Administration, annually shall coordinate the preparation of a budget required to carry out the provisions of this subtitle. Upon approval of the budget by the General Assembly, the Public Service Commission shall establish the amount of the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each subsequent fiscal year.

(2) Notwithstanding any other provisions of this subtitle, the amount of the surcharge for each account for each retail electric customer may not exceed the lesser of 0.15 mill per kilowatt hour or \$1,000 per month and the surcharge may not continue beyond fiscal year [2015] 2020.”.

AMENDMENT NO. 3

On page 2, after line 25, insert:

“Article – Public Utilities

7–203.

(a) (1) The Commission shall:

(i) impose an environmental surcharge per kilowatt hour of electricity distributed to retail electric customers within the State; and

(ii) authorize each electric company to add the full amount of the surcharge to its customers’ bills.

(2) To the extent that an electric company fails to collect the surcharge from its customers, the amount uncollected shall be deemed a cost of power distribution and allowed and computed as such together with other allowable expenses for purposes of rate making.

(b) (1) The Comptroller shall collect the revenue from the surcharge imposed under subsection (a) of this section and place the revenue into a special fund, the Environmental Trust Fund.

(2) The Comptroller shall maintain the method of collection of the surcharge from each electric company, and the money collected shall accrue to the Fund.

(c) (1) Each fiscal year, the Secretary of Natural Resources shall coordinate the preparation of the annual budget required to carry out the provisions of the Power Plant Research Program under Title 3, Subtitle 3 of the Natural Resources Article.

(2) Each fiscal year, on approval of the annual budget by the General Assembly for the Power Plant Research Program, the Commission shall establish the amount of the environmental surcharge per kilowatt hour of electric energy distributed in the State that is to be imposed on each electric company in accordance with subsection (a) of this section.

(d) (1) Notwithstanding any other provision of this subtitle, the amount of the surcharge for each account of each retail electric customer may not exceed the lesser of 0.15 mill per kilowatt hour or \$1,000 per month.

(2) The Department of Natural Resources shall credit against the amount the Commission requires each electric company to pay into the Environmental Trust Fund 0.75% of the total surcharge amount attributed to the electric company on the basis of the amount of the electricity distributed in the State.

(e) To the extent that the Commission requires an electric company to report the total estimated kilowatt hours of electricity distributed in the State in order to calculate the surcharge under subsection (a)(1) of this section, a small rural electric

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cooperative described in § 7-502(a) of this title may satisfy the requirement by submitting to the Commission an estimate made in accordance with a formula approved by the Commission from information that the small rural electric cooperative submits to the rural utilities service that includes the required information.

(f) The surcharge imposed under this subtitle shall terminate on June 30, [2015] 2020.”.