

SENATE BILL 1

C5, I3, M5

(PRE-FILED)

4r0927
CF 4r0435

By: **Senator Augustine**

Requested: October 11, 2023

Introduced and read first time: January 10, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity and Gas – Retail Supply – Regulation and Consumer Protection**

3 FOR the purpose of establishing an energy salesperson license for certain persons that offer
4 or sell electricity supply agreements or gas supply agreements to customers in the
5 State; providing for the terms of electricity supplier, energy salesperson, and gas
6 supplier licenses issued by the Public Service Commission; establishing certain
7 licensing and renewal requirements for certain persons; providing for certain
8 disciplinary actions by the Commission against electricity suppliers, gas suppliers,
9 and energy salespersons for certain acts; altering and establishing the amounts of
10 certain civil penalties that may be assessed with respect to electricity suppliers, gas
11 suppliers, and energy salespersons for certain violations; establishing certain
12 restrictions on the offer and sale of certain electricity supply; requiring an electric
13 company and an electricity supplier to establish a mechanism for a customer to
14 request and receive a certain replacement number under certain circumstances and
15 to allow a customer to be placed on a certain list regarding electricity service;
16 requiring electric companies to submit to the Commission a certain monthly report
17 on customer choice; altering the contents of a certain annual report that each
18 electricity supplier is required to submit to the Commission; requiring an electricity
19 supplier that offers green power for sale to residential customers to purchase certain
20 renewable energy credits in excess of the renewable energy portfolio standard in a
21 certain year in an amount equal to the amount of electricity sold to residential
22 customers as green power in that year; requiring certain electricity suppliers
23 marketing and selling green power to residential customers to include a certain
24 disclosure in certain marketing materials; stating the intent of the General
25 Assembly regarding the establishment of a certain division within the Commission;
26 allowing the Commission to impose on certain persons up to a certain amount as a
27 special assessment in a certain manner; allowing certain funds to be expended for
28 certain purposes in accordance with an approved budget amendment; and generally
29 relating to retail energy supply and consumer protection.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Public Utilities
3 Section 1–101(a), (l), (p), (ee), and (ff), 7–310(b), 13–101, and 13–201(a) and (b)
4 Annotated Code of Maryland
5 (2020 Replacement Volume and 2023 Supplement)

6 BY adding to
7 Article – Public Utilities
8 Section 1–101(l–1), 7–507.1, 7–603.1, and 7–707
9 Annotated Code of Maryland
10 (2020 Replacement Volume and 2023 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Public Utilities
13 Section 7–310(e), 7–507, 7–510, 7–602, 7–603, 7–604, 7–605, 7–705(a), and
14 13–201(e)(3)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2023 Supplement)

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

19 **Article – Public Utilities**

20 1–101.

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

22 (l) (1) “Electricity supplier” means a person:

23 (i) who sells:

24 1. electricity;

25 2. electricity supply services;

26 3. competitive billing services; or

27 4. competitive metering services; or

28 (ii) who purchases, brokers, arranges, or markets electricity or
29 electricity supply services for sale to a retail electric customer.

30 (2) “Electricity supplier” includes an electric company, an aggregator, a
31 broker, and a marketer of electricity.

32 (3) “Electricity supplier” does not include:

1 (i) the following persons who supply electricity and electricity
2 supply services solely to occupants of a building for use by the occupants:

3 1. an owner/operator who holds ownership in and manages
4 the internal distribution system serving the building; or

5 2. a lessee/operator who holds a leasehold interest in and
6 manages the internal distribution system serving the building;

7 (ii) a person who generates on-site generated electricity; or

8 (iii) a person that owns or operates equipment used for charging
9 electric vehicles, including a person that owns or operates:

10 1. an electric vehicle charging station;

11 2. electric vehicle supply equipment; or

12 3. an electric vehicle charging station service company or
13 provider.

14 **(L-1) “ENERGY SALESPERSON” MEANS AN INDIVIDUAL WHO IS LICENSED BY**
15 **THE COMMISSION TO SELL:**

16 **(1) ELECTRICITY OR ELECTRICITY SUPPLY SERVICES TO RETAIL**
17 **ELECTRIC CUSTOMERS ON BEHALF OF AN ELECTRICITY SUPPLIER AS AN EMPLOYEE**
18 **OR AGENT OF THE ELECTRICITY SUPPLIER; OR**

19 **(2) GAS OR GAS SUPPLY SERVICES TO RETAIL GAS CUSTOMERS ON**
20 **BEHALF OF A GAS SUPPLIER AS AN EMPLOYEE OR AGENT OF THE GAS SUPPLIER.**

21 (p) (1) “Gas supplier” means a person who:

22 (i) sells:

23 1. gas;

24 2. gas supply services; or

25 3. competitive billing services for gas supply services; or

26 (ii) purchases, brokers, arranges, or markets gas or gas supply
27 services for sale to a retail gas customer.

28 (2) “Gas supplier” includes an aggregator, a broker, and a marketer of gas.

1 (3) "Gas supplier" does not include:

2 (i) a gas company to the extent that the gas company provides gas
3 sales or delivery service at rates regulated by the Commission;

4 (ii) the following persons who supply gas solely to occupants of a
5 building for use by the occupants:

6 1. an owner/operator who holds ownership in and manages
7 the internal distribution system serving the building; and

8 2. a lessee/operator who holds a leasehold interest in and
9 manages the internal distribution system serving the building; or

10 (iii) a person who transmits or distributes gas within a site owned by
11 the person or the person's affiliate that is incidental to a primarily landlord-tenant
12 relationship.

13 (ee) (1) "Retail electric customer" means a purchaser of electricity for end use
14 in the State.

15 (2) "Retail electric customer" includes:

16 (i) a person that owns or operates equipment used for charging
17 electric vehicles, including:

18 1. an electric vehicle charging station;

19 2. electric vehicle supply equipment; or

20 3. an electric vehicle charging station service company or
21 provider; and

22 (ii) a person that charges an electric vehicle at an electric vehicle
23 charging station that the person owns or operates.

