HOUSE BILL 1327

By: Delegate Dumais
Introduced and read first time: February 8, 2021
Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Public Utilities — Transitional and Default Electric Service — Implementation

FOR the purpose of requiring the Public Service Commission, by regulation or order, to require that customers are provided access to certain charges for electricity service; requiring the Commission to determine the terms and conditions of transitional electric service and default service; requiring the Commission, by regulation or order, to require a licensee to post a bond or other similar instrument with the Commission at a level equal to a certain percentage of the electricity supplier's reported Maryland gross receipts if necessary to ensure an electricity supplier's financial integrity; authorizing the Commission to adopt regulations or issue orders to require periodic electricity supplier license renewal, adopt a consumer bill of rights with certain minimum requirements, and publish an annual electricity supplier report card; prohibiting an electricity supplier from engaging in door-to-door sales; requiring an electric company, on and after a certain date, to provide standard offer service to residential and small commercial customers at a market price that permits recovery of certain costs plus a reasonable return; requiring an electric company to cease providing standard offer service on a certain date; authorizing an electric cooperative to provide standard offer service on and after a certain date with Commission approval; requiring the Commission to report to the Governor and the General Assembly on the status of default service on and after a certain date and every certain number of years thereafter; requiring the Commission to determine the terms and conditions of transitional electric service and default service; requiring the customer choice education section of the Commission's website to include a description of the current price of transitional electric service; requiring the customer choice shopping website to include a certain list; requiring the Commission to administer the transition to default service through a competitive assignment process beginning with electric service rendered on a certain date and thereafter; requiring the Commission, on or before a certain date, to adopt rules or regulations to develop standards for the competitive assignment process; requiring the Commission to conduct a competitive assignment process by a certain date; requiring the Commission to establish an application process and collect an application fee for.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.
applicants seeking to be qualified participants in the competitive assignment process; authorizing the Commission to retain an independent entity to assist in the assignment process; requiring the Commission to ensure that an electricity supplier applying to be a qualified participant in the competitive assignment process meets certain qualifications and performs certain actions; requiring a certain fee to be deposited into the Clean Energy Fund; requiring a qualified participant to meet certain requirements as part of its proposal to participate in the competitive assignment process; requiring each electric company, beginning on a certain date, to provide certain notices to its existing standard offer service customers containing certain information; requiring the Commission to divide classes of customers from each electric company into competitive assignment groups; providing for the structure of the competitive assignment process; providing for certain limitations on the number of competitive assignment groups that a qualified participant can receive in each electric company service territory; authorizing the Commission to waive the limitations under certain circumstances; requiring the Commission to select the qualified participants from each electric company service territory on the basis of a single-day auction; providing for the clearing price in the single-day auction; requiring certain similar customers to receive a single clearing process following the competitive assignment process; authorizing the Commission to waive or modify the limitations in the competitive assignment process if necessary; requiring the Commission to conduct the competitive assignment process in time to allow customers to be assigned to qualified participants beginning on a certain date; requiring electricity suppliers who are selected to furnish transitional electric service to customers through the competitive assignment process to be responsible for certain duties beginning on a certain date; providing that certain customers establishing service at a new location may authorize a supplier to act on the customer’s behalf to establish an account and utility service; requiring the Commission to conduct a process to select electricity suppliers to serve as default service suppliers following the competitive assignment process; requiring certain residential and commercial customers to elect an electricity supplier; requiring an electricity supplier furnishing certain services to issue customers a monthly supplier consolidated bill; requiring electricity suppliers providing transitional or default electric service to offer at least one low-income customer assistance program; requiring electric generation suppliers providing default service, on or before a certain date each year beginning in a certain year, to submit an annual report to the Commission on the supplier’s low-income customer assistance program; requiring electric companies to recover reasonable and prudent costs, including administrative costs, from distribution customers through a reconcilable adjustment clause; prohibiting the Commission from approving a wholesale procurement contract for standard offer service that extends service beyond a certain date; providing that an electric company that the Commission determines has successfully implemented default service has the right to an enhanced rate of return on common equity; requiring the Commission to establish a consumer education program related to implementing transitional and default electric service; requiring the Commission to adopt regulations to implement this Act; requiring the Commission, in consultation with the Maryland Energy Administration, to alter the qualifying clean energy generation percentages under certain circumstances; establishing the Customer...
Choice Clean Energy Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Commission to administer the Fund; requiring the Commission to make certain determinations related to the Fund; authorizing the Commission to assign responsibilities associated with administering the Fund to the Maryland Energy Administration under certain circumstances; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; prohibiting an electricity supplier from engaging in consolidated billing unless the supplier is licensed by the Commission; authorizing an electricity supplier using supplier consolidated billing to direct an electric company to disconnect service to a retail customer for nonpayment under certain circumstances; making conforming changes; defining certain terms; making the provisions of this Act severable; and generally relating to implementing transitional and default electric service.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–501, 7–505, 7–507, 7–510, 7–510.1, 7–510.2, and 7–511
Annotated Code of Maryland
(2020 Replacement Volume and 2020 Supplement)

BY adding to
Article – Public Utilities
Section 7–510.3, 7–510.4, and 7–510.5
Annotated Code of Maryland
(2020 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)122. and 123.
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)124.
Annotated Code of Maryland
(2015 Replacement Volume and 2020 Supplement)
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Public Utilities

7–501.

(a) In this subtitle the following words have the meanings indicated.

(b) “Affiliate” means a person that directly or indirectly, or through one or more
intermediaries, controls, is controlled by, or is under common control with, or has, directly
or indirectly, any economic interest in another person.

(c) (1) “Assignee” means a person to whom an electric company assigns or
transfers all or a portion of its interest in intangible transition property, other than as
security.

(2) “Assignee” includes a person to whom all or a portion of the interest is
subsequently assigned or transferred.

(D) “Clean energy generation” means electric generation
supplied by an electricity supplier where the supplier has procured, at
maximum, renewable energy credits that satisfy the renewable energy
portfolio standards under § 7–703 of this article for at least 43% total
renewable energy and 13% solar generation.

(E) “Competitive assignment process” means a system established
by the Commission for qualified providers to submit proposals to
furnish transitional electric service to customers under § 7–510.3 of
this subtitle.

(F) “Competitive billing” means the right of a customer to
receive:

(1) a single bill from an electric company or electricity
supplier that includes the charges from the electric company and
electricity supplier; or

(2) separate bills from an electric company and an
electricity supplier.

(d) (G) “Competitive transition charge” means a rate, charge, credit, or other
appropriate mechanism authorized to be imposed for the recovery of transition costs as
determined by the Commission under § 7–513 of this subtitle.
“Consumer” and “customer” each means a retail electric customer.

“Customer choice” means the right of electricity suppliers and customers to utilize and interconnect with the electric distribution system on a nondiscriminatory basis at rates, terms, and conditions of service comparable to the electric company’s own use of the system to distribute electricity from an electricity supplier to a customer, under which a customer has the opportunity to purchase electricity from the customer’s choice of licensed electricity suppliers.

“Customer Choice Clean Energy Fund” or “Clean Energy Fund” means a fund created and administered by the Commission to support and assist in the deployment of distributed energy generation resources for low-income and moderate-income residential and small commercial customers.

“Default service” means electric service that an electricity supplier other than an electric company may offer to customers under § 7–510.3 of this subtitle.

“Distribution territory” means the geographic area in which an electric company was providing electric transmission or distribution services to customers on July 1, 1999.

“Door–to–door sale” means the sale of electricity and related products and services under single or multiple contracts, in which:

(1) The electricity supplier or its representative personally solicits the sale at the buyer’s residence; and

(2) There is no preexisting relationship between the electricity supplier and the buyer.

“Independent system operator” means an entity authorized by the Federal Energy Regulatory Commission to control a regional transmission grid.

“Initial implementation date” means:

(1) July 1, 2000, for investor–owned electric companies;

(2) the date or dates determined by the Commission for Electric Cooperatives and Municipal Electric Utilities; or

(3) another date or dates determined by the Commission under § 7–510(b)
“Intangible transition charge” means a nonbypassable rate, charge, or similar appropriate mechanism for the provision, availability, or termination of electric service, authorized to be imposed for the recovery of qualified transition costs under a qualified rate order of the Commission.

“Intangible transition property” means the right, title, and interest of an electric company or assignee in a qualified rate order, including:

(1) all rights in, to, and under the order, including rights to revenues, collections, claims, payments, money, or other property and amounts arising from the imposition of intangible transition charges under the order; and

(2) in the hands of an assignee:

(i) the right to require the electric company to provide electric services, and to collect and remit the intangible transition charges authorized in the qualified rate order; but

(ii) not the right or duty to provide electric services.

“Public purpose program” means a program implemented with the intention of furthering a public purpose.

“Public purpose program” includes:

(i) a universal service program;

(ii) a program encouraging renewable energy resources;

(iii) a demand side management or other energy efficiency or conservation program; and

(iv) a consumer education program.

