

SENATE BILL 1

C5, I3, M5

(4lr0927)

ENROLLED BILL

— *Education, Energy, and the Environment/Economic Matters* —

Introduced by **Senator Augustine**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

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

3 FOR the purpose of altering a certain charge that may be assessed to a public service
4 company; changing the name of the Retail Choice Customer Education and
5 Protection Fund to the Education and Protection Fund; modifying the purpose and
6 uses of the Fund; altering the scope of a certain training and educational program
7 that the Public Service Commission is required to develop; requiring the Commission
8 to require a residential energy retailer to post certain information on the energy
9 retailer's website; providing for the recovery of certain costs through rates;
10 establishing an energy salesperson license for certain persons that offer or sell
11 electricity supply agreements or gas supply agreements to customers in the State;
12 establishing an energy vendor license for certain persons that provide energy sales
13 services in the State; providing for the terms of electricity supplier, energy
14 salesperson, energy vendor, and gas supplier licenses issued by the ~~Public Service~~
15 Commission; establishing certain licensing and renewal requirements for certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



persons; providing for certain disciplinary actions by the Commission against electricity suppliers, gas suppliers, ~~and energy vendors, and~~ energy salespersons for certain acts; altering and establishing the amounts of certain civil penalties that may be assessed with respect to electricity suppliers, gas suppliers, and energy ~~salespersons~~ vendors for certain violations; prohibiting the Commission from imposing a civil penalty on an energy salesperson; establishing certain authorizations and restrictions on the offer and sale of certain electricity supply and gas supply; requiring an electric company ~~and an,~~ a certain electricity supplier, a gas company, and a certain gas supplier to establish a mechanism for a customer to request and receive a certain replacement number under certain circumstances and to allow a customer to be placed on a certain list regarding electricity service or gas service; requiring ~~electric companies~~ billing entities to submit to the Commission a certain monthly report on customer choice; altering the contents of a certain annual report that each electricity supplier is required to submit to the Commission; prohibiting a certain electricity supplier from marketing electricity as green power unless certain conditions are met; requiring an electricity supplier that offers green power for sale to residential customers to purchase certain renewable energy credits in excess of the renewable energy portfolio standard ~~in a certain year in an amount equal to the amount of electricity sold to residential customers as green power in that year;~~ requiring the Commission to hold certain proceedings to set the price of electricity marketed as green power under certain circumstances; requiring certain electricity suppliers marketing and selling green power to residential customers to include ~~a certain disclosure~~ certain disclosures in certain marketing materials; stating the intent of the General Assembly regarding the establishment of a certain division within the Commission; allowing the Commission to impose on certain persons up to a certain amount as a special assessment in a certain manner; allowing certain funds to be expended for certain purposes in accordance with an approved budget amendment; requiring, on or before a certain date, the Commission to develop a certain training and education program; requiring the Commission to study and report to certain committees of the General Assembly, on or before a certain date, on certain customer load configurations; and generally relating to retail energy supply and consumer protection.

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 1–101(a), (l), (p), (ee), and (ff), ~~7–310(b)~~ 2–110(a) and (b), 7–701(a) and (m), 13–101, and 13–201(a) and (b)

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY adding to

Article – Public Utilities

Section 1–101(l–1) and (l–2), 7–507.1 7–315 through 7–318, 7–603.1, 7–604.2, and 7–707

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section ~~2–110(c)(12), 7–310(e), 7–310, 7–311, 7–507, 7–510, 7–602, 7–603, 7–604,~~
7–605, 7–705(a), and 13–201(e)(3)

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

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

Article – Public Utilities

1–101.

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

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

(i) who sells:

1. electricity;
2. electricity supply services;
3. competitive billing services; or
4. competitive metering services; or

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

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

(3) “Electricity supplier” does not include:

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

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

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

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

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

1. an electric vehicle charging station;
2. electric vehicle supply equipment; or
3. an electric vehicle charging station service company or provider.