24 (3) "Retail electric customer" does not include:

25 (i) an occupant of a building in which the owner/operator or
26 lessee/operator manages the internal distribution system serving the building and supplies
27 electricity and electricity supply services solely to occupants of the building for use by the
28 occupants;

29 (ii) a person who generates on-site generated electricity, to the
30 extent the on-site generated electricity is consumed by that person or its tenants; or

1 (iii) except as provided in paragraph (2)(ii) of this subsection, a
2 person that charges an electric vehicle at an electric vehicle charging station.

3 (ff) (1) "Retail gas customer" means a purchaser of gas for end use in the State.

4 (2) "Retail gas customer" excludes an occupant of a building in which the
5 owner/operator or lessee/operator manages the internal distribution system serving the
6 building and supplies gas and gas supply services solely to occupants of the building for use
7 by the occupants.

8 7-310.

9 (b) There is a Retail Choice Customer Education and Protection Fund.

10 (e) (1) The Fund is a special, [nonlapsing] **NONLAPSING** fund that is not
11 subject to § 7-302 of the State Finance and Procurement Article.

12 (2) The State Treasurer shall hold the Fund separately, and the
13 Comptroller shall account for the Fund.

14 7-507.

15 (a) A person, other than an electric company providing standard offer service
16 under § 7-510(c) of this subtitle, a municipal electric utility serving customers solely in its
17 distribution territory, or a community choice aggregator under § 7-510.3 of this subtitle,
18 may not engage in the business of an electricity supplier in the State unless the person
19 holds a license issued by the Commission.

20 (b) **(1)** An application for an electricity supplier license shall:

21 **[(1)] (I)** be made to the Commission in writing on a form adopted by the
22 Commission;

23 **[(2)] (II)** be verified by oath or affirmation; and

24 **[(3)] (III)** contain information that the Commission requires, including:

25 **[(i)] 1.** proof of technical and managerial competence;

26 **[(ii)] 2.** proof of compliance with all applicable requirements of the
27 Federal Energy Regulatory Commission, and any independent system operator or regional
28 or system transmission operator to be used by the licensee;

29 **[(iii)] 3.** a certification of compliance with applicable federal and
30 State environmental laws and regulations that relate to the generation of electricity; and

1 [(iv)] 4. payment of the applicable licensing fee.

2 (2) (I) THE TERM OF AN ELECTRICITY SUPPLIER LICENSE IS 3
3 YEARS.

4 (II) THE TERMS OF LICENSES MAY BE STAGGERED AS
5 DETERMINED BY THE COMMISSION.

6 (III) UNLESS A LICENSE IS RENEWED FOR A 3-YEAR TERM IN
7 ACCORDANCE WITH THIS SUBSECTION, THE LICENSE EXPIRES ON THE DATE THAT
8 THE COMMISSION SETS.

9 (IV) A LICENSEE MAY RENEW A LICENSE FOR AN ADDITIONAL
10 3-YEAR TERM BEFORE THE LICENSE EXPIRES IF THE LICENSEE:

11 1. OTHERWISE IS ENTITLED TO BE LICENSED;

12 2. SUBMITS TO THE COMMISSION A RENEWAL
13 APPLICATION ON THE FORM THAT THE COMMISSION PROVIDES; AND

14 3. PAYS TO THE COMMISSION THE APPLICABLE
15 RENEWAL FEE SET BY THE COMMISSION.

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

17 (1) require proof of financial integrity;

18 (2) require a licensee to post a bond or other similar instrument[,] if, in the
19 Commission's judgment, the bond or similar instrument is necessary to insure an electricity
20 supplier's financial integrity;

21 (3) require a licensee to:

22 (i) provide proof that [it] THE LICENSEE is qualified to do business
23 in the State with the Department of Assessments and Taxation; and

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

25 (4) adopt any other requirements [it] THE COMMISSION finds to be in the
26 public interest, which may include different requirements for:

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

28 (ii) the different categories of electricity suppliers.

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

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

4 (1) protect consumers, electric companies, [and] electricity suppliers, **AND**
5 **ENERGY SALESPERSONS** from anticompetitive and abusive practices;

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

10 (3) establish reasonable restrictions on telemarketing;

11 (4) establish procedures for contracting with customers;

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

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

16 (7) establish procedures for dispute resolution.

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

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

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

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

24 (g) (1) An electricity supplier, **AN ENERGY SALESPERSON**, or any person or
25 governmental unit may not, without first obtaining the customer's permission:

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

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

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

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

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

7 (i) An electricity supplier shall be subject to all applicable federal and State
8 environmental laws and regulations.

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

12 (k) (1) **[The] FOR JUST CAUSE ON THE COMMISSION'S OWN**
13 **INVESTIGATION OR ON COMPLAINT OF THE OFFICE OF PEOPLE'S COUNSEL, THE**
14 **ATTORNEY GENERAL, OR AN AFFECTED PARTY, THE** Commission may:

15 (I) **DENY A LICENSE TO, OR** revoke [or], suspend, **OR REFUSE TO**
16 **RENEW** the license of, an electricity supplier[,] **OR ENERGY SALESPERSON;**

17 (II) impose a civil penalty or other remedy[.];

18 (III) order a refund or credit to a customer[.]; or

19 (IV) impose a moratorium on adding or soliciting additional
20 customers by the electricity supplier[, for just cause on the Commission's own investigation
21 or on complaint of the Office of People's Counsel, the Attorney General, or an affected party]
22 **OR ENERGY SALESPERSON.**

23 (2) A civil penalty may be imposed in addition to the Commission's decision
24 to **DENY**, revoke, suspend, **OR REFUSE TO RENEW A LICENSE** or impose a moratorium.

25 (3) Just cause includes:

26 (i) intentionally providing false information to the Commission;

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

29 (iii) failing to provide electricity for its customers;

30 (iv) committing fraud or engaging in deceptive practices;

31 (v) failing to maintain financial integrity;

1 (vi) violating a Commission regulation or order;

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

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

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

8 (x) DENIAL, suspension, or revocation of OR REFUSAL TO RENEW
9 a license by any State or federal authority; AND

10 (XI) COMMISSION OF ANY OF THE ACTS DESCRIBED IN ITEMS (I)
11 THROUGH (X) OF THIS PARAGRAPH BY A PERSON THAT IS AN AFFILIATE OF THE
12 LICENSEE OR THAT IS UNDER COMMON CONTROL WITH THE LICENSEE.

