

# HOUSE BILL 435

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By: **Delegates Tarlau, Carr, Ebersole, Fennell, Frush, Gaines, Korman, Luedtke,  
A. Miller, Moon, Pena–Melnyk, Platt, Sanchez, and A. Washington**

Introduced and read first time: January 29, 2016

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies – Vegetation Management – Local Law, Rule, Regulation, or**  
3 **Other Action**

4 FOR the purpose of repealing a prohibition against a county or municipal corporation  
5 taking certain actions that interfere with, or materially increase costs of, compliance  
6 with certain vegetation management standards under certain circumstances; requiring  
7 an electric company to attempt to work out a certain agreement with a county or  
8 municipal corporation to mitigate the impact of a local law, rule, regulation, or other  
9 action on efforts to comply with certain other vegetation management standards;  
10 authorizing an electric company to perform the proposed vegetation management after  
11 a certain period of time under certain circumstances; providing for the application of this  
12 Act; and generally relating to vegetation management.

13 BY repealing and reenacting, without amendments,  
14 Article – Public Utilities  
15 Section 7–213(a), (c), and (d)  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2015 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Public Utilities  
20 Section 7–213(e)  
21 Annotated Code of Maryland  
22 (2010 Replacement Volume and 2015 Supplement)

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

25 **Article – Public Utilities**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-213.

2 (a) (1) In this section the following words have the meanings indicated.

3 (2) (i) “Eligible reliability measure” means a replacement of or an  
4 improvement in existing infrastructure of an electric company that:

5 1. is made on or after June 1, 2014;

6 2. is designed to improve public safety or infrastructure  
7 reliability;

8 3. does not increase the revenue of an electric company by  
9 connecting an improvement directly to new customers; and

10 4. is not included in the current rate base of the electric  
11 company as determined in the electric company’s most recent base rate proceeding.

12 (ii) “Eligible reliability measure” includes vegetation management  
13 measures that are necessary to meet applicable service quality and reliability standards  
14 under this section.

15 (3) “Fund” means the Electric Reliability Remediation Fund established  
16 under subsection (j) of this section.

17 (4) “System-average interruption duration index” or “SAIDI” means the  
18 sum of the customer interruption hours divided by the total number of customers served.

19 (5) “System-average interruption frequency index” or “SAIFI” means the  
20 sum of the number of customer interruptions divided by the total number of customers  
21 served.

22 (c) This section does not apply to small rural electric cooperatives or municipal  
23 electric companies.

24 (d) On or before July 1, 2012, the Commission shall adopt regulations that  
25 implement service quality and reliability standards relating to the delivery of electricity to  
26 retail customers by electric companies through their distribution systems, using:

27 (1) SAIFI;

28 (2) SAIDI; and

29 (3) any other performance measurement that the Commission determines  
30 to be reasonable.

31 (e) (1) The regulations adopted under subsection (d) of this section shall:

1 (i) include service quality and reliability standards, including  
2 standards relating to:

- 3 1. service interruption;
- 4 2. downed wire response;
- 5 3. customer communications;
- 6 4. vegetation management;
- 7 5. periodic equipment inspections;
- 8 6. annual reliability reporting; and
- 9 7. any other standards established by the Commission;

10 (ii) account for major outages caused by events outside the control of  
11 an electric company; and

12 (iii) for an electric company that fails to meet the applicable service  
13 quality and reliability standards, require the electric company to file a corrective action  
14 plan that details specific actions the company will take to meet the standards.

15 (2) The regulations adopted under subsection (d) of this section may  
16 include a separate reliability standard for each electric company in order to account for  
17 system reliability differentiating factors, including:

- 18 (i) system design;
- 19 (ii) existing infrastructure;
- 20 (iii) customer density; and
- 21 (iv) geography.

22 (3) In adopting the regulations required under subsection (d) of this  
23 section, the Commission shall:

24 (i) consider applicable standards of the Institute of Electrical and  
25 Electronics Engineers;

26 (ii) ensure that the service quality and reliability standards are  
27 cost-effective; and

1 (iii) with respect to standards relating to vegetation management,  
2 consider:

3 1. limitations on an electric company's right to access private  
4 property; and

5 2. customer acceptance of vegetation management  
6 initiatives.

7 (4) (I) [A] **SUBJECT TO THE LIMITATIONS IN SUBPARAGRAPHS (II)**  
8 **AND (III) OF THIS PARAGRAPH, A county or municipal corporation may [not] adopt or**  
9 **enforce a local law, rule, or regulation or take any other action that interferes with, or**  
10 **materially increases the cost of the work of an electric company toward, compliance with**  
11 **the vegetation management standards adopted under subsection (d) of this section.**

12 (II) **IF AN ELECTRIC COMPANY INTENDS TO PERFORM**  
13 **VEGETATION MANAGEMENT THAT MAY VIOLATE A LOCAL LAW, RULE, REGULATION,**  
14 **OR OTHER ACTION, THE ELECTRIC COMPANY SHALL ATTEMPT TO REACH AN**  
15 **AGREEMENT WITH THE COUNTY OR MUNICIPAL CORPORATION TO MITIGATE THE**  
16 **IMPACT OF THE LOCAL LAW, RULE, REGULATION, OR OTHER ACTION ON EFFORTS TO**  
17 **COMPLY WITH THE VEGETATION MANAGEMENT STANDARDS ADOPTED UNDER**  
18 **SUBSECTION (D) OF THIS SECTION.**

19 (III) **IF AN AGREEMENT CANNOT BE REACHED UNDER**  
20 **SUBPARAGRAPH (II) OF THIS PARAGRAPH WITHIN 1 YEAR AFTER THE ELECTRIC**  
21 **COMPANY CONTACTS THE COUNTY OR MUNICIPAL CORPORATION, THE ELECTRIC**  
22 **COMPANY MAY PERFORM THE PROPOSED VEGETATION MANAGEMENT.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
24 apply retroactively and shall be applied to and interpreted to affect any vegetation  
25 management work, regardless of when the applicable local law, rule, regulation, or other  
26 action went into effect.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2016.