“QUALIFIED PROVIDER” means an electricity supplier approved by the Commission to submit proposals to serve transitional electric service customers as part of the competitive assignment process under § 7–510.3 of this subtitle.

“QUALIFIED PROVIDER” does not include an aggregator or a broker that is licensed as an electricity supplier.

“Qualified rate order” means an order of the Commission approving one or more intangible transition charges.
(U) “SMALL COMMERCIAL CUSTOMER” MEANS:

(1) A NONRESIDENTIAL CUSTOMER WITH METERED 30–MINUTE DEMAND NOT EXCEEDING 25 KILOWATTS PER MONTH; OR

(2) IF THE CUSTOMER DOES NOT HAVE A METER CAPABLE OF PROVIDING THE INFORMATION NEEDED TO DETERMINE 30–MINUTE DEMAND, A NONRESIDENTIAL CUSTOMER WITH ENERGY CONSUMPTION LESS THAN 6,000 KILOWATT–HOURS IN ANY TWO CONSECUTIVE WINTER BILLING MONTHS AND LESS THAN 7,500 KILOWATT–HOURS FOR A SINGLE SUMMER BILLING MONTH.

[(n)] (V) “Standard offer service” means electric service that an electric company must offer to its customers under § 7–510(c) of this subtitle.

(W) “SUPPLIER CONSOLIDATED BILLING” MEANS A FORM OF COMPETITIVE BILLING SERVICE IN WHICH AN ELECTRICITY SUPPLIER LICENSED BY THE COMMISSION PROVIDES A SINGLE BILL TO A RETAIL CUSTOMER THAT INCLUDES THE CHARGES FROM AN ELECTRIC COMPANY AND AN ELECTRICITY SUPPLIER.

[(o)] (X) “Transition bond” means a bond, debenture, note, certificate of participation or beneficial interest, or other evidence of indebtedness or ownership, approved in a qualified rate order and issued under an executed trust indenture or other agreement of an electric company or assignee, and which is secured by, evidences ownership interest in, or is payable from intangible transition property.

[(p)] (Y) “Transition cost” means a cost, liability, or investment that:

(1) traditionally would have been or would be recoverable under rate–of–return regulation, but which may not be recoverable in a restructured electricity supply market; or

(2) arises as a result of electric industry restructuring and is related to the creation of customer choice.

(Z) “TRANSITIONAL ELECTRIC SERVICE” MEANS CLEAN ENERGY GENERATION ELECTRIC SERVICE THAT AN ELECTRICITY SUPPLIER OTHER THAN AN ELECTRIC COMPANY MAY OFFER TO CUSTOMERS UNDER § 7–510.3 OF THIS SUBTITLE DURING THE TRANSITION FROM STANDARD OFFER SERVICE TO DEFAULT SERVICE.

[(q)] (AA) (1) “Universal service program” means a program that helps low–income customers maintain electric service.

(2) “Universal service program” includes customer bill assistance and
payment programs, termination of service protection, and policies and services that help low–income customers to reduce or manage energy consumption in a cost–effective manner.

(a) (1) In assessing and approving each electric company’s restructuring plan, and overseeing the transition process and regulation of the restructured electric industry, the Commission shall provide that the transition to a competitive electricity supply and electricity supply services market shall be orderly, maintain electric system reliability, and ensure compliance with federal and State environmental regulations, be fair to customers, electric company investors, customers of municipal electric utilities, electric companies, and electricity suppliers, and provide economic benefits to all customer classes.

(2) The Commission shall consider the restructuring plans of municipal electric utilities, as specified under § 7–510 of this subtitle.

(b) (1) The Commission shall issue the orders or adopt the regulations required under this subsection before the implementation of customer choice.

(2) The Commission shall order a universal service program, to be made available on a statewide basis, to benefit low–income customers, in accordance with § 7–512.1 of this subtitle.

(3) The Commission shall order an electric company to adopt policies and practices reasonably designed to prevent:

(i) discrimination against a person, locality, or particular class of service or giving undue or unreasonable preference in favor of the electric company’s own electricity supply, other services, divisions, or affiliates, if any; and

(ii) any other forms of self–dealing or practices that could result in noncompetitive electricity prices to customers.

(4) (i) The Commission shall, by regulation or order, require each electric company and electricity supplier to provide adequate and accurate information to each customer on the available electric services of the electric company or electricity supplier, including disclosure, every 6 months, of a uniform common set of information about:

1. the fuel mix of the electricity purchased by customers, including categories of electricity from coal, natural gas, nuclear, oil, hydroelectric, solar, biomass, wind, and other resources, or disclosure of a regional fuel mix average; and

2. the emissions, on a pound per megawatt–hour basis, of pollutants identified by the Commission, or disclosure of a regional fuel mix average.

(ii) The Commission may require an electric company or an
electricity supplier to provide documentation supporting the disclosures required under
subparagraph (i) of this paragraph.

(5) (i) The Commission shall, by regulation or order, require the
unbundling of electric company rates, charges, and services into standardized categories
determined by the Commission.

(ii) The Commission shall, by regulation or order, require that
customers’ bills] CUSTOMERS ARE PROVIDED ACCESS TO THE FOLLOWING CHARGES
for electricity service [indicate charges for]:

1. distribution and transmission;
2. transition charge or credit;
3. universal service program charges;
4. customer charges;
5. taxes; and
6. other charges identified by the Commission.

(6) The Commission shall issue orders or regulations to prevent an electric
company and an electricity supplier from disclosing a retail electric customer’s billing,
payment, and credit information without the retail electric customer’s consent, except as
allowed by the Commission for bill collection or credit rating reporting purposes.

(7) An electricity supplier may not engage in marketing, advertising, or
trade practices that are unfair, false, misleading, or deceptive.

(8) The Commission shall determine the terms, conditions, and rates of
standard offer service in accordance with[:

(i) Title 4 of this article; or
(ii) as applicable,] § 7–510(c)(4) of this subtitle.

(9) THE COMMISSION SHALL DETERMINE THE TERMS AND
CONDITIONS OF TRANSITIONAL ELECTRIC SERVICE IN ACCORDANCE WITH § 7–510.3
OF THIS SUBTITLE.

(10) THE COMMISSION SHALL DETERMINE THE TERMS AND
CONDITIONS OF DEFAULT SERVICE IN ACCORDANCE WITH § 7–510.3 OF THIS
SUBTITLE.
In connection with § 7–513 of this subtitle, the Commission may not require an electric company to divest itself of a generation asset or prohibit an electric company from divesting itself voluntarily of a generation asset.

On or before July 1, 2000, the Commission shall issue orders or adopt regulations reasonably designed to ensure the creation of competitive electricity supply and electricity supply services markets, with appropriate customer safeguards.

On or before July 1, 2000, the Commission shall require:

1. an appropriate code of conduct between the electric company and an affiliate providing electricity supply and electricity supply services in the State;

2. access by electricity suppliers and customers to the electric company’s transmission and distribution system on a nondiscriminatory basis;

3. appropriate complaint and enforcement procedures; and

4. any other safeguards deemed necessary by the Commission to ensure the creation and maintenance of a competitive electricity supply and electricity supply services market.

On or before July 1, 2000, the Commission shall require, among other factors, functional, operational, structural, or legal separation between the electric company’s regulated businesses and its nonregulated businesses or nonregulated affiliates.

Nothing in this title may be construed as preventing the application of State and federal consumer protection and antitrust laws to electric companies and their affiliates, and to electricity suppliers.

The Commission, in consultation with the Department of the Environment, shall adopt appropriate measures to maintain environmental standards, adapt existing programs, and develop new programs as appropriate to ensure compliance with federal and State environmental protection standards.

An electric company shall comply with all requirements of the Commission in conducting regulated operations in compliance with this division.

The Commission shall require each electric company to adopt a code of conduct to be approved by the Commission by a date to be determined by the Commission to prevent regulated service customers from subsidizing the services of unregulated businesses or affiliates of the electric company.

Notwithstanding any other provision of law, including subsection (d) of this section, the Commission may regulate the regulated services of an electric company
through alternative forms of regulation.

(2) The Commission may adopt an alternative form of regulation under this section if the Commission finds, after notice and hearing, that the alternative form of regulation:

(i) protects consumers;

(ii) ensures the quality, availability, and reliability of regulated electric services; and

(iii) is in the interest of the public, including shareholders of the electric company.

(3) Alternative forms of regulation may include:

(i) price regulation, including price freezes or caps;

(ii) revenue regulation;

(iii) ranges of authorized return;

(iv) rate of return;

(v) categories of services; or

(vi) price-indexing.