13 (l) (1) An electricity supplier, AN ENERGY SALESPERSON, or ANY OTHER
14 person selling or offering to sell electricity in the State in violation of this section OR §
15 7-507.1 OF THIS SUBTITLE, after notice and an opportunity for a hearing, is subject to:

16 (i) a civil penalty of not more than [\$10,000] \$25,000 for the
17 violation; [or]

18 (ii) license DENIAL, revocation, or suspension OR REFUSAL TO
19 RENEW THE LICENSE; OR

20 (III) BOTH.

21 (2) Each day OR PART OF A DAY a violation continues is a separate
22 violation.

23 (3) EACH CUSTOMER TO WHOM ELECTRICITY IS SOLD OR OFFERED IN
24 VIOLATION OF THIS SECTION IS A SEPARATE VIOLATION.

25 (4) The Commission shall determine the amount of any civil penalty after
26 considering:

27 (i) the number of previous violations of any provision of this division
28 BY THE ELECTRICITY SUPPLIER, ENERGY SALESPERSON, OR OTHER PERSON;

29 (ii) the gravity of the current violation; [and]

1 (iii) the good faith of the electricity supplier, **ENERGY**
2 **SALESPERSON**, or **OTHER** person charged in attempting to achieve compliance after
3 notification of the violation; **AND**

4 (IV) **ANY OTHER MATTER THAT THE COMMISSION CONSIDERS**
5 **APPROPRIATE AND RELEVANT.**

6 (m) In connection with a consumer complaint or Commission investigation under
7 this section **OR § 7-507.1 OF THIS SUBTITLE**, an electricity supplier, **AN ENERGY**
8 **SALESPERSON, AND ANY OTHER PERSON SELLING OR OFFERING TO SELL**
9 **ELECTRICITY IN THE STATE** shall provide to the Commission access to any accounts,
10 books, papers, and documents [which] **THAT** the Commission considers necessary to
11 resolve the matter at issue.

12 (n) The Commission may order the electricity supplier, **ENERGY SALESPERSON,**
13 **OR OTHER PERSON** to cease adding or soliciting additional customers or to cease serving
14 customers in the State.

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

17 (p) The People's Counsel shall have the same authority in licensing, complaint,
18 and dispute resolution proceedings as it has in Title 2 of this article.

19 (q) Nothing in this subtitle may be construed to affect the authority of the
20 Division of Consumer Protection in the Office of the Attorney General to enforce violations
21 of Titles 13 and 14 of the Commercial Law Article or any other applicable State law or
22 regulation in connection with the activities of electricity suppliers **AND ENERGY**
23 **SALESPERSONS.**

24 **7-507.1.**

25 (A) (1) **A PERSON MAY NOT ENGAGE IN THE BUSINESS OF AN ENERGY**
26 **SALESPERSON IN THE STATE UNLESS THE PERSON HOLDS A LICENSE ISSUED BY THE**
27 **COMMISSION.**

28 (2) **A LICENSED ENERGY SALESPERSON MAY OFFER OR SELL**
29 **ELECTRICITY SUPPLY AGREEMENTS OR GAS SUPPLY AGREEMENTS TO CUSTOMERS**
30 **IN THE STATE ONLY IF THE ENERGY SALESPERSON IS ASSOCIATED WITH A LICENSED**
31 **ELECTRICITY SUPPLIER OR LICENSED GAS SUPPLIER, RESPECTIVELY.**

32 (B) (1) **AN APPLICATION FOR AN ENERGY SALESPERSON LICENSE SHALL:**

33 (I) **BE MADE TO THE COMMISSION IN WRITING ON A FORM**
34 **ADOPTED BY THE COMMISSION;**

1 (II) BE VERIFIED BY OATH OR AFFIRMATION; AND

2 (III) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES,
3 INCLUDING:

4 1. PROOF OF ASSOCIATION WITH A LICENSED
5 ELECTRICITY SUPPLIER OR LICENSED GAS SUPPLIER, AS APPROPRIATE;

6 2. PROOF OF COMPLIANCE WITH ALL APPLICABLE
7 TRAINING REQUIREMENTS FOR CUSTOMER PROTECTION UNDER THIS SUBTITLE
8 AND SUBTITLE 6 OF THIS TITLE AS REQUIRED BY THE COMMISSION; AND

9 3. PAYMENT OF THE APPLICABLE LICENSING FEE.

10 (2) (I) THE TERM OF AN ENERGY SALESPERSON LICENSE IS 3
11 YEARS.

12 (II) THE TERMS OF LICENSES MAY BE STAGGERED AS
13 DETERMINED BY THE COMMISSION.

14 (III) UNLESS A LICENSE IS RENEWED FOR A 3-YEAR TERM IN
15 ACCORDANCE WITH THIS SUBSECTION, THE LICENSE EXPIRES ON THE DATE THAT
16 THE COMMISSION SETS.

17 (IV) A LICENSEE MAY RENEW A LICENSE FOR AN ADDITIONAL
18 3-YEAR TERM BEFORE THE LICENSE EXPIRES IF THE LICENSEE:

19 1. OTHERWISE IS ENTITLED TO BE LICENSED;

20 2. SUBMITS TO THE COMMISSION A RENEWAL
21 APPLICATION ON THE FORM THAT THE COMMISSION PROVIDES; AND

22 3. PAYS TO THE COMMISSION THE APPLICABLE
23 RENEWAL FEE SET BY THE COMMISSION.

24 (C) THE COMMISSION SHALL, BY REGULATION OR ORDER:

25 (1) REQUIRE PROOF OF FINANCIAL INTEGRITY;

26 (2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR
27 INSTRUMENT IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR

1 INSTRUMENT IS NECESSARY TO INSURE AN ENERGY SALESPERSON'S FINANCIAL
2 INTEGRITY; AND

3 (3) ADOPT ANY OTHER REQUIREMENTS THE COMMISSION FINDS TO
4 BE IN THE PUBLIC INTEREST.

5 (D) A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED
6 WITHOUT PRIOR COMMISSION APPROVAL.

