

# HOUSE BILL 106

M5, M1, C5

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By: **Chair, Environment and Transportation Committee (By Request –  
Departmental – Natural Resources)**

Introduced and read first time: January 18, 2019

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Environmental Trust Fund – Surcharge Extension**

3 FOR the purpose of extending the termination date of a certain environmental surcharge  
4 on electrical energy distributed to retail electric customers in the State; making  
5 stylistic changes; and generally relating to the Environmental Trust Fund.

6 BY repealing and reenacting, with amendments,

7 Article – Natural Resources

8 Section 3–302(a) and (b)

9 Annotated Code of Maryland

10 (2018 Replacement Volume)

11 BY repealing and reenacting, without amendments,

12 Article – Public Utilities

13 Section 7–203(a)

14 Annotated Code of Maryland

15 (2010 Replacement Volume and 2018 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article – Public Utilities

18 Section 7–203(f)

19 Annotated Code of Maryland

20 (2010 Replacement Volume and 2018 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

22 That the Laws of Maryland read as follows:

23 **Article – Natural Resources**

24 3–302.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) There is an Environmental Trust Fund.

2 (2) (I) For the purpose of this subtitle, there is established as an added  
3 cost of electricity distributed to retail electric customers within the State, an environmental  
4 surcharge per kilowatt hour of electric energy distributed in the State to be paid by any  
5 electric company as defined in § 1–101 of the Public Utilities Article.

6 (II) The Public Service Commission shall impose the surcharge per  
7 kilowatt hour of electric energy distributed to retail electric customers within the State and  
8 shall authorize the electric companies to add the full amount of the surcharge to retail  
9 electric customers' bills.

10 (III) To the extent that the surcharge is not collected from retail  
11 electric customers, the surcharge shall be deemed a cost of distribution and shall be allowed  
12 and computed as such, together with other allowable expenses, for rate-making purposes.

13 (IV) Revenues from the surcharge shall be collected by the  
14 Comptroller and placed in the Fund.

15 (b) (1) (I) The Secretary, in consultation with the Director of the Maryland  
16 Energy Administration, annually shall coordinate the preparation of a budget required to  
17 carry out the provisions of this subtitle.

18 (II) [Upon] ON approval of the budget by the General Assembly, the  
19 Public Service Commission shall establish the amount of the surcharge per kilowatt hour  
20 for the fiscal year beginning July 1, 1972, and for each subsequent fiscal year.

21 (2) Notwithstanding any other provisions of this subtitle, the amount of the  
22 surcharge for each account for each retail electric customer may not exceed the lesser of  
23 0.15 mill per kilowatt hour or \$1,000 per month and the surcharge may not continue beyond  
24 fiscal year [2020] **2025**.

25 (3) (I) The Comptroller shall maintain the method of collection of the  
26 surcharge from the companies and the collections shall accrue to the Fund.

27 (II) The Department shall credit against the amount required to be  
28 paid into the Environmental Trust Fund by each electric company an amount equal to  
29 0.75% of the total surcharge attributed to each company on the basis of the electricity  
30 distributed within Maryland.

### 31 Article – Public Utilities

32 7–203.

33 (a) (1) The Commission shall:

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

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

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

9 (f) The surcharge imposed under this subtitle shall terminate on June 30, [2020]  
10 **2025.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
12 1, 2019.