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

~~(1)~~ **(I) ELECTRICITY OR ELECTRICITY SUPPLY SERVICES TO RESIDENTIAL RETAIL ELECTRIC CUSTOMERS ON BEHALF OF AN ELECTRICITY SUPPLIER AS AN EMPLOYEE OR AGENT OF THE ELECTRICITY SUPPLIER; OR**

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

(2) “ENERGY SALESPERSON” DOES NOT INCLUDE:

(I) THE DEPARTMENT OF GENERAL SERVICES WHEN THE DEPARTMENT OF GENERAL SERVICES SELLS ENERGY UNDER § 7-704.4 OF THIS ARTICLE;

(II) THE WASHINGTON SUBURBAN SANITARY COMMISSION WHEN THE WASHINGTON SUBURBAN SANITARY COMMISSION SELLS ENERGY UNDER DIVISION II OF THIS ARTICLE;

(III) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF THIS ARTICLE; OR

(IV) AN EMPLOYEE OR CONTRACTOR OF AN ELECTRIC COMPANY WHEN THE EMPLOYEE OR CONTRACTOR IS PERFORMING DUTIES SPECIFIC TO STANDARD OFFER SERVICE.

(L-2) “ENERGY VENDOR” MEANS A PERSON THAT HAS A CONTRACT OR SUBCONTRACT TO PROVIDE ENERGY SALES SERVICES TO AN ELECTRICITY SUPPLIER OR A GAS SUPPLIER THAT PROVIDES ELECTRICITY SUPPLY SERVICES OR GAS SUPPLY SERVICES, RESPECTIVELY, TO A RESIDENTIAL CUSTOMER.

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

1 (i) sells:

2 1. gas;

3 2. gas supply services; or

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

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

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

8 (3) “Gas supplier” does not include:

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

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

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

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

17 (iii) a person who transmits or distributes gas within a site owned by
18 the person or the person’s affiliate that is incidental to a primarily landlord–tenant
19 relationship.

20 (ee) (1) “Retail electric customer” means a purchaser of electricity for end use
21 in the State.

22 (2) “Retail electric customer” includes:

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

25 1. an electric vehicle charging station;

26 2. electric vehicle supply equipment; or

27 3. an electric vehicle charging station service company or
28 provider; and

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

(3) “Retail electric customer” does not include:

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

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

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

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

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

2–110.

(a) In this section, “public service company” includes an electricity supplier and a gas supplier as those terms are defined in § 1–101 of this article.

(b) (1) The costs and expenses of the Commission and the Office of People’s Counsel shall be borne by the public service companies that are subject to the Commission’s jurisdiction.

(2) The costs and expenses shall be assessed as provided in this section.

(3) The Commission shall pay the money that it collects for the assessment under this section into the Public Utility Regulation Fund in the State Treasury established under § 2–110.1 of this subtitle to reimburse the State for the expenses of the Commission and the Office of People’s Counsel.

(c) (12) The total amount that may be charged to a public service company under this section for a State fiscal year may not exceed:

(i) [0.25%] 0.50% of the public service company’s gross operating revenues derived from intrastate utility and electricity supplier operations in the preceding calendar year, or other 12-month period that the Chairman determines, for the costs and expenses of the Commission other than that of the Office of People’s Counsel; plus

(ii) 0.074% of those revenues for the costs and expenses of the Office of People's Counsel.

7-310.

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

~~(e) (1) The Fund is a special, [nonlapsing] 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.~~

(a) In this section, "Fund" means the [Retail Choice Customer] Education and Protection Fund.

(b) There is [a Retail Choice Customer] AN Education and Protection Fund.

(c) The purpose of the Fund is to provide resources to improve the Commission's ability to:

(1) educate customers on:

(I) retail electric and gas choice; and

(II) ENERGY CHOICES THAT HELP MEET THE STATE'S CLIMATE COMMITMENTS UNDER §§ 7-211 AND 7-211.2 OF THIS TITLE AND §§ 2-1204.1 AND 2-1204.2 OF THE ENVIRONMENT ARTICLE;

(2) protect customers from unfair, false, misleading, or deceptive practices by electricity SUPPLIERS, ENERGY SALESPERSONS, ENERGY VENDORS, or gas suppliers; AND

(3) DEVELOP A TRAINING AND EDUCATIONAL PROGRAM FOR ELECTRICITY SUPPLIERS, GAS SUPPLIERS, ENERGY SALESPERSONS, AND ENERGY VENDORS AS PROVIDED UNDER § 7-311 OF THIS SUBTITLE.

(d) The Commission shall administer the Fund.