7 7-510.

8 (a) (1) Subject to subsection (b) of this section, the phased implementation of
9 customer choice shall be implemented as follows:

10 (i) on July 1, 2000, one-third of the residential class in the State of
11 each electric company shall have the opportunity for customer choice;

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

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

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

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

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

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

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

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

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

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

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

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

11 (2) accelerate any of the other implementation dates and phase-in
12 percentages in subsection (a) of this section.

13 (c) (1) Beginning on the initial implementation date, an electric company's
14 obligation to provide electricity supply and electricity supply service is stated by this
15 subsection.

16 (2) (I) Electricity supply purchased from a customer's electric company
17 is known as standard offer service.

18 (II) A customer is considered to have chosen the standard offer
19 service if the customer:

20 [(i)] 1. is not allowed to choose an electricity supplier under the
21 phase in of customer choice in subsection (a) of this section;

22 [(ii)] 2. contracts for electricity with an electricity supplier and it
23 is not delivered;

24 [(iii)] 3. cannot arrange for electricity from an electricity supplier;

25 [(iv)] 4. does not choose an electricity supplier;

26 [(v)] 5. chooses the standard offer service; or

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

29 (3) [(i) Except as provided under subparagraph (ii) of this paragraph,
30 any obligation of an electric company to provide standard offer service shall cease on July
31 1, 2003.

1 (ii) 1. Electric cooperatives and municipal electric utilities may
2 choose to continue providing standard offer service in their respective distribution
3 territories and may cease offering that service after notifying the Commission at least 12
4 months in advance.

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

9 (iii) 1.] On or before December 31, 2008, and every 5 years
10 thereafter, the Commission shall report to the Governor and, in accordance with § 2–1257
11 of the State Government Article, to the General Assembly on the status of the standard
12 offer service[,] AND the development of competition[, and the transition of standard offer
13 service to a default service].

14 [2. The Commission shall establish, by order or regulation,
15 the definition of “default service”.]

16 (4) (i) 1. On or before July 1, 2001, the Commission shall adopt
17 regulations or issue orders to establish procedures for the competitive selection of wholesale
18 electricity suppliers, including an affiliate of an electric company, to provide electricity for
19 standard offer service to customers of electric companies under paragraph (2) of this
20 subsection, except for customers of electric cooperatives and municipal electric utilities.

21 2. Unless delayed by the Commission, the competitive
22 selection shall take effect no later than July 1, 2003.

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

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

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

35 2. A. As the Commission directs, the competitive process
36 shall include a series of competitive wholesale bids in which the investor–owned electric
37 company solicits bids to supply anticipated standard offer service load for residential and

1 small commercial customers as part of a portfolio of blended wholesale supply contracts of
2 short, medium, or long terms, and other appropriate electricity products and strategies, as
3 needed to meet demand in a cost-effective manner.

4 B. The competitive process may include different bidding
5 structures and mechanisms for base load, peak load, and very short-term procurement.

6 C. By regulation or order, as a part of the competitive process,
7 the Commission shall require or allow the procurement of cost-effective energy efficiency
8 and conservation measures and services with projected and verifiable energy savings to
9 offset anticipated demand to be served by standard offer service, and the imposition of other
10 cost-effective demand-side management programs.

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

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

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

20 5. The investor-owned electric company shall publicly
21 disclose the names of all bidders and the names and load allocation of all successful bidders
22 90 days after all contracts for supply are executed.

23 **6. AN INVESTOR-OWNED ELECTRIC COMPANY MAY**
24 **MARKET STANDARD OFFER SERVICE TO CUSTOMERS IN ITS SERVICE TERRITORY IN**
25 **COMPLIANCE WITH APPROPRIATE CONSUMER PROTECTIONS CONSISTENT WITH**
26 **THOSE THAT APPLY TO ELECTRICITY SUPPLIERS UNDER § 7-507 OF THIS SUBTITLE.**

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

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

35 (7) (i) To determine whether an appropriate phased implementation of
36 electricity rates that is necessary to protect residential customers from the impact of
37 sudden and significant increases in electricity rates, the Commission in the case of an

1 increase of 20% or more over the previous year's total electricity rates, shall conduct
2 evidentiary proceedings, including public hearings.

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

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

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

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

13 2. short-term recovery through a rate proceeding
14 mechanism approved by the Commission.

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

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

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

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

24 1. as approved and modified by the electric cooperative's
25 board of directors; and

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

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

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

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

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

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

13 **(D) (1) THIS SUBSECTION APPLIES TO ELECTRICITY SUPPLY OTHER**
14 **THAN STANDARD OFFER SERVICE.**

15 **(2) AN ELECTRICITY SUPPLIER:**

16 **(I) MAY OFFER ELECTRICITY ONLY AT A PRICE THAT DOES NOT**
17 **EXCEED THE TRAILING 12-MONTH AVERAGE OF THE ELECTRIC COMPANY'S**
18 **STANDARD OFFER SERVICE RATE IN THE ELECTRIC COMPANY'S SERVICE**
19 **TERRITORY AS OF THE DATE OF AGREEMENT WITH THE CUSTOMER;**

20 **(II) MAY OFFER ELECTRICITY SUPPLY ONLY:**

21 **1. FOR A TERM NOT TO EXCEED 12 MONTHS AT A TIME;**
22 **AND**

23 **2. WITHOUT AUTOMATIC RENEWAL;**

24 **(III) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, MAY**
25 **NOT OFFER A VARIABLE RATE OTHER THAN A RATE THAT ADJUSTS FOR SEASONAL**
26 **VARIATION NOT MORE THAN TWICE IN A SINGLE YEAR;**

27 **(IV) MAY NOT PAY A COMMISSION OR OTHER INCENTIVE-BASED**
28 **COMPENSATION TO AN ENERGY SALESPERSON FOR ENROLLING CUSTOMERS; AND**

29 **(V) MAY NOT IMPOSE ON A CUSTOMER A FEE FOR**
30 **CANCELLATION OR EARLY TERMINATION OF AN ELECTRICITY SUPPLY AGREEMENT.**

1 **(3) PARAGRAPH (2)(III) OF THIS SUBSECTION DOES NOT PROHIBIT**
2 **THE OFFER AND USE OF TIME-OF-USE RATES THAT ESTABLISH DIFFERENT RATES**
3 **FOR PERIODS WITHIN A SINGLE DAY.**

4 **(4) AN ELECTRICITY SUPPLIER MAY NOT OFFER OR PROVIDE**
5 **ELECTRICITY SUPPLY TO A CUSTOMER WHO RECEIVES ENERGY ASSISTANCE**
6 **THROUGH THE ELECTRIC UNIVERSAL SERVICE PROGRAM UNDER § 7-512.1 OF THIS**
7 **SUBTITLE OR THE ENERGY ASSISTANCE PROGRAM OF THE DEPARTMENT OF**
8 **HUMAN SERVICES UNDER TITLE 5, SUBTITLE 5A OF THE HUMAN SERVICES**
9 **ARTICLE.**

10 **(5) AN ELECTRICITY SUPPLIER MAY NOT SELL TO AN ELECTRIC**
11 **COMPANY, AND AN ELECTRIC COMPANY MAY NOT PURCHASE FROM AN ELECTRICITY**
12 **SUPPLIER, ACCOUNTS RECEIVABLE.**

13 **(E) AN ELECTRIC COMPANY AND AN ELECTRICITY SUPPLIER SHALL**
14 **ESTABLISH A MECHANISM FOR A CUSTOMER WHOSE ACCOUNT NUMBER OR**
15 **CUSTOMER CHOICE IDENTIFICATION NUMBER HAS BEEN COMPROMISED TO**
16 **RECEIVE A REPLACEMENT ACCOUNT NUMBER OR CUSTOMER CHOICE**
17 **IDENTIFICATION NUMBER ON REQUEST, SUBJECT TO VERIFICATION IN A MANNER**
18 **APPROVED BY THE COMMISSION.**

19 **(F) AS APPROVED BY THE COMMISSION BY REGULATION OR ORDER, EACH**
20 **ELECTRIC COMPANY AND EACH ELECTRICITY SUPPLIER SHALL ALLOW A CUSTOMER**
21 **TO INDICATE THE CUSTOMER'S INTENTION TO REMAIN ON STANDARD OFFER**
22 **SERVICE INDEFINITELY AND NOT TO RECEIVE DIRECTED MARKETING CONTACTS**
23 **FROM ELECTRICITY SUPPLIERS THROUGH THE IMPLEMENTATION OF A "DO NOT**
24 **TRANSFER" LIST ONTO WHICH THE CUSTOMER MAY REQUEST TO BE PLACED.**

25 **(G) ON OR BEFORE THE 15TH DAY OF EACH MONTH, EACH ELECTRIC**
26 **COMPANY SHALL SUBMIT A REPORT TO THE COMMISSION ON CUSTOMER CHOICE IN**
27 **ITS SERVICE TERRITORY FOR THE PRECEDING MONTH, INCLUDING:**

28 **(1) THE TOTAL KILOWATT-HOURS DISTRIBUTED TO CUSTOMERS**
29 **PURCHASING ELECTRICITY FROM A THIRD-PARTY ELECTRICITY SUPPLIER;**

30 **(2) THE TOTAL SUPPLY COST CHARGED TO CUSTOMERS PURCHASING**
31 **ELECTRICITY FROM A THIRD-PARTY ELECTRICITY SUPPLIER;**

32 **(3) THE TOTAL COST THAT CUSTOMERS SPECIFIED IN ITEM (2) OF**
33 **THIS SUBSECTION WOULD HAVE PAID UNDER STANDARD OFFER SERVICE;**

1 **(4) THE NET THIRD-PARTY TOTAL COST COMPARED TO THE NET**
2 **STANDARD OFFER SERVICE COST;**

3 **(5) THE TOTAL THIRD-PARTY AVERAGE RATE;**

4 **(6) THE STANDARD OFFER SERVICE AVERAGE RATE;**

5 **(7) THE DIFFERENCE BETWEEN THE TOTAL THIRD-PARTY AVERAGE**
6 **RATE AND THE STANDARD OFFER SERVICE AVERAGE RATE;**

7 **(8) THE THIRD-PARTY AVERAGE RESIDENTIAL RATES BROKEN OUT**
8 **BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE RATES AND THE**
9 **STANDARD OFFER SERVICE AVERAGE RATE;**

10 **(9) THE THIRD-PARTY AVERAGE GENERAL SERVICE NONDEMAND**
11 **RATES BROKEN OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE**
12 **THIRD-PARTY RATES AND THE STANDARD OFFER SERVICE AVERAGE RATE;**

13 **(10) THE THIRD-PARTY AVERAGE GENERAL SERVICE DEMAND RATES**
14 **BROKEN OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE**
15 **THIRD-PARTY RATES AND THE STANDARD OFFER SERVICE AVERAGE RATE;**

16 **(11) THE THIRD-PARTY AVERAGE LARGE POWER DEMAND RATES**
17 **BROKEN OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE**
18 **THIRD-PARTY RATES AND THE STANDARD OFFER SERVICE AVERAGE RATE; AND**

19 **(12) OTHER PERTINENT INFORMATION THE COMMISSION CONSIDERS**
20 **APPROPRIATE.**

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

24 **[(f)] (I)** Except as provided in § 7-510.3 of this subtitle, a county or municipal
25 corporation may not act as an aggregator unless the Commission determines there is not
26 sufficient competition within the boundaries of the county or municipal corporation.

27 7-602.

28 The General Assembly finds and declares that the purpose of this subtitle is to:

29 (1) clarify existing law regarding the provision of competitive retail gas
30 supply and gas supply services in the State;

1 (2) require the Commission to license gas suppliers **AND ENERGY**
2 **SALESPERSONS**;

3 (3) authorize the Commission to adopt complaint procedures;

4 (4) establish certain requirements relating to the competitiveness of retail
5 gas supply and gas supply services markets; and

6 (5) establish standards for the protection of consumers.

7 7-603.