(d) (1) The Commission shall cap, for 4 years after initial implementation of customer choice in the electric company’s distribution territory, the total of the rates of an electric company charged to a retail electric customer at the actual level of the rates in effect or authorized by the Commission on the date immediately preceding the initial implementation of customer choice in the electric company’s distribution territory.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, the cap required under paragraph (1) of this subsection does not apply to the recovery of costs added after January 1, 2000, in accordance with § 7–512(c) of this subtitle.

(ii) The cap required under paragraph (1) of this subsection applies to the recovery of:

1. any transition costs under § 7–513 of this subtitle;

2. any costs included in rates on January 1, 2000, in accordance with § 7–512(c) of this subtitle; and

3. costs for the universal service program established under
§ 7–512.1 of this subtitle.

(3) As part of a settlement, the Commission may approve a cap for a different time period or an alternative price protection plan that the Commission determines is equally protective of ratepayers.

(4) (i) 1. Subject to the provisions of paragraph (5) of this subsection, the Commission shall reduce residential rates for each investor–owned electric company by an amount between 3% and 7.5% of base rates, as measured on June 30, 1999.

2. The reduction required under subsubparagraph 1 of this subparagraph shall begin on the initial implementation date and remain in effect for 4 years.

3. The Commission shall determine the allocation of the rate reduction among the generation, transmission, and distribution residential rate components.

(ii) In achieving the rate reduction required under subparagraph (i) of this paragraph, the Commission shall consider:

1. the expiration of any surcharge;

2. changes in the electric company’s tax liability;

3. cost of service determinations ordered by the Commission;

4. net transition costs or benefits;

5. the effect on the competitive electricity supply market;

6. whether the rate reduction and rate cap will unduly impair the electric company’s financial condition;

7. the costs associated with the universal service program;

and

8. the interests of the public, including shareholders of the electric company.

(iii) The Commission may, within the parameters provided in subparagraph (i) of this paragraph, increase or decrease the actual rate reduction required.

(iv) The Commission may allow the recovery of any extraordinary costs based on the circumstances of an individual electric company if the Commission determines that the action is necessary and in the public interest.
(v) In determining the rate reduction required under subparagraph (i) of this paragraph, the Commission may not increase rates for nonresidential customers.

(5) The requirements of paragraph (4) of this subsection do not apply to an electric company if the Commission approves or has in effect a settlement that the Commission determines is equally protective of ratepayers.

7–507.

(a) A person, other than an electric company providing standard offer service under § 7–510(c) of this subtitle or a municipal electric utility serving customers solely in its distribution territory, may not engage in the business of an electricity supplier in the State unless the person holds a license issued by the Commission.

(b) An application for an electricity supplier license shall:

(1) be made to the Commission in writing on a form adopted by the Commission;

(2) be verified by oath or affirmation; and

(3) contain information that the Commission requires, including:

(i) proof of technical and managerial competence;

(ii) proof of compliance with all applicable requirements of the Federal Energy Regulatory Commission, and any independent system operator or regional or system transmission operator to be used by the licensee;

(iii) a certification of compliance with applicable federal and State environmental laws and regulations that relate to the generation of electricity; and

(iv) payment of the applicable licensing fee.

(c) The Commission shall, by regulation or order:

(1) require proof of financial integrity;

(2) require a licensee to post a bond or other similar instrument WITH THE COMMISSION AT A LEVEL EQUAL TO 5% OF THE ELECTRICITY SUPPLIER’S REPORTED MARYLAND GROSS RECEIPTS, ADJUSTED ANNUALLY OR MORE FREQUENTLY AS DETERMINED BY THE COMMISSION, if, in the Commission’s judgment, the bond or similar instrument is necessary to insure an electricity supplier’s financial integrity;

(3) require a licensee to:
(i) provide proof that it is qualified to do business in the State with
the Department of Assessments and Taxation; and

(ii) agree to be subject to all applicable taxes; and

(4) adopt any other requirements it finds to be in the public interest, which
may include different requirements for:

(i) electricity suppliers that serve only large customers; and

(ii) the different categories of electricity suppliers.

(d) A license issued under this section may not be transferred without prior
Commission approval.

(e) The Commission shall adopt regulations or issue orders to:

(1) protect consumers, electric companies, and electricity suppliers from
anticompetitive and abusive practices;

(2) require each electricity supplier to provide, in addition to the
requirements under § 7–505(b)(5) of this subtitle, adequate and accurate customer
information to enable customers to make informed choices regarding the purchase of any
electricity services offered by the electricity supplier;

(3) establish reasonable restrictions on telemarketing;

(4) establish procedures for contracting with customers;

(5) establish requirements and limitations relating to deposits, billing,
collections, and contract cancellations;

(6) establish provisions providing for the referral of a delinquent account
by an electricity supplier to the standard offer service under § 7–510(c) of this subtitle; and

(7) establish procedures for dispute resolution.

(F) THE COMMISSION MAY ADOPT REGULATIONS OR ISSUE ORDERS TO:

(1) REQUIRE PERIODIC ELECTRICITY SUPPLIER LICENSE RENEWALS;

(2) ADOPT A CONSUMER BILL OF RIGHTS, INCLUDING REQUIREMENTS
THAT AN ELECTRICITY SUPPLIER:

(I) MAY NOT CHARGE ANY FEE TO AN EXISTING RESIDENTIAL
CUSTOMER SEEKING TO CHANGE A PRODUCT OR PRICING PLAN WITH THE SUPPLIER
MIDTERM;

(II) SHALL PROVIDE A $5 CREDIT TO ANY ENROLLED RESIDENTIAL CUSTOMER CONTACTING ITS CALL CENTER THAT IS SUBJECTED TO A WAIT TIME EXCEEDING 5 MINUTES; AND

(III) SHALL INFORM ITS CUSTOMERS OF:

1. THE RIGHT OF THE CUSTOMER TO RESTRICT ACCESS TO THE CUSTOMER’S ENERGY CONSUMPTION DATA; AND

2. HOW TO EXERCISE THE RIGHT TO RESTRICT ACCESS UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND

(3) CREATE AND PUBLISH, AT LEAST ANNUALLY, AN ELECTRICITY SUPPLIER REPORT CARD THAT INCLUDES LEVELS OF SUSTAINED VERIFIED COMPLAINTS FILED WITH THE COMMISSION AGAINST ELECTRICITY SUPPLIERS.

[(f)] (G) In accordance with regulations or orders of the Commission, electricity bills, for competitive and regulated electric services, provided to consumers may provide, in addition to the requirements of § 7–505(b)(5) of this subtitle and subsection (e)(2) of this section, the following information:

(1) the identity and phone number of the electricity supplier of the service;

(2) sufficient information to evaluate prices and services; and

(3) information identifying whether the price is regulated or competitive.

[(g)] (H) (1) An electricity supplier or any person or governmental unit may not, without first obtaining the customer's permission:

(i) make any change in the electricity supplier for a customer; or

(ii) add a new charge for a new or existing service or option.

(2) The Commission shall adopt regulations or issue orders establishing procedures to prevent the practices prohibited under paragraph (1) of this subsection.

[(h)] (I) (1) An electricity supplier may not discriminate against any customer based wholly or partly on race, color, creed, national origin, or sex of an applicant for service or for any arbitrary, capricious, or unfairly discriminatory reason.

(2) An electricity supplier may not refuse to provide service to a customer except by the application of standards that are reasonably related to the electricity
supplier’s economic and business purposes.

[(i) (J)] An electricity supplier shall be subject to all applicable federal and State environmental laws and regulations.

[(j)] (K) An electricity supplier shall post on the Internet information that is readily understandable about its services and rates for small commercial and residential electric customers.

[(L) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN DOOR–TO–DOOR SALES.]

[(k)] (M) (1) The Commission may revoke or suspend the license of an electricity supplier, impose a civil penalty or other remedy, order a refund or credit to a customer, or impose a moratorium on adding or soliciting additional customers by the electricity supplier, for just cause on the Commission’s own investigation or on complaint of the Office of People’s Counsel, the Attorney General, or an affected party.

(2) A civil penalty may be imposed in addition to the Commission’s decision to revoke, suspend, or impose a moratorium.

(3) Just cause includes:

(i) intentionally providing false information to the Commission;

(ii) switching, or causing to be switched, the electricity supply for a customer without first obtaining the customer’s permission;

(iii) failing to provide electricity for its customers;

(iv) committing fraud or engaging in deceptive practices;

(v) failing to maintain financial integrity;

(vi) violating a Commission regulation or order;

(vii) failing to pay, collect, remit, or calculate accurately applicable State or local taxes;

(viii) violating a provision of this article or any other applicable consumer protection law of the State;

(ix) conviction of a felony by the licensee or principal of the licensee or any crime involving fraud, theft, or deceit; and

(x) suspension or revocation of a license by any State or federal authority.
An electricity supplier or person selling or offering to sell electricity in the State in violation of this section, after notice and an opportunity for a hearing, is subject to:

(i) a civil penalty of not more than $10,000 for the violation; or

(ii) license revocation or suspension.

