

Chapter 721

(House Bill 1105)

AN ACT concerning

Investor-Owned Electric Companies – Acquisition of Substantial Influence – Prohibition

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

BY adding to

Article – Public Utilities

Section 6–106

Annotated Code of Maryland

(2010 Replacement Volume and 2018 Supplement)

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

Article – Public Utilities

6–106.

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

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

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

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

(1) AFTER ANY ACQUISITION OF VOTING INTERESTS, DIRECTLY OR INDIRECTLY OWNS, CONTROLS, OR HAS THE RIGHT TO VOTE, OR DIRECT THE VOTING OF, AT LEAST 20% OF THE VOTING INTERESTS OF THE INVESTOR-OWNED ELECTRIC

COMPANY OR AN ENTITY THAT OWNS OR CONTROLS THE INVESTOR-OWNED ELECTRIC COMPANY;

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

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

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

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.