8 (a) The Commission shall license gas suppliers **AND ENERGY SALESPERSONS**
9 and shall have the same authority as the Commission has under [§ 7-507] **§§ 7-507 AND**
10 **7-507.1** of this title for electricity suppliers **AND ENERGY SALESPERSONS**, including the
11 authority to:

12 (1) **DENY**, revoke [or], suspend, **OR REFUSE TO RENEW** a license;

13 (2) impose a moratorium, civil penalty, or other remedy; or

14 (3) order a refund for or credit to a customer.

15 (b) The Commission shall adopt licensing requirements and procedures for gas
16 suppliers **AND ENERGY SALESPERSONS** that protect consumers, the public interest, and
17 the collection of all State and local taxes, **CONSISTENT WITH THE REQUIREMENTS FOR**
18 **ELECTRICITY SUPPLIERS AND ENERGY SALESPERSONS UNDER SUBTITLE 5 OF THIS**
19 **TITLE**.

20 **7-603.1.**

21 **(A) (1) FOR JUST CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR**
22 **ON COMPLAINT OF THE OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL,**
23 **OR AN AFFECTED PARTY, THE COMMISSION MAY:**

24 **(I) DENY A LICENSE TO, OR REVOKE, SUSPEND, OR REFUSE TO**
25 **RENEW THE LICENSE OF, A GAS SUPPLIER OR AN ENERGY SALESPERSON;**

26 **(II) IMPOSE A CIVIL PENALTY OR OTHER REMEDY;**

27 **(III) ORDER A REFUND OR CREDIT TO A CUSTOMER; OR**

28 **(IV) IMPOSE A MORATORIUM ON ADDING OR SOLICITING**
29 **ADDITIONAL CUSTOMERS BY THE GAS SUPPLIER OR ENERGY SALESPERSON.**

1 **(2) A CIVIL PENALTY MAY BE IMPOSED IN ADDITION TO THE**
2 **COMMISSION'S DECISION TO DENY, REVOKE, SUSPEND, OR REFUSE TO RENEW A**
3 **LICENSE OR IMPOSE A MORATORIUM.**

4 **(3) JUST CAUSE INCLUDES:**

5 **(I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE**
6 **COMMISSION;**

7 **(II) SWITCHING, OR CAUSING TO BE SWITCHED, THE GAS**
8 **SUPPLY FOR A CUSTOMER WITHOUT FIRST OBTAINING THE CUSTOMER'S**
9 **PERMISSION;**

10 **(III) FAILING TO PROVIDE GAS FOR ITS CUSTOMERS;**

11 **(IV) COMMITTING FRAUD OR ENGAGING IN DECEPTIVE**
12 **PRACTICES;**

13 **(V) FAILING TO MAINTAIN FINANCIAL INTEGRITY;**

14 **(VI) VIOLATING A COMMISSION REGULATION OR ORDER;**

15 **(VII) FAILING TO PAY, COLLECT, REMIT, OR CALCULATE**
16 **ACCURATELY APPLICABLE STATE OR LOCAL TAXES;**

17 **(VIII) VIOLATING A PROVISION OF THIS ARTICLE OR ANY OTHER**
18 **APPLICABLE CONSUMER PROTECTION LAW OF THE STATE;**

19 **(IX) CONVICTION OF A FELONY BY THE LICENSEE OR PRINCIPAL**
20 **OF THE LICENSEE OR ANY CRIME INVOLVING FRAUD, THEFT, OR DECEIT;**

21 **(X) DENIAL, SUSPENSION, OR REVOCATION OF OR REFUSAL TO**
22 **RENEW A LICENSE BY ANY STATE OR FEDERAL AUTHORITY; AND**

23 **(XI) COMMISSION OF ANY OF THE ACTS DESCRIBED IN ITEMS (I)**
24 **THROUGH (X) OF THIS PARAGRAPH BY A PERSON THAT IS AN AFFILIATE OF THE**
25 **LICENSEE OR THAT IS UNDER COMMON CONTROL WITH THE LICENSEE.**

26 **(B) (1) A GAS SUPPLIER, AN ENERGY SALESPERSON, OR ANY OTHER**
27 **PERSON SELLING OR OFFERING TO SELL GAS IN THE STATE IN VIOLATION OF THIS**
28 **SECTION OR § 7-603 OF THIS SUBTITLE, AFTER NOTICE AND AN OPPORTUNITY FOR**
29 **A HEARING, IS SUBJECT TO:**

1 **(I) A CIVIL PENALTY OF NOT MORE THAN \$25,000 FOR THE**
2 **VIOLATION;**

3 **(II) LICENSE DENIAL, REVOCATION, OR SUSPENSION OR**
4 **REFUSAL TO RENEW THE LICENSE; OR**

5 **(III) BOTH.**

6 **(2) EACH DAY OR PART OF A DAY A VIOLATION CONTINUES IS A**
7 **SEPARATE VIOLATION.**

8 **(3) EACH CUSTOMER TO WHOM GAS IS SOLD OR OFFERED IN**
9 **VIOLATION OF THIS SECTION IS A SEPARATE VIOLATION.**

10 **(4) THE COMMISSION SHALL DETERMINE THE AMOUNT OF ANY CIVIL**
11 **PENALTY AFTER CONSIDERING:**

12 **(I) THE NUMBER OF PREVIOUS VIOLATIONS OF ANY PROVISION**
13 **OF THIS DIVISION BY THE GAS SUPPLIER, ENERGY SALESPERSON, OR OTHER**
14 **PERSON;**

15 **(II) THE GRAVITY OF THE CURRENT VIOLATION;**

16 **(III) THE GOOD FAITH OF THE GAS SUPPLIER, ENERGY**
17 **SALESPERSON, OR OTHER PERSON CHARGED IN ATTEMPTING TO ACHIEVE**
18 **COMPLIANCE AFTER NOTIFICATION OF THE VIOLATION; AND**

19 **(IV) ANY OTHER MATTER THAT THE COMMISSION CONSIDERS**
20 **APPROPRIATE AND RELEVANT.**

21 **(C) IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION**
22 **INVESTIGATION UNDER THIS SECTION OR § 7-603 OF THIS SUBTITLE, A GAS**
23 **SUPPLIER, AN ENERGY SALESPERSON, AND ANY OTHER PERSON SELLING OR**
24 **OFFERING TO SELL GAS IN THE STATE SHALL PROVIDE TO THE COMMISSION ACCESS**
25 **TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS THAT THE COMMISSION**
26 **CONSIDERS NECESSARY TO RESOLVE THE MATTER AT ISSUE.**

27 **(D) THE COMMISSION MAY ORDER THE GAS SUPPLIER, ENERGY**
28 **SALESPERSON, OR OTHER PERSON TO CEASE ADDING OR SOLICITING ADDITIONAL**
29 **CUSTOMERS OR TO CEASE SERVING CUSTOMERS IN THE STATE.**

30 7-604.

