

HB1173/873792/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1173
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute “Small Business Energy Assistance Act”; in line 3, strike “establishing the” and substitute “authorizing the Public Service Commission to establish a Small Commercial”; in line 4, strike “requiring” and substitute “authorizing the Commission to require”; in line 7, strike “Public Service”; strike beginning with “requiring” in line 16 down through “funds;” in line 20; and in line 21, after “terms;” insert “providing for a delayed effective date;”.

AMENDMENT NO. 2

On page 2, after line 4, insert:

“(2) “ADVANCE” MEANS FUNDING PROVIDED BY NONUTILITY SOURCES INCLUDING AN ENERGY EFFICIENCY COST RECOVERY SURCHARGE TO SMALL COMMERCIAL CUSTOMERS TO OFFSET UP-FRONT, NET-REBATE COSTS OF ENERGY EFFICIENCY UPGRADES THAT WILL BE RECOVERED IN FULL BY THE UTILITY THROUGH THE METER CONSERVATION CHARGE FOR A PRESET NUMBER OF BILLING CYCLES AND REMITTED BY THE UTILITY TO THE NONUTILITY FUNDING SOURCE.”;

in line 5, strike “(2)” and substitute “(3)”; in the same line, strike “AN APPLIANCE” and substitute “EQUIPMENT”; in line 7, strike “(D)(1)(II)” and substitute “(E)(1)(I)”; after line 7, insert:

“(4) “LOAN” MEANS FUNDING PROVIDED BY A THIRD-PARTY LENDER TO A SMALL COMMERCIAL CUSTOMER FOR AN ENERGY EFFICIENCY UPGRADE THAT WILL BE RECOVERED THROUGH A METER CONSERVATION

(Over)

CHARGE AND REMITTED BY THE UTILITY COMPANY TO THE THIRD-PARTY LENDER.”;

in lines 8, 12, 14, 18, and 27, strike “(3)”, “(4)”, “(5)”, “(C)”, and “(E)”, respectively, and substitute “(5)”, “(6)”, “(8) (I)”, “(D)”, and “(F)”, respectively; in lines 12 and 13, strike “ENERGY EFFICIENCY ON-BILL FINANCING PROGRAM” and substitute “SMALL COMMERCIAL ENERGY EFFICIENCY ON-BILL FINANCING PROGRAM AS ESTABLISHED BY THE COMMISSION UNDER THIS SECTION”; after line 13, insert:

“(7) “SMALL COMMERCIAL CUSTOMER” OR “CUSTOMER” MEANS:

(I) A NONRESIDENTIAL ELECTRIC COMPANY CUSTOMER WITH A MONTHLY DEMAND OF LESS THAN 60 KILOWATTS; OR

(II) A NATURAL GAS COMPANY CUSTOMER AS THE COMMISSION DETERMINES FOR EACH UTILITY COMPANY, WHICH THE COMMISSION MAY BASE ON THE RELEVANT TARIFFS OF THE UTILITY COMPANY.”;

in line 15, after “COMPANY” insert “THAT THE COMMISSION AUTHORIZES TO OFFER AN ENERGY EFFICIENCY PROGRAM FUNDED BY AN ENERGY EFFICIENCY COST RECOVERY SURCHARGE”; after line 15, insert:

“(II) “UTILITY COMPANY” DOES NOT INCLUDE AN ELECTRIC COOPERATIVE.”;

strike in their entirety lines 16 and 17 and substitute:

“(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:

(1) THE SMALL COMMERCIAL ENERGY EFFICIENCY ON-BILL FINANCING PROGRAM PROMOTE ACCESS TO AFFORDABLE FINANCING FOR SMALL COMMERCIAL CUSTOMERS FOR ENERGY EFFICIENCY UPGRADES;

(2) THE COMMISSION IMPLEMENT THE PROGRAM TO ENSURE THAT IT PROMOTES ACCESS TO AFFORDABLE FINANCING FOR SMALL COMMERCIAL CUSTOMERS FOR ENERGY EFFICIENCY UPGRADES; AND

(3) IN ADOPTING THE PROGRAM AND IN APPROVING THE PARTICIPATION OF A UTILITY COMPANY IN THE PROGRAM, THE COMMISSION SHALL ENSURE THAT THE CAPITAL OF THE UTILITY COMPANY IS NOT USED TO FINANCE AN ADVANCE MADE AVAILABLE TO CUSTOMERS OR TO SUPPORT LOANS OFFERED BY THIRD-PARTY LENDERS UNDER THIS SECTION.