Each day a violation continues is a separate violation.

The Commission shall determine the amount of any civil penalty after considering:

(i) the number of previous violations of any provision of this division;

(ii) the gravity of the current violation; and

(iii) the good faith of the electricity supplier or person charged in attempting to achieve compliance after notification of the violation.

In connection with a consumer complaint or Commission investigation under this section, an electricity supplier shall provide to the Commission access to any accounts, books, papers, and documents which the Commission considers necessary to resolve the matter at issue.

The Commission may order the electricity supplier to cease adding or soliciting additional customers or to cease serving customers in the State.

The Commission shall consult with the Consumer Protection Division of the Office of the Attorney General before issuing regulations designed to protect consumers.

The People’s Counsel shall have the same authority in licensing, complaint, and dispute resolution proceedings as it has in Title 2 of this article.

Nothing in this subtitle may be construed to affect the authority of the Division of Consumer Protection in the Office of the Attorney General to enforce violations of Titles 13 and 14 of the Commercial Law Article or any other applicable State law or regulation in connection with the activities of electricity suppliers.

Subject to subsection (b) of this section, the phased implementation of customer choice shall be implemented as follows:
(i) on July 1, 2000, one-third of the residential class in the State of each electric company shall have the opportunity for customer choice;

(ii) on January 1, 2001, the entire industrial class and the entire commercial class in the State of each electric company shall have the opportunity for customer choice;

(iii) on July 1, 2001, two-thirds of the residential class in the State of each electric company shall have the opportunity for customer choice;

(iv) on July 1, 2002, all customers of each electric company shall have the opportunity for customer choice; and

(v) by July 1, 2003, under a separate schedule adopted by the Commission, all customers of each electric cooperative shall have the opportunity for customer choice.

(2) (i) In accordance with this paragraph, the Commission may adopt a separate schedule for municipal electric utilities for the implementation of customer choice.

(ii) A municipal electric utility may not be required to make its service territory available for customer choice unless it elects to do so.

(iii) If a municipal electric utility elects to allow customer choice, the municipal electric utility shall file a proposed plan and schedule with the Commission.

(iv) The Commission may approve each municipal electric utility plan and schedule after considering the features that distinguish the municipal electric utility from other electric companies.

(v) Nothing in this subtitle may be construed to require the functional, operational, structural, or legal separation of the regulated and nonregulated operations of the municipal electric utility.

(3) If a municipal electric utility serves customers outside its distribution territory, electricity suppliers licensed under § 7–507 of this subtitle may serve the customers in the distribution territory of the municipal electric utility.

(b) For good cause shown and if the Commission finds the action to be in the public interest, the Commission may:

(1) accelerate or delay the initial implementation date of July 1, 2000, by up to 3 months; or

(2) accelerate any of the other implementation dates and phase-in percentages in subsection (a) of this section.
(c) (1) Beginning on the initial implementation date, an electric company’s obligation to provide electricity supply and electricity supply service is stated by this subsection.

(2) Electricity supply purchased from a customer’s electric company is known as standard offer service. A customer is considered to have chosen the standard offer service if the customer:

(i) is not allowed to choose an electricity supplier under the phase in of customer choice in subsection (a) of this section;

(ii) contracts for electricity with an electricity supplier and it is not delivered;

(iii) cannot arrange for electricity from an electricity supplier;

(iv) does not choose an electricity supplier;

(v) chooses the standard offer service; or

(vi) has been denied service or referred to the standard offer service by an electricity supplier in accordance with § 7–507(e)(6) of this subtitle.

(3) (i) ON AND AFTER JULY 1, 2021, AN ELECTRIC COMPANY SHALL PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS AT A MARKET PRICE THAT ALLOWS RECOVERY OF THE VERIFIABLE, PRUDENTLY INCURRED COSTS TO PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.

(II) Except as provided under subparagraph [(ii)] (III) of this paragraph, [any obligation of] an electric company [to provide] SHALL CEASE PROVIDING standard offer service [shall cease] on [July 1, 2003] OCTOBER 1, 2023.

[(ii)] (III) 1. AS APPROVED BY THE COMMISSION, AN ELECTRIC COOPERATIVE MAY CONTINUE TO PROVIDE STANDARD OFFER SERVICE ON AND AFTER OCTOBER 1, 2023.

2. Electric cooperatives and municipal electric utilities may choose to continue providing standard offer service in their respective distribution territories and may cease offering that service after notifying the Commission at least 12 months in advance.

[2. On and after July 1, 2003, an electric company continues to have the obligation to provide standard offer service to residential and small commercial customers at a market price that permits recovery of the verifiable, prudently incurred
costs to procure or produce the electricity plus a reasonable return.]

1. On or before December 31, 2008, and every 5 years thereafter, the Commission shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, to the General Assembly on the status of the standard offer service, the development of competition, [and] the transition of standard offer service to [a] default service, AND THE STATUS OF DEFAULT SERVICE.

2. The Commission shall establish, by order or regulation, [the definition of “default service”] THE TERMS AND CONDITIONS OF TRANSITIONAL ELECTRIC SERVICE AND DEFAULT SERVICE IN ACCORDANCE WITH § 7–510.3 OF THIS SUBTITLE.

(4) (i) On or before July 1, 2001, the Commission shall adopt regulations or issue orders to establish procedures for the competitive selection of wholesale electricity suppliers, including an affiliate of an electric company, to provide electricity for standard offer service to customers of electric companies under paragraph (2) of this subsection, except for customers of electric cooperatives and municipal electric utilities. Unless delayed by the Commission, the competitive selection shall take effect no later than July 1, 2003.

(ii) 1. Under the obligation to provide standard offer service in accordance with paragraph [(3)(ii)] (3) of this subsection, the Commission, by regulation or order, and in a manner that is designed to obtain the best price for residential and small commercial customers in light of market conditions at the time of procurement and the need to protect these customers from excessive price increases:

A. shall require each investor–owned electric company to obtain its electricity supply for residential and small commercial customers participating in standard offer service through a competitive process in accordance with this paragraph; and

B. may require or allow an investor–owned electric company to procure electricity for these customers directly from an electricity supplier through one or more bilateral contracts outside the competitive process.

2. A. As the Commission directs, the competitive process shall include a series of competitive wholesale bids in which the investor–owned electric company solicits bids to supply anticipated standard offer service load for residential and small commercial customers as part of a portfolio of blended wholesale supply contracts of short, medium, or long terms, and other appropriate electricity products and strategies, as needed to meet demand in a cost–effective manner.

B. The competitive process may include different bidding structures and mechanisms for base load, peak load, and very short–term procurement.
C. By regulation or order, as a part of the competitive process, the Commission shall require or allow the procurement of cost-effective energy efficiency and conservation measures and services with projected and verifiable energy savings to offset anticipated demand to be served by standard offer service, and the imposition of other cost-effective demand-side management programs.

3. A. In order to prevent an excessive amount of load being exposed to upward price risks and volatility, the Commission may stagger the dates for the competitive wholesale auctions.

B. By regulation or order, the Commission may allow a date on which a competitive wholesale auction takes place to be altered based on current market conditions.

4. By regulation or order, the Commission may allow an investor-owned electric company to refuse to accept some or all of the bids made in a competitive wholesale auction in accordance with standards adopted by the Commission.

5. The investor-owned electric company shall publicly disclose the names of all bidders and the names and load allocation of all successful bidders 90 days after all contracts for supply are executed.

(5) An electric company may procure the electricity needed to meet its standard offer service electricity supply obligation from any electricity supplier, including an affiliate of the electric company.

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

(7) (i) To determine whether an appropriate phased implementation of electricity rates that is necessary to protect residential customers from the impact of sudden and significant increases in electricity rates, the Commission in the case of an increase of 20% or more over the previous year’s total electricity rates, shall conduct evidentiary proceedings, including public hearings.

(ii) 1. A deferral of costs as part of a phased implementation of electricity rates by an investor-owned electric company shall be treated as a regulatory asset to be recovered in accordance with a rate stabilization plan under Part III of this subtitle or any other plan for phased implementation approved by the Commission.

2. A deferral of costs under this paragraph must be just, reasonable, and in the public interest.

(iii) The Commission shall approve the recovery of deferred costs
under subparagraph (ii) of this paragraph as:

1. long–term recovery in accordance with a rate stabilization plan under Part III of this subtitle; or

2. short–term recovery through a rate proceeding mechanism approved by the Commission.

(iv) The Commission may approve a phasing in of increased costs by:

1. placing a cap on rates and allowing recovery over time; or

2. allowing rates to increase and providing for a rebate to customers of any excess costs paid.

(8) (i) An electric cooperative that as of July 1, 2006, supplied its standard offer service load through a portfolio of blended wholesale supply contracts of short, medium, and long terms, and other appropriate electricity products and strategies, as needed to meet demand in a cost–effective manner, may choose to continue to use a blended portfolio:

1. as approved and modified by the electric cooperative’s board of directors; and

2. with appropriate review for prudent cost recovery as determined by the Commission.