(e) (1) The Fund is a special, [nonlapsing] 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) revenue distributed to the Fund under § 13–201(e)(3) of this article;

(2) money appropriated in the State budget to the Fund; and

(3) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund may be used only to:

(1) educate retail electric or gas customers on retail choice AND ENERGY CHOICES THAT HELP TO MEET THE STATE’S CLIMATE COMMITMENTS UNDER §§ 7–211 AND 7–211.2 OF THIS TITLE AND §§ 2–1204.1 AND 2–1204.2 OF THE ENVIRONMENT ARTICLE; [and]

(2) improve customer protections for retail electric or gas customers; AND

(3) DEVELOP A TRAINING AND EDUCATIONAL PROGRAM FOR ELECTRICITY SUPPLIERS, GAS SUPPLIERS, ENERGY SALESPERSONS, AND ENERGY VENDORS AS PROVIDED UNDER § 7–311 OF THIS SUBTITLE.

(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 investment earnings of the Fund shall be credited to the General Fund of the State.

(i) Expenditures from the Fund may be made only in accordance with the State budget.

7–311.

(a) The Commission shall develop a training and educational program for any entity or individual that is licensed by the Commission as an electricity supplier [or], a gas supplier, AN ENERGY SALESPERSON, OR AN ENERGY VENDOR.

(b) The Commission shall develop the program in consultation with interested stakeholders, including electricity suppliers [and], gas suppliers, ENERGY SALESPERSONS, AND ENERGY VENDORS.

(c) The program shall require that a designated representative of each licensed electricity supplier [or], licensed gas supplier, LICENSED ENERGY VENDOR, OR LICENSED ENERGY SALESPERSON demonstrate a thorough understanding of the Commission’s regulations regarding:

(1) sales;

(2) consumer protection; and

(3) any other matter the Commission deems appropriate.

(d) At the conclusion of the training, the Commission shall:

(1) conduct an examination; and

(2) on a satisfactory score, certify that the designated representative of the licensed electricity supplier [or], licensed gas supplier, LICENSED ENERGY SALESPERSON, OR LICENSED ENERGY VENDOR has successfully completed the training.

(e) (1) The Commission shall determine the schedule and frequency by which a designated representative of a licensed electricity supplier [or], licensed gas supplier, LICENSED ENERGY SALESPERSON, OR LICENSED ENERGY VENDOR must complete the training and certification.

(2) A designated representative of a new electricity supplier [or], gas supplier, ENERGY SALESPERSON, OR ENERGY VENDOR shall complete the training and certification prior to the issuance of a license.

(f) The Commission may adopt regulations that include appropriate penalties or sanctions for failure to comply with this section.

(g) (1) The Commission shall use [the assessments collected in accordance with § 2-110 of this article] THE FOLLOWING FUNDING SOURCES for the initial development of the training and educational program:

(I) THE ASSESSMENTS COLLECTED IN ACCORDANCE WITH § 2-110 OF THIS ARTICLE; OR

(II) FUNDS DEPOSITED INTO THE EDUCATION AND PROTECTION FUND IN ACCORDANCE WITH § 7-310 OF THIS SUBTITLE.

(2) The Commission may establish reasonable fees to pay for the costs of the program.

7-315.

(A) (1) IN THIS SECTION, “RESIDENTIAL ENERGY RETAILER” INCLUDES:

(I) AN ELECTRICITY SUPPLIER THAT SUPPLIES ELECTRICITY TO RESIDENTIAL RETAIL ELECTRIC CUSTOMERS;

1 (II) A GAS SUPPLIER THAT SUPPLIES GAS TO RESIDENTIAL
2 RETAIL GAS CUSTOMERS;

3 (III) AN ENERGY SALESPERSON; AND

4 (IV) AN ENERGY VENDOR.

5 (2) “RESIDENTIAL ENERGY RETAILER” DOES NOT INCLUDE:

6 (I) THE DEPARTMENT OF GENERAL SERVICES WHEN THE
7 DEPARTMENT OF GENERAL SERVICES SELLS ENERGY UNDER § 7-704.4 OF THIS
8 TITLE; OR

9 (II) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF
10 THIS TITLE;

11 (III) AN ELECTRICITY SUPPLIER ~~THAT SUPPLIES~~ WHEN
12 SUPPLYING ELECTRICITY TO COMMERCIAL RETAIL ELECTRIC CUSTOMERS; OR

13 (IV) A GAS SUPPLIER THAT SUPPLIES GAS TO COMