

HOUSE BILL 1105

C5

9lr0988

By: **Delegates Miller, Arentz, Howard, and Mautz**

Introduced and read first time: February 8, 2019

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 11, 2019

CHAPTER _____

1 AN ACT concerning

2 **Investor-Owned Electric Companies – Acquisition of Substantial Influence –**
3 **Prohibition**

4 FOR the purpose of prohibiting certain acquisitions of influence over an investor-owned
5 electric company if a person would become an affiliate of each investor-owned
6 electric company in the State as a result of the acquisition; defining certain terms;
7 and generally relating to acquisitions and investor-owned electric companies.

8 BY adding to

9 Article – Public Utilities

10 Section 6–106

11 Annotated Code of Maryland

12 (2010 Replacement Volume and 2018 Supplement)

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

15 **Article – Public Utilities**

16 **6–106.**

17 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
18 **INDICATED.**

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.



1 **(2) “AFFILIATE” HAS THE MEANING STATED IN § 7-501 OF THIS**
2 **ARTICLE.**

3 **(3) “INVESTOR-OWNED ELECTRIC COMPANY” MEANS AN ELECTRIC**
4 **COMPANY THAT IS NOT A MUNICIPAL ELECTRIC UTILITY OR AN ELECTRIC**
5 **COOPERATIVE.**

6 **(B) FOR PURPOSES OF THIS SECTION, A PERSON IS CONSIDERED TO HAVE**
7 **ACQUIRED, DIRECTLY OR INDIRECTLY, THE POWER TO EXERCISE SUBSTANTIAL**
8 **INFLUENCE OVER THE POLICIES OR ACTIONS OF AN INVESTOR-OWNED ELECTRIC**
9 **COMPANY IF THE PERSON:**

10 **(1) AFTER ANY ACQUISITION OF VOTING INTERESTS, DIRECTLY OR**
11 **INDIRECTLY OWNS, CONTROLS, OR HAS THE RIGHT TO VOTE, OR DIRECT THE VOTING**
12 **OF, AT LEAST 20% OF THE VOTING INTERESTS OF THE INVESTOR-OWNED ELECTRIC**
13 **COMPANY OR AN ENTITY THAT OWNS OR CONTROLS THE INVESTOR-OWNED**
14 **ELECTRIC COMPANY;**

15 **(2) HAS THE RIGHT TO DESIGNATE AT LEAST 20% OF THE BOARD OF**
16 **DIRECTORS OR OTHER GOVERNING BODY OF THE INVESTOR-OWNED ELECTRIC**
17 **COMPANY OR AN ENTITY THAT OWNS OR CONTROLS THE INVESTOR-OWNED**
18 **ELECTRIC COMPANY; OR**

19 **(3) IS FOUND BY THE COMMISSION, DIRECTLY OR INDIRECTLY, OR**
20 **THROUGH ONE OR MORE INTERMEDIARIES, TO HAVE SUBSTANTIAL INFLUENCE**
21 **OVER THE POLICIES OR ACTIONS OF AN INVESTOR-OWNED ELECTRIC COMPANY.**

22 **(C) A PERSON MAY NOT ACQUIRE, DIRECTLY OR INDIRECTLY, THE POWER**
23 **TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE POLICIES OR ACTIONS OF AN**
24 **INVESTOR-OWNED ELECTRIC COMPANY IF THE PERSON WOULD BECOME AN**
25 **AFFILIATE OF EACH INVESTOR-OWNED ELECTRIC COMPANY IN THE STATE AS A**
26 **RESULT OF THE ACQUISITION.**

27 **(D) THE COMMISSION MAY ADOPT REGULATIONS TO IMPLEMENT THIS**
28 **SECTION.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
30 1, 2019.