(ii) The Commission may not set or enforce a termination date for the procurement of supply through a managed portfolio previously approved by the Commission.

(9) (i) The Commission, on request by an electric cooperative or on its own initiative, shall initiate a proceeding to investigate options for a rate stabilization plan to assist residential electric customers to gradually adjust to market rates over an extended period of time.

(ii) If an electric cooperative determines that total electric rates for residential customers are anticipated to increase by more than 20% in a 12–month period resulting from an increase in the cost of generation, the electric cooperative shall survey its membership to determine whether to make a request to the Commission to initiate a proceeding under subsection (a) of this section.

(iii) Notwithstanding subparagraphs (i) and (ii) of this paragraph, as approved by the Commission, an electric cooperative may receive a modification in distribution and transmission rates.

(d) Notwithstanding the dates set forth in this section or any other law, customer
choice may not commence until legislation is enacted by the General Assembly to
restructure Maryland taxes to address the State and local tax implications of restructuring
the electric utility industry.

(e) The Commission shall, by regulation or order, adopt procedures to implement
this section, including the allocation of any unused opportunity for customer choice among
customer classes.

(f) A county or municipal corporation may not act as an aggregator unless the
Commission determines there is not sufficient competition within the boundaries of the
county or municipal corporation.

7–510.1.

(a) The Commission shall educate customers about customer choice in accordance
with this section.

(b) (1) The Commission shall:

(i) host and regularly update a user–friendly customer choice
education section on its website that complies with standards issued under § 508 of the
federal Rehabilitation Act of 1973; and

(ii) prominently display a link to that section of the Commission’s
website on the home page of the Commission’s website.

(2) The customer choice education section of the Commission’s website
shall include:

(i) a clear and simple description of:

1. customer choice;

2. how customers can shop for an electricity supplier;

3. what kinds of competitive electricity supply options
customers have, including:

A. renewable energy supply;

B. fixed and variable pricing; and

C. other common contract terms;

4. the current price of standard offer service OR
TRANSITIONAL ELECTRIC SERVICE in the service territory of each electric company; and
5. the continuing role of the electric company in delivering electricity to a customer that chooses an electricity supplier;

(ii) fact sheets that:

1. answer common questions about customer choice;

2. advise customers about the questions customers should ask when choosing an electricity supplier;

3. list the kinds of disclosures that electricity suppliers must make to customers;

4. describe common issues about contracts for electricity supply and available options; and

5. describe consumer rights and protections that are available and the means of making use of them;

(iii) a list of all electricity suppliers that have open offers to supply electricity in a customer’s service area, searchable by service territory or jurisdiction;

(iv) a statement indicating that customers who have entered into a contract with a competitive electricity supplier for electricity supply should be aware of the ending date of the contract so that they may determine, before being placed into a renewal contract with the current electricity supplier, whether they would like to:

1. shop for an alternative electricity supplier;

2. renew with the current electricity supplier; or

3. return to the standard offer service which may be offered at a price that is less than the renewal price offered by the current electricity supplier; and

(v) a link to the customer choice shopping websites established under § 7–510.2 of this subtitle and § 7–604.1 of this title.

(3) To the extent practicable, the list of electricity suppliers required under paragraph (2)(iii) of this subsection shall include:

(i) the terms of any open offers to supply electricity, including:

1. the duration of the contract;

2. the cost of electricity per kilowatt–hour; and

3. any cancellation fees; and
(ii) a link to the website of each electricity supplier with an open offer to supply electricity.

(c) (1) To ensure the currency and accuracy of information required under subsection (b)(2)(iii) of this section, the Commission shall maintain a secure portal on its website to receive information about offers to supply electricity from electricity suppliers.

(2) Each electricity supplier that is actively seeking residential customers in a service territory in the State shall maintain at least one open offer to supply electricity to residential customers on the Commission’s website at all times.

(3) At least once each month, each electricity supplier with an open offer to supply electricity shall submit detailed information about the offer to the Commission through a secure portal maintained by the Commission on the Commission’s website for this purpose.

(d) The Commission shall work with media outlets in the State to develop and air public service announcements publicizing customer choice and directing customers to the Commission’s website for additional information.

(e) The Commission shall recover the cost of complying with this section in accordance with § 2–110 of this article.

(f) On or before December 31 of each year, the Commission shall report, in accordance with § 2–1257 of the State Government Article, to the General Assembly on the status and success of the Commission’s efforts to educate customers about customer choice under this section.

7–510.2.

(a) The Commission shall establish a customer choice shopping website that allows a customer to sort electricity suppliers that have open offers to supply electricity to residential customers in the customer’s service area.

(b) The website shall include:

(1) a list of all electricity suppliers that have open offers to supply electricity to residential customers in a customer’s service area, sortable by:

(i) cost of service;

(ii) cost of electricity per kilowatt–hour;

(iii) rate structure;

(iv) duration of the contract;
(v) cancellation fee; [and]

(vi) WHETHER THE ELECTRICITY SUPPLIER IS CERTIFIED BY
THE COMMISSION TO OFFER SUPPLIER CONSOLIDATED BILLING SERVICES; AND

(VII) any other aspect of service that the Commission considers
necessary;

(2) a way to compare electricity suppliers based on the sortable items
specified under item (1) of this subsection;

(3) a link to the website of each electricity supplier with an open offer to
supply electricity to residential customers;

(4) a link to the customer education webpage established under § 7–510.1
of this subtitle;

(5) a link to a complaint process that provides access for the customer to
protect the customer's rights and make use of consumer protections through the
Commission; and

(6) fact sheets on the process for comparing offers from electricity suppliers
on the website, including relevant contract terms, requirements, limitations, and fees.

(c) The Commission shall use the information received from an electricity
supplier under § 7–510.1 of this subtitle to maintain the information on the website.

(d) The Commission shall recover the cost of complying with this section in
accordance with § 2–110 of this article.

7–510.3.

(A) BEGINNING WITH ELECTRIC SERVICE PROVIDED ON AND AFTER
OCTOBER 1, 2023, THE COMMISSION SHALL ADMINISTER THE TRANSITION TO
DEFAULT SERVICE THROUGH A COMPETITIVE ASSIGNMENT PROCESS.

(B) (1) THE COMMISSION SHALL:

(I) ON OR BEFORE DECEMBER 31, 2021, ADOPT REGULATIONS
OR ISSUE ORDERS TO DEVELOP STANDARDS FOR THE COMPETITIVE ASSIGNMENT
PROCESS;

(II) CONDUCT A COMPETITIVE ASSIGNMENT PROCESS TO
ENABLE THE ASSIGNMENT OF TRANSITIONAL ELECTRIC SERVICE CUSTOMERS TO
QUALIFIED PARTICIPANTS BY OCTOBER 1, 2023;

(III) ESTABLISH AN APPLICATION PROCESS TO ENSURE THE ELIGIBILITY OF EACH QUALIFIED PARTICIPANT UNDER SUBSECTION (C) OF THIS SECTION; AND

(IV) COLLECT A NONREFUNDABLE APPLICATION FEE, IN AN AMOUNT TO BE DETERMINED BY THE COMMISSION BUT NOT TO EXCEED $25,000, FROM EACH APPLICANT SEEKING TO BE A QUALIFIED PARTICIPANT IN A COMPETITIVE ASSIGNMENT PROCESS UNDER THIS SECTION.

(2) THE COMMISSION MAY RETAIN AN INDEPENDENT ENTITY TO ASSIST IN THE ASSIGNMENT PROCESS.