(C) THE COMMISSION MAY ESTABLISH THE SMALL COMMERCIAL ENERGY EFFICIENCY ON-BILL FINANCING PROGRAM UNDER THIS SECTION.”;

in line 18, strike “IS” and substitute “SHALL BE”; in the same line, strike “UTILITY” and substitute “SMALL COMMERCIAL”; strike beginning with “IMPROVEMENTS” in line 19 down through “PROPERTIES” in line 20 and substitute “UPGRADES”; in line 20, strike “LOW- OR NO-INTEREST LOANS” and substitute “ADVANCES”; in the same line, strike “DIRECTLY”; in line 21, after “OR” insert “LOANS REPAID TO”; in the same line, after “THE” insert “SMALL COMMERCIAL”; in line 22, strike “BY MEANS OF” and substitute “THROUGH”; in line 23, strike “(I)”; in the same line, strike “A” and substitute “THE COMMISSION MAY DIRECT A”; in the same line, strike “SHALL” and substitute “TO”; strike beginning with “EXTENDING” in line 24 down through “TO A” in line 25 and substitute “MAKING AVAILABLE”;

(I) ADVANCES TO SMALL COMMERCIAL CUSTOMERS FOR ENERGY EFFICIENCY UPGRADES; OR

(Over)

(II) LOANS BY ARRANGEMENT WITH A THIRD-PARTY LENDER THAT WILL EXTEND LOANS TO;

in lines 25 and 30, in each instance, strike “QUALIFYING” and substitute “SMALL”; in line 25, strike “CUSTOMER” and substitute “CUSTOMERS”; in the same line, strike “AN”; in line 26, strike “UPGRADE” and substitute “UPGRADES”; after line 26, insert:

“(3) THE COMMISSION SHALL CONSIDER THE COST IMPACT ON RATEPAYERS AND THE IMPLEMENTATION CHALLENGES OF AN INDIVIDUAL UTILITY WHEN DECIDING WHETHER AND HOW A UTILITY COMPANY MAY PARTICIPATE IN THE PROGRAM.”;

in line 27, strike “(II)” and substitute “(4)”; in line 28, after “COMPANY” insert “THAT PARTICIPATES IN THE PROGRAM”; in line 31, strike “PAID” and substitute “REPAID”; and in the same line, after “BILL” insert “THROUGH A METER CONSERVATION CHARGE”.

On page 3, in lines 1, 7, 11, 14, and 27, strike “(D)”, “(2)”, “(3)”, “(E)”, and “(D)”, respectively, and substitute “(E)”, “(3)”, “(4)”, “(F)”, and “(E)”, respectively; in line 1, after “A” insert “SMALL”; in line 2, after “UPGRADE” insert “UNDER THE PROGRAM”; in line 4, strike “FURTHERS” and substitute “IS WITHIN”; in the same line, strike “PURPOSE” and substitute “SCOPE”; in the same line, after “PROGRAM” insert “AS APPROVED BY THE COMMISSION FOR THE UTILITY COMPANY”; in line 5, after “THE” insert “SMALL COMMERCIAL”; in line 6, strike “SPECIFIED BY THE UTILITY COMPANY AND”; after line 6, insert:

“(2) (1) A SMALL COMMERCIAL CUSTOMER MAY OBTAIN AN ADVANCE FOR AN ENERGY EFFICIENCY UPGRADE IF THE COMMISSION DETERMINES THAT THE TYPE OF UPGRADE IS WITHIN THE SCOPE OF THE

ENERGY EFFICIENCY PROGRAM PREVIOUSLY APPROVED BY THE COMMISSION FOR THE UTILITY COMPANY.

(II) A UTILITY COMPANY MAY NOT BE REQUIRED TO SCREEN FOR CREDIT-RELATED ELIGIBILITY FOR ADVANCES MADE AVAILABLE TO SMALL COMMERCIAL CUSTOMERS.”;