1 (a) On or before July 1, 2001, the Commission shall adopt consumer protection
2 orders or regulations for gas suppliers **AND ENERGY SALESPERSONS** that:

3 (1) protect consumers from discriminatory, unfair, deceptive, and
4 anticompetitive acts and practices in the marketing, selling, or distributing of natural gas;

5 (2) provide for contracting, enrollment, and billing practices and
6 procedures; and

7 (3) the Commission considers necessary to protect the consumer.

8 (b) In adopting orders and regulations under this section, unless the Commission
9 determines that the circumstances do not require consistency, the Commission shall:

10 (1) provide customers with protections consistent with applicable
11 protections provided to retail electric customers; and

12 (2) impose appropriate requirements on gas suppliers **AND ENERGY**
13 **SALESPERSONS** that are consistent with applicable requirements imposed on electricity
14 suppliers **AND ENERGY SALESPERSONS**.

15 7-605.

16 (a) This subtitle may not be construed to:

17 (1) affect the authority of the Division of Consumer Protection of the Office
18 of the Attorney General to enforce violations of Titles 13 and 14 of the Commercial Law
19 Article or any other applicable State law or regulation in connection with the activities of
20 gas suppliers **OR ENERGY SALESPERSONS**; or

21 (2) exempt gas companies [and], gas suppliers, **AND ENERGY**
22 **SALESPERSONS** from otherwise applicable State or federal consumer protection and
23 antitrust laws.

24 (b) The Commission shall consult with the Consumer Protection Division of the
25 Office of the Attorney General before adopting regulations designed to protect consumers
26 of gas supply and gas supply services.

27 (c) The People's Counsel has the same authority in licensing, complaint, and
28 dispute resolution proceedings as the People's Counsel has under Subtitle 5 of this title and
29 Title 2 of this article.

30 (d) In connection with a consumer complaint or Commission investigation under
31 this subtitle, a gas supplier **OR AN ENERGY SALESPERSON** shall provide to the
32 Commission access to any accounts, books, papers, and documents that the Commission
33 considers necessary to resolve a matter in dispute.

1 7-705.

2 (a) Each electricity supplier shall submit a report to the Commission each year in
3 a form and by a date specified by the Commission that:

4 (1) (i) demonstrates that the electricity supplier has complied with the
5 applicable renewable energy portfolio standard under § 7-703 of this subtitle and includes
6 the submission of the required amount of renewable energy credits; or

7 (ii) demonstrates the amount of electricity sales by which the
8 electricity supplier failed to meet the applicable renewable energy portfolio standard; [and]

9 (2) documents the level of participation of minority business enterprises
10 and minorities in the activities that support the creation of renewable energy credits used
11 to satisfy the standard under § 7-703 of this subtitle, including development, installation,
12 and operation of generating facilities that create credits; AND

13 **(3) DOCUMENTS THE AMOUNTS AND TYPES OF GENERATION**
14 **ASSOCIATED WITH RENEWABLE ENERGY CREDITS PURCHASED IN COMPLIANCE**
15 **WITH § 7-707(B) OF THIS SUBTITLE DURING THE REPORTING PERIOD.**

16 7-707.

17 **(A) IN THIS SECTION, “GREEN POWER” MEANS ENERGY SOURCES OR**
18 **RENEWABLE ENERGY CREDITS THAT ARE MARKETED AS GREEN, ECO-FRIENDLY,**
19 **ENVIRONMENTALLY FRIENDLY OR RESPONSIBLE, CARBON-FREE, RENEWABLE,**
20 **100% RENEWABLE, 100% WIND, 100% HYDRO, 100% SOLAR, 100% EMISSION-FREE,**
21 **OR SIMILAR CLAIMS.**

22 **(B) (1) ON AND AFTER JANUARY 1, 2025, AN ELECTRICITY SUPPLIER**
23 **SHALL PURCHASE RENEWABLE ENERGY CREDITS FOR EACH YEAR THE ELECTRICITY**
24 **SUPPLIER OFFERS GREEN POWER FOR SALE TO RESIDENTIAL RETAIL ELECTRIC**
25 **CUSTOMERS.**

26 **(2) THE CREDITS THAT AN ELECTRICITY SUPPLIER PURCHASES**
27 **UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE:**

28 **(I) GENERATED:**

29 **1. IN THE PJM REGION; OR**

30 **2. OUTSIDE THE PJM REGION ONLY IF THE**
31 **ELECTRICITY IS DELIVERED INTO THE PJM REGION; AND**

1 **(II) RETIRED IN A PJM ENVIRONMENTAL INFORMATION**
2 **SERVICES, INC., GENERATION ATTRIBUTE TRACKING SYSTEM RESERVE**
3 **SUBACCOUNT ACCESSIBLE BY THE COMMISSION.**

4 **(C) AN ELECTRICITY SUPPLIER THAT CLAIMS IN THE ELECTRICITY**
5 **SUPPLIER'S MARKETING OF ELECTRICITY TO RESIDENTIAL RETAIL ELECTRIC**
6 **CUSTOMERS THAT THE CUSTOMER WILL BE PURCHASING GREEN POWER SHALL**
7 **INCLUDE THE FOLLOWING DISCLOSURE OR A SIMILAR DISCLOSURE APPROVED BY**
8 **THE COMMISSION:**

9 **"IF YOU PURCHASE THIS ENERGY PLAN, YOU ARE AGREEING TO PURCHASE**
10 **LOCAL UTILITY DISTRIBUTION GRID ELECTRICITY THAT IS PAIRED WITH**
11 **RENEWABLE ENERGY CREDITS ("RECS") IN AN AMOUNT SUFFICIENT TO MATCH THE**
12 **PERCENT OF "GREEN POWER" ELECTRICITY IN YOUR CONTRACT."**

13 13-101.