(C) IN DETERMINING ELIGIBILITY TO PARTICIPATE IN THE COMPETITIVE ASSIGNMENT PROCESS, THE COMMISSION SHALL ENSURE THAT THE ELECTRICITY SUPPLIER:

(1) HAS SUBMITTED AN APPLICATION TO BE A QUALIFIED PARTICIPANT AS REQUIRED BY THE COMMISSION ON OR BEFORE JANUARY 1, 2023;

(2) (I) IS LICENSED AND IN GOOD STANDING WITH THE COMMISSION; AND

(II) IS NOT ALSO AN ELECTRIC COMPANY;

(3) HAS DEMONSTRATED ADEQUATE FINANCIAL FITNESS AND BONDING CRITERIA IN ACCORDANCE WITH § 7–507 OF THIS SUBTITLE;

(4) AT THE TIME OF A QUALIFIED PARTICIPANT APPLICATION, HAS PAID A NONREFUNDABLE APPLICATION FEE IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION TO BE RETAINED BY THE COMMISSION FOR ADMINISTRATIVE COSTS RELATED TO CARRYING OUT ITS DUTIES UNDER THIS SECTION;

(5) HAS AGREED TO PAY A $50 CUSTOMER ACQUISITION FEE TO THE COMMISSION, TO BE DEPOSITED INTO THE CLEAN ENERGY FUND UNDER § 7–510.5 OF THIS SUBTITLE, FOR EACH CUSTOMER THAT IS ASSIGNED TO THE PARTICIPATING ELECTRICITY SUPPLIER; AND

(6) HAS AGREED TO PAY TO THE COMMISSION $2 FOR EACH CUSTOMER ENROLLED THROUGH THE COMPETITIVE ASSIGNMENT PROCESS TO FUND THE CONSUMER EDUCATION PROGRAM ON THE COMPETITIVE ASSIGNMENT PROCESS REQUIRED UNDER § 7–510.3 OF THIS SUBTITLE.
(D) As part of its proposal to participate in the competitive assignment process, a qualified participant:

(1) shall pay a $5,000 fee to the Commission for each competitive assignment group the qualified participant applies to provide with transitional electric service;

(2) shall submit a proposed price, per kilowatt–hour and per customer class for each electric company for clean energy to be provided to any competitive assignment groups the qualified participant proposes to serve;

(3) shall submit the number of competitive assignment groups that the qualified participant proposes to serve;

(4) shall agree to provide clean energy generation contracts, with no early termination or cancellation fees, to transitional electric service customers, including:

(I) 24–month fixed–price clean energy generation contracts for residential customers and small commercial customers;

(II) 3–month fixed–price clean energy generation contracts for nonresidential customers with a peak load contribution exceeding 25 kilowatts per month but not exceeding 300 kilowatts per month; and

(III) 12–month hourly priced clean energy generation contracts for nonresidential customers with peak load contribution exceeding 300 kilowatts per month;

(5) following the 24–month period for residential and small commercial classes under item (4) of this subsection, shall agree to provide 12–month fixed–price clean energy generation contracts, with no early termination or cancellation fees, and at prices established in accordance with subsection (H) of this section, to assigned transitional electric service customers who have not otherwise chosen an electricity supplier or alternative product at the time of the expiration of the 24–month contract;

(6) following the 3–month period for nonresidential customers under item (4) of this subsection, shall agree to provide
SUCCESSIVE 3–MONTH FIXED PRICE CLEAN ENERGY GENERATION CONTRACTS, WITH NO EARLY TERMINATION OR CANCELLATION FEES, AND AT PRICES ESTABLISHED IN ACCORDANCE WITH SUBSECTION (J) OF THIS SECTION, NOT TO EXCEED 21 MONTHS FROM THE EXPIRATION OF THE INITIAL CONTRACT IN ITEM (4) OF THIS SUBSECTION, TO THE ASSIGNED TRANSITIONAL ELECTRIC SERVICE CUSTOMERS WHO HAVE NOT OTHERWISE CHOSEN AN ELECTRICITY SUPPLIER OR ALTERNATIVE PRODUCT AT THE TIME OF THE EXPIRATION OF THE APPLICABLE 3–MONTH CONTRACT;

(7) SHALL AGREE TO PROVIDE CLEAN ENERGY GENERATION SERVICE TO:

(I) ASSIGNED CUSTOMERS; AND

(II) A PRO RATA SHARE OF CUSTOMERS WHOSE PRIOR ELECTRICITY SUPPLIER CEASES TO PROVIDE SERVICE DURING THE PERIOD IN WHICH THE NEWLY ASSIGNED ELECTRICITY SUPPLIER IS SERVING ASSIGNED CUSTOMERS IN ACCORDANCE WITH ITEM (4) OF THIS SUBSECTION;

(8) SHALL AGREE TO PROVIDE A RENEWAL NOTICE TO RESIDENTIAL CUSTOMERS THAT INCLUDES THE ELECTRICITY PRICE UNDER THE NEW CONTRACT AND OTHER INFORMATION AS DIRECTED BY THE COMMISSION AT LEAST 45 DAYS BEFORE THE END OF:

(I) THE 24–MONTH CONTRACT UNDER ITEM (4) OF THIS SUBSECTION; OR

(II) THE 12–MONTH CONTRACT UNDER ITEM (4) OF THIS SUBSECTION; AND

(9) (I) SHALL AGREE TO OFFER A MINIMUM OF ONE PROGRAM TO ASSIST LOW–INCOME CUSTOMERS IN AFFORDING TRANSITIONAL ELECTRIC SERVICE; AND

(II) SHALL SUBMIT TO THE COMMISSION A DESCRIPTION OF THE PROPOSED LOW–INCOME ASSISTANCE PROGRAM.

(E) (1) THE COMMISSION SHALL RETAIN THE FEE PAID UNDER SUBSECTION (D) OF THIS SECTION BY SUCCESSFUL QUALIFIED PARTICIPANTS TO OFFSET ANY ADMINISTRATIVE COSTS NOT COVERED BY THE APPLICATION FEE.

(2) AT THE END OF THE COMPETITIVE ASSIGNMENT PROCESS, THE FEE PAID UNDER SUBSECTION (D) OF THIS SECTION SHALL BE RETURNED TO
PARTICIPANTS WHO ARE UNSUCCESSFUL IN BIDDING ON A COMPETITIVE ASSIGNMENT GROUP.

(F) BEGINNING JANUARY 1, 2023, EACH ELECTRIC COMPANY SHALL PROVIDE NOTICE TO ITS EXISTING STANDARD OFFER SERVICE CUSTOMERS AS DIRECTED BY THE COMMISSION TO INFORM THE CUSTOMERS OF:

1. THE SCHEDULED COMPETITIVE ASSIGNMENT PROCESS;

2. THE COMPOSITION OF THE ELECTRICITY SUPPLY PRODUCT THE ELECTRIC COMPANY Assigns TO THE CUSTOMER;

3. THE RIGHT TO SWITCH WITHOUT PENALTY TO OTHER ELECTRICITY SUPPLY PRODUCTS OFFERED BY:

   (I) THE CUSTOMERS’ ASSIGNED ELECTRICITY SUPPLIER; OR

   (II) OTHER LICENSED SUPPLIERS; AND

4. THE OPTIONS PRIOR TO AND FOLLOWING THE ASSIGNMENT.

(G) (1) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE COMMISSION, AS PART OF THE COMPETITIVE ASSIGNMENT PROCESS, SHALL DIVIDE CLASSES OF CUSTOMERS FROM EACH ELECTRIC COMPANY INTO COMPETITIVE ASSIGNMENT GROUPS.

(2) FOR EACH ELECTRIC COMPANY SERVICE TERRITORY:

   (I) 1. SUBJECT TO ITEM 2 OF THIS ITEM, A QUALIFIED PARTICIPANT MAY RECEIVE NOT MORE THAN 25% OF THE COMPETITIVE ASSIGNMENT GROUPS IN THE RESIDENTIAL CUSTOMER CLASS AND NOT MORE THAN 25% OF THE SMALL COMMERCIAL CLASS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION; BUT

   2. THE COMMISSION MAY WAIVE THE LIMITATION UNDER ITEM 1 OF THIS ITEM IF FEWER THAN FOUR QUALIFIED PARTICIPANTS SUBMIT BIDS FOR AN ELECTRIC DISTRIBUTION COMPANY CLASS;

   (II) NO QUALIFIED PROVIDER MAY RECEIVE MORE THAN 50% OF THE COMPETITIVE ASSIGNMENT GROUPS IN THE CUSTOMER CLASS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION; AND

   (III) THE CUSTOMERS IN THE CLASS ESTABLISHED UNDER
SUBSECTION (D) OF THIS SECTION SHALL BE INCLUDED IN ONE COMPETITIVE ASSIGNMENT GROUP.

(3) THE COMMISSION SHALL SELECT THE QUALIFIED PARTICIPANTS FROM EACH ELECTRIC COMPANY SERVICE TERRITORY ON THE BASIS OF A SINGLE–DAY AUCTION.

(II) IN THE AUCTION, THE CLEARING PRICE SHALL BE:

1. THE LOWEST BID PRICE AT WHICH QUALIFIED PARTICIPANTS AGREE TO SERVE ALL COMPETITIVE ASSIGNMENT GROUPS IN A CUSTOMER CLASS; AND

2. THE BID PRICE OR PRICES THAT SATISFY ALL OTHER REQUIREMENTS OF THIS SECTION AS ESTABLISHED BY THE COMMISSION.

(III) A QUALIFIED PARTICIPANT SHALL SERVE ALL CUSTOMERS IN THE SAME CUSTOMER CLASS AND SERVICE TERRITORY RECEIVING SERVICE FOLLOWING THE COMPETITIVE ASSIGNMENT PROCESS AT A SINGLE CLEARING PRICE.