in line 11, strike “A LOAN FOR AN” and substitute “AN”; in line 18, after “SHALL” insert “REQUIRE THAT A CONFORMING BID”; in the same line, after “THE” insert “THIRD-PARTY LENDER’S”; in the same line, strike “RATE” and substitute “RATES”; in line 19, strike “SHALL” and substitute “MAY”; in line 22, strike “UTILITY COMPANY” and substitute “THIRD-PARTY LENDER”; in the same line, strike “ENTERS INTO” and substitute “IS AWARDED”; in line 23, strike “SECTION” and substitute “SUBSECTION”; in lines 22 and 23, strike “WITH A THIRD-PARTY LENDER”; strike beginning with “CONSULT” in line 23 down through “PROGRAM” in line 25 and substitute “BE REQUIRED TO ACCEPT THE UTILITY COMPANY’S PAYMENT POSTING PRIORITY IN ACCORDANCE WITH THE RELEVANT TARIFFS, OR AS DEFINED IN THE UTILITY COMPANY’S CONTRACT WITH A THIRD-PARTY LENDER, FOR ALL METER CONSERVATION CHARGE PAYMENTS MADE BY A SMALL COMMERCIAL CUSTOMER WITH RESPECT TO THE CUMULATIVE CHARGES THAT APPEAR ON EACH UTILITY COMPANY BILL TO THE CUSTOMER”; in line 26, strike “FROM A THIRD-PARTY LENDER”; in line 28, after “(4)” insert “(I)”; in the same line, strike “THE” and substitute “SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH AND THE UTILITY COMPANY’S PAYMENT POSTING PRIORITY AS DEFINED IN THE UTILITY COMPANY’S CONTRACT WITH THE THIRD-PARTY LENDER, DURING THE TERM OF THE LOAN, THE”; in the same line, strike “PAYMENT” and substitute “FINANCING COST COMPONENT”; and strike beginning with “EACH” in line 29 down through “CUSTOMER” in line 30 and substitute “WITHIN THE TIME PERIOD AGREED TO BY THE UTILITY COMPANY AND THE THIRD-PARTY LENDER.”

(Over)

(II) A UTILITY COMPANY MAY NOT BE OBLIGED UNDER ANY CIRCUMSTANCES TO REMIT PAYMENT TO A THIRD-PARTY LENDER IF THE SMALL BUSINESS CUSTOMER HAS A BALANCE DUE TO THE UTILITY COMPANY OR ITS AGENT.

(5) A UTILITY COMPANY MAY TERMINATE SERVICE TO A SMALL COMMERCIAL CUSTOMER FOR NONPAYMENT OF THE METER CONSERVATION CHARGE".

On page 4, strike in their entirety lines 1 through 6, inclusive; in line 7, strike "THE" and substitute "IN ESTABLISHING THE PROGRAM, THE"; in lines 7 and 8, strike "TO IMPLEMENT THE PROGRAM"; in line 11, strike "A CUSTOMER" and substitute "SMALL COMMERCIAL CUSTOMERS, INCLUDING GUIDELINES FOR NOTIFYING SMALL COMMERCIAL CUSTOMERS THAT ARE DETERMINED TO BE INELIGIBLE FOR AN ADVANCE OR A LOAN;

(3) REASONABLE LIMITS FOR ADVANCES AND LOANS;

(4) AUTHORITY FOR THE UTILITY TO TERMINATE SERVICE FOR NONPAYMENT OF THE METER CONSERVATION CHARGE;

(5) THE AUTHORITY OF A UTILITY COMPANY TO RECOVER THROUGH AN ENERGY EFFICIENCY COST RECOVERY SURCHARGE;

(I) THE INCREMENTAL COSTS OF IMPLEMENTING AND OPERATING THE PROGRAM, INCLUDING CHANGES TO THE BILLING SYSTEM TO PERFORM THE BILLING FUNCTIONS REQUIRED UNDER THE PROGRAM; AND

(II) FOR A UTILITY COMPANY THAT HAS NOT IMPLEMENTED RATE DECOUPLING FOR SERVICE TO SMALL COMMERCIAL CUSTOMERS, LOST REVENUES ARISING FROM ENERGY CONSUMPTION REDUCTIONS ACHIEVED UNDER THE PROGRAM, SUBJECT TO THE AUTHORITY OF THE COMMISSION TO ADJUST RELATED RETURNS ON EQUITY OUTSIDE A RATE PROCEEDING UNDER TITLE 4, SUBTITLE 2 OF THIS ARTICLE”;

in lines 12 and 14, strike “(3)” and “(4)”, respectively, and substitute “(6)” and “(7)”, respectively; in line 13, strike “EXTEND AN INTEREST-FREE LOAN” and substitute “MAKE ADVANCES AVAILABLE”; in line 14, after “THE” insert “RANGE OF”; in the same line, strike “RATE” and substitute “RATES AND TERMS”; in the same line, strike “UTILITY COMPANY” and substitute “THIRD-PARTY LENDER”; in the same line, strike “CHARGE” and substitute “IMPOSE”; in line 15, strike “LOW-INTEREST”; in the same line, after “LOAN” insert “, SUBJECT TO APPLICABLE LAWS”; in line 17, strike “October” and substitute “January”; and in the same line, strike “2013” and substitute “2014”.