14 (a) This section does not apply to a violation of the following provisions of this
15 article:

16 (1) Title 5, Subtitle 4;

17 (2) Title 7, Subtitle 1;

18 (3) Title 8, Subtitles 1 and 3; and

19 (4) Title 9, Subtitle 3.

20 (b) A person may not fail, neglect, or refuse to comply with any provision of this
21 division or any effective and outstanding direction, ruling, order, rule, regulation, or
22 decision of the Commission.

23 (c) An individual who knowingly violates or knowingly aids or abets a public
24 service company in the violation of subsection (b) of this section or any provision of this
25 division:

26 (1) is guilty of a misdemeanor; and

27 (2) unless a different punishment is specifically provided by law, on
28 conviction is subject to a fine not exceeding \$1,000 for a first offense and not exceeding
29 \$5,000 for each additional or subsequent offense.

30 13-201.

31 (a) This section does not apply to a violation of the following provisions of this
32 article:

- 1 (1) Title 5, Subtitle 4;
- 2 (2) Title 7, Subtitle 1;
- 3 (3) § 7–213 as it applies to electric cooperatives;
- 4 (4) Title 8, Subtitles 1 and 3;
- 5 (5) Title 9, Subtitle 3; and
- 6 (6) Title 8, Subtitle 4.

7 (b) (1) Except as provided in paragraph (2) of this subsection, the Commission
8 may impose a civil penalty not exceeding \$25,000 against a person who violates a provision
9 of this division, or an effective and outstanding direction, ruling, order, rule, or regulation
10 of the Commission.

11 (2) The civil penalty that the Commission may impose on a common carrier
12 for each violation may not exceed \$2,500.

13 (e) (3) A civil penalty assessed for a violation of [§ 7–505(b)(7), § 7–507, §
14 7–603, § 7–604, or § 7–606] **§ 7–505(B)(7), § 7–507, § 7–507.1, § 7–603, § 7–603.1, §**
15 **7–604, § 7–606, OR § 7–707** of this article, or a rule, an order, or a regulation adopted
16 under any of those sections, shall be paid into the Retail Choice Customer Education and
17 Protection Fund under § 7–310 of this article.

18 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
19 Assembly that:

20 (1) the Public Service Commission shall establish a division within the
21 Commission with the specific responsibility to receive, investigate, and resolve, including
22 by disciplinary actions and prosecution, complaints against electricity suppliers, gas
23 suppliers, and energy salespersons for violations of this Act with respect to retail
24 customers;

25 (2) at least two additional Position Identification Numbers (PINs) shall be
26 created and assigned to the new division, in addition to existing Commission personnel in
27 the Commission’s Consumer Affairs Division, who may be assigned to assist the new
28 division in its responsibilities under this Act;

29 (3) the functions of the new division shall be funded by licensing and
30 renewal fees imposed on electricity suppliers, gas suppliers, and energy salespersons under
31 this Act; and

32 (4) a special assessment on public service companies under Section 3 of this
33 Act shall be used for initial funding of the new division.

1 SECTION 3. AND BE IT FURTHER ENACTED, That:

2 (a) Notwithstanding any other provision of law, for fiscal year 2025 only, in
3 addition to the amounts appropriated in the budget bill for fiscal year 2025, the Public
4 Service Commission may impose up to \$275,000 as a special assessment using the
5 assessment process authorized under § 2–110 of the Public Utilities Article, provided that:

6 (1) the assessment shall be imposed only on those electric companies,
7 electricity suppliers, gas companies, and gas suppliers otherwise subject to the assessment
8 under § 2–110 of the Public Utilities Article; and

9 (2) the limit under § 2–110(c)(12) of the Public Utilities Article does not
10 apply to any assessment made under this section.

11 (b) (1) The amounts collected under subsection (a) of this section may be
12 expended for fiscal year 2025 for the support of the Commission in accordance with an
13 approved budget amendment.

14 (2) Notwithstanding § 2–110(c)(10) of the Public Utilities Article, any
15 unexpended funds at the end of fiscal year 2025 that were collected under this section:

16 (i) shall be considered encumbered by the Public Service
17 Commission by June 30, 2025; and

18 (ii) may not be deducted from the appropriation for fiscal year 2026.

19 (c) The bill sent to each electric company, electricity supplier, gas company, and
20 gas supplier subject to the assessment under subsection (a) of this section shall equal the
21 product of multiplying:

22 (1) the amount authorized to be collected under this section; and

23 (2) the ratio of the gross operating revenues of the entity subject to the
24 special assessment to the total gross operating revenues for all entities subject to the
25 assessment.

26 SECTION 4. AND BE IT FURTHER ENACTED, That:

27 (1) the licenses of electricity suppliers and gas suppliers that are licensed
28 by the Public Service Commission as of July 1, 2024, shall expire on a staggered basis as
29 determined by the Commission, such that equal numbers of licenses shall expire
30 throughout each of the following 3 years but not later than June 30, 2027;

31 (2) the licenses of energy salespersons who are licensed by the Commission
32 on or before June 30, 2027, shall expire on a staggered basis as determined by the
33 Commission, such that equal numbers of licenses shall expire each year; and

1 (3) all new and renewed licenses for electricity suppliers, gas suppliers, and
2 energy salespersons shall be for a term not exceeding 3 years.

3 SECTION 5. AND BE IT FURTHER ENACTED, That a presently existing obligation
4 or contract right may not be impaired in any way by this Act.

5 SECTION 6. AND BE IT FURTHER ENACTED, That § 7–510(d) of the Public
6 Utilities Article, as enacted by Section 1 of this Act, shall be construed to apply to all
7 electricity supply agreements and gas supply agreements entered into or renewed on or
8 after January 1, 2025.

9 SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall be construed to
10 apply only prospectively and may not be applied or interpreted to have any effect on or
11 application to any electricity supply agreement or gas supply agreement that is in effect on
12 or before December 31, 2024.

13 SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2024.