(4) IF NECESSARY TO ENSURE THAT TRANSITIONAL ELECTRIC SERVICE CUSTOMERS IN ALL COMPETITIVE ASSIGNMENT GROUPS ARE AWARDED TO A QUALIFIED PARTICIPANT OR PARTICIPANTS, THE COMMISSION MAY WAIVE THE PROVISIONS OF THIS SUBSECTION, INCLUDING ALTERING THE SIZE OF ANY COMPETITIVE ASSIGNMENT GROUP OR THE MAXIMUM NUMBER OF ASSIGNMENT GROUPS A QUALIFIED PARTICIPANT MAY SERVE, TO REFLECT EACH ELECTRIC COMPANY’S CUSTOMER CHARACTERISTICS OR TO CONDUCT ADDITIONAL COMPETITIVE SELECTION PROCESSES.

(H) THE COMMISSION SHALL CONDUCT THE COMPETITIVE ASSIGNMENT PROCESS IN TIME TO ALLOW CUSTOMERS TO BE ASSIGNED TO QUALIFIED PARTICIPANTS BEGINNING OCTOBER 1, 2023.

(I) ELECTRICITY SUPPLIERS WHO ARE SELECTED TO FURNISH TRANSITIONAL ELECTRIC SERVICE TO CUSTOMERS THROUGH THE COMPETITIVE ASSIGNMENT PROCESS SHALL, BEGINNING OCTOBER 1, 2023, BE RESPONSIBLE FOR:

1. PAYMENT OF THE $50 CUSTOMER ACQUISITION FEE PER CUSTOMER REQUIRED UNDER SUBSECTION (C)(5) OF THIS SECTION WITHIN 30 DAYS AFTER RECEIVING NOTIFICATION FROM THE COMMISSION OF THE ELECTRICITY SUPPLIER’S SELECTION;
(2) Payment of the $2 per customer fee required under subsection (c)(6) of this section within 30 days after receiving notification from the Commission of the electricity supplier’s selection;

(3) Initiation of the electronic data interexchange process to switch the customers from the electric company to the participating electricity supplier;

(4) Furnishing transitional electric service in accordance with this section, with no early termination or cancellation fees, at the prices established under subsection (j) of this section, to:

   (i) Customers who were receiving standard offer service from an electric company immediately prior to October 1, 2023;

   (ii) Customers who, after October 1, 2023:

   1. Fail to choose an electricity supplier; or

   2. Have contracted for electricity supply service with an electricity supplier that is no longer serving the customer, prorated to reflect the number of months remaining on the applicable fixed price contract under subsection (d) of this section; and

   (iii) New or moving residential and commercial customers who:

   1. Do not choose an electricity supplier during the applicable initial periods under subsection (d) of this section; and

   2. Are assigned by the Commission on a random basis, the contract prorated to reflect the number of months remaining on the applicable fixed price contract;

(5) Furnishing transitional electric service in accordance with this section, at a fixed price determined by the transitional electric service supplier, with no early termination or cancellation fees, to:

   (i) The customers under item (4) of this subsection; and
(II) Any customer who does not select different prices, terms, and conditions from the transitional electric service supplier to whom the customer was assigned;

(6) furnishing renewal or cancellation notifications to residential customers receiving transitional electric service prior to the expiration of the applicable time period under subsection (D) of this section; and

(7) offering a minimum of one program to assist low-income customers in affording transitional electric service under subsection (D) of this section.

(J) (1) A new or moving customer establishing service at a new location may authorize an electricity supplier to act on the customer’s behalf to establish the account effective on the customer’s first day of utility service at the new location.

(2) The 12–month and 3–month fixed price transitional electric service products shall be posted publicly in a manner to be required by the Commission to ensure price transparency and to avoid customer confusion.

(K) (1) The Commission shall conduct a process to select one or more electricity suppliers to serve as default service suppliers effective with service rendered on the conclusion of the applicable competitive assignment processes required under subsection (A) of this section.

(2) A default service provider shall offer a standard retail service price for each class of customers designated by the Commission at a nondiscountable price approved by the Commission.

(3) The price shall be established by the Commission and shall include, at a minimum:

(I) the hourly wholesale price of energy and all associated costs including capacity, network integration and transmission service, ancillary services, and all other costs imposed by the applicable regional transmission organization;

(II) the cost of complying with any renewable energy
PORTFOLIO STANDARDS; AND

(III) A FIXED FEE THAT RECOVERS ALL ADMINISTRATIVE AND GENERAL EXPENSES PLUS OVERHEAD, AND AN ALLOWANCE FOR THE RISK OF SERVING AS A DEFAULT SERVICE PROVIDER.

(4) (I) Subject to subparagraphs (II) and (III) of this paragraph, an electric company shall provide the standard retail service package to any customer in the territory who has not chosen a supplier and the company is the default service provider.

(II) An electric company may not provide the standard retail service package in accordance with subparagraph (I) of the paragraph for more than 90 days.

(III) Prior to the expiration of the 90–day default service period, an electric company shall provide notice consistent with regulations adopted by the Commission relating to notice of contract expiration or change in material contract terms to residential customers receiving default service.

(5) (I) The Commission shall determine the procedures and criteria for designing a default service provider or providers for each electric company service territory.

(II) The Commission may revise the selection of default service provider or providers according to a schedule that the Commission determines.

(III) If no electricity supplier applies to be the default service provider for a service territory, the Commission may require one or more electricity suppliers to serve as a default service provider as a condition of maintaining a license.

(L) (1) Residential and commercial customers who are new or move into a service territory following the applicable initial time periods under subsection (D) of this section shall select an electricity supplier.

(2) A new or moving customer establishing service at a new location may authorize an electricity supplier to act on behalf of the customer to establish an account, effective on the customer’s first day of utility service at the new location.
(M) (1) An electricity supplier furnishing transitional electric service or default service shall issue to a customer a monthly supplier consolidated bill for electricity service.

(2) A consolidated bill issued under paragraph (1) of this paragraph shall meet the requirements under:

   (i) § 7–511 of this subtitle; and

   (ii) regulations adopted by the Commission.

(N) (1) Electricity suppliers providing transitional electric service or default service shall offer at least one low–income customer assistance program.

(2) A low–income customer assistance program may include:

   (i) a hardship program that provides grants to qualifying low–income customers on an annual basis;

   (ii) a payment extension program that allows a qualifying low–income customer additional time to pay a bill without the threat of termination;

   (iii) a payment plan program that allows qualifying low–income customers to pay the balance owed in installments along with the regular monthly bill; or

   (iv) a bill discount program that provides qualifying low–income customers with a fixed discount on their monthly bill.

(3) The Commission may approve any other program offering low–income customer assistance.

(O) On or before December 1 each year, beginning in 2023, electric generation suppliers providing default service shall submit an annual report to the Commission providing:

(1) a detailed description of the low–income customer assistance program;

(2) enrollment data; and
(3) ANY OTHER INFORMATION THE COMMISSION CONSIDERS NECESSARY.

(P) (1) (I) ELECTRIC COMPANIES SHALL RECOVER ON A FULL AND CURRENT BASIS FROM DISTRIBUTION CUSTOMERS THROUGH A RECONCILABLE ADJUSTMENT CLAUSE ALL REASONABLE AND PRUDENT COSTS INCURRED TO IMPLEMENT THIS SECTION TOGETHER WITH ONGOING ASSOCIATED ADMINISTRATIVE COSTS.

(II) RECOVERY FROM CUSTOMERS UNDER THIS PARAGRAPH SHALL BE ON A CLASS–SPECIFIC BASIS BASED ON THE NUMBER OF CUSTOMERS BEING SERVED BY TRANSITIONAL ELECTRIC SERVICE ON MAY 31, 2023, AND DEFAULT SERVICE AT THE CONCLUSION OF TRANSITIONAL ELECTRIC SERVICE.

(Q) THE COMMISSION MAY NOT APPROVE A WHOLESALE PROCUREMENT CONTRACT FOR STANDARD OFFER SERVICE THAT EXTENDS SERVICE BEYOND OCTOBER 1, 2023.

(R) (1) (I) ON SUCCESSFUL IMPLEMENTATION OF DEFAULT SERVICE, AS DETERMINED BY THE COMMISSION, AN ELECTRIC COMPANY SHALL HAVE THE RIGHT TO EARN AN ENHANCED RATE OF RETURN ON COMMON EQUITY CALCULATED BY ADDING 50 BASIS POINTS TO THE UTILITY’S AUTHORIZED GENERAL RATE OF RETURN.

(II) THE COMMISSION SHALL DETERMINE THE GENERAL RATE OF RETURN FOR A UTILITY IN ACCORDANCE WITH TITLE 4 OF THIS ARTICLE WITHOUT CONSIDERATION OF THE ADDITIONAL 50 BASIS POINTS AWARDED FOR THE SUCCESSFUL IMPLEMENTATION OF DEFAULT SERVICE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(2) THE ENHANCED RATE OF RETURN SHALL REMAIN IN EFFECT FOR AT LEAST 10 YEARS AFTER THE DATE OF INITIAL IMPLEMENTATION.

(S) (1) THE COMMISSION SHALL ESTABLISH A MULTIMEDIA CONSUMER EDUCATION PROGRAM DESIGNED TO EDUCATE CONSUMERS ABOUT THE CHANGES DIRECTED BY THE IMPLEMENTATION OF TRANSITIONAL ELECTRIC SERVICE AND DEFAULT SERVICE.

(2) THE COMMISSION SHALL IMPLEMENT THE CONSUMER EDUCATION PROGRAM BEFORE THE IMPLEMENTATION OF TRANSITIONAL ELECTRIC SERVICE AND DEFAULT SERVICE.
(3) The consumer education program planning process shall solicit the views of:

(i) Electric companies;

(ii) Electricity suppliers; and

(iii) Representatives of residential and small commercial customers.

(t) The Commission shall adopt regulations to implement this section.

7–510.4.

The Commission, in consultation with the Maryland Energy Administration, shall alter the percentages of generation that must be procured to qualify as clean energy generation under this title if, after investigation, the Commission concludes that:

(1) The levels will not physically be able to be procured by electricity suppliers in the quantities required; or

(2) The resulting price of the clean energy generation portfolio will be 15% or more higher than the average retail market price by class, as calculated by the Commission, projected annually by the Commission.

7–510.5.

(A) In this section, “Fund” means the Customer Choice Clean Energy Fund.

(B) There is a Customer Choice Clean Energy Fund.

(C) The purpose of the Fund is to provide resources to improve the Commission’s ability to support and assist in the deployment of distributed energy generation resources for low and moderate income residential and small commercial customers.

(D) (1) The Commission shall administer the Fund.

(2) The Commission shall determine:
(I) THE STRUCTURE AND COMPOSITION OF THE FUND;

(II) THE TYPES OF CLEAN ENERGY DEVELOPMENT THAT THE FUND WILL SUPPORT; AND

(III) QUALIFICATIONS AND PROCEDURES FOR APPLYING FOR AND RECEIVING GRANTS FROM THE FUND.

(3) THE COMMISSION MAY ASSIGN RESPONSIBILITIES ASSOCIATED WITH ADMINISTERING THE FUND TO THE MARYLAND ENERGY ADMINISTRATION IF:

(I) THE ADMINISTRATION PRESENTS TO THE COMMISSION A PLAN FOR THE FUND;

(II) THE COMMISSION APPROVES THE ADMINISTRATION’S PLAN FOR THE FUND;

(III) THE ADMINISTRATION PROVIDES THE COMMISSION WITH AN ANNUAL BRIEFING AND REPORT ON ACTIVITIES RELATED TO THE FUND; AND

(IV) THE ADMINISTRATION INCLUDES ACTIVITIES RELATED TO THE PROGRAM IN THE MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM UNDER § 9–20B–12 OF THE STATE GOVERNMENT ARTICLE.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) CUSTOMER ASSIGNMENT FEES PAID UNDER § 7–510.3 OF THIS SUBTITLE;

(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE PROGRAM;

(3) REPAYMENTS AND PREPAYMENTS OF PRINCIPAL AND INTEREST ON LOANS MADE FROM THE FUND;

(4) INTEREST AND INVESTMENT EARNINGS OF THE FUND;
(5) Funding received from any public or private source for the benefit of the Fund; and

(6) Funding from any other source accepted for the benefit of the Fund.

(G) The Fund may be used only to invest in the promotion, development, and implementation of:

(1) Cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

(2) Renewable and clean energy resources;

(3) Climate change programs directly related to reducing or mitigating the effects of climate change;

(4) Demand response programs that are designed to promote changes in electric usage by customers in response to:

   (I) Changes in the price of electricity over time; or

   (II) Incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(5) Providing targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low-income and moderate-income residential sectors;

(6) Providing supplemental funds for low-income energy assistance through:

   (I) The Electric Universal Service Program under § 7-512.1 of this subtitle; and

   (II) Other electric assistance programs in the Department of Human Services;

(7) Providing grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Maryland Strategic Energy Investment Program under § 9-20B-03
OF THE STATE GOVERNMENT ARTICLE; AND

(8) PROVIDING PUBLIC EDUCATION AND OUTREACH INITIATIVES ON REDUCING ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS.

(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH DIRECTIVES FROM THE COMMISSION OR MARYLAND ENERGY ADMINISTRATION.

7–511.

(a) Except for electric cooperatives and municipal electric utilities:

(1) competitive billing shall begin on July 1, 2000;

(2) competitive metering for large customers shall begin on January 1, 2002; and

(3) competitive metering for all other customers shall begin on April 1, 2002, or earlier if requested by the electric company.

(B) (1) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN SUPPLIER CONSOLIDATED BILLING UNLESS THE ELECTRICITY SUPPLIER IS LICENSED BY THE COMMISSION TO OFFER SUPPLIER CONSOLIDATED BILLING SERVICES.

(2) (i) AN ELECTRICITY COMPANY MAY USE SUPPLIER CONSOLIDATED BILLING FOR ITS CUSTOMERS.

(II) AN ELECTRICITY SUPPLIER PROVIDING TRANSITIONAL ELECTRIC SERVICE AND DEFAULT SERVICE IN ACCORDANCE WITH § 7–510.3 OF THIS SUBTITLE SHALL USE SUPPLIER CONSOLIDATED BILLING FOR CUSTOMERS.

(3) AN ELECTRICITY SUPPLIER USING SUPPLIER CONSOLIDATED BILLING MAY, IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION, DIRECT AN ELECTRIC COMPANY TO DISCONNECT SERVICE TO A RETAIL CUSTOMER FOR NONPAYMENT OF THE CUSTOMER’S ELECTRICITY BILL IF DisconnectING SERVICE:
(I) REASONABLY PROTECTS ELECTRICITY SUPPLIERS FROM THE RISKS OF BAD DEBT;

(II) ENSURES CUSTOMERS RECEIVE SUFFICIENT NOTICE AND OPPORTUNITY TO PAY BEFORE DISCONNECTION;

(III) REQUIRES THE ELECTRIC COMPANIES TO CONTINUE TO ADHERE TO THE TERMINATION PROVISIONS UNDER SUBTITLE 3 OF THIS TITLE; AND

(IV) ENSURES THAT THE ELECTRICITY SUPPLIER SHALL INDEMNIFY THE ELECTRIC COMPANY FROM LIABILITY FOR IMPROPER TERMINATION.

(4) AN ELECTRICITY SUPPLIER USING SUPPLIER CONSOLIDATED BILLING SHALL:

(I) COLLECT ALL APPLICABLE SALES TAX FROM THE CUSTOMER AND REMIT THE TAX TO THE STATE; AND

(II) FILE ALL REPORTS AND PAY ALL TAXES ON THE TAXABLE GROSS RECEIPTS.

[(b) (c)] The Commission shall adopt regulations or issue orders to implement this section.

[(c) (D)] (1) A person other than an electric company or a municipal electric utility may not engage in the business of competitive billing services in a local jurisdiction that assesses a local energy tax, unless the person holds a license issued by that jurisdiction.

(2) An application for a local competitive billing services license shall be made in accordance with the requirements of the local jurisdiction.

(3) (i) A local jurisdiction may require an applicant or licensee to:

1. hold a license issued by the Commission, as provided under § 7–507 of this subtitle;

2. post a bond or other similar instrument in an amount equal to 15% of the bond required under § 7–507 of this subtitle; and

3. have a resident agent in the State.

(ii) A local jurisdiction may not require an applicant or licensee to pay a fee or other charge for the local license.
[(d)] (E)  (1) A local jurisdiction may revoke or suspend the local license if the
licensee fails, within 15 days of the due date established by the local jurisdiction, to pay or
remit all of the applicable local energy taxes on services.

(2) A local jurisdiction may reinstate the license after payment of all local
energy taxes due.

(3) A local jurisdiction may choose not to reinstate a license that has been
revoked or suspended 3 times in a 12–month period.

(4) A local jurisdiction shall report any revocation or suspension of a license
to the Commission.

[(e)] (F) The Commission shall adopt regulations or issue an order to establish
procedures for the assumption of billing responsibilities by the electric company that
distributes electricity in the relevant service territory if a local license is revoked or
suspended.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless
inconsistent with a federal law, grant agreement, or other federal requirement or with the
terms of a gift or settlement agreement, net interest on all State money allocated by the
State Treasurer under this section to special funds or accounts, and otherwise entitled to
receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply
to the following funds:

122. the Racing and Community Development Financing Fund;
[and]

123. the Racing and Community Development Facilities Fund;
AND

124. THE CUSTOMER CHOICE CLEAN ENERGY FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That, if any provision of this Act or
the application thereof to any person or circumstance is held invalid for any reason in a
court of competent jurisdiction, the invalidity does not affect other provisions or any other
application of this Act that can be given effect without the invalid provision or application,
and for this purpose the provisions of this Act are declared severable.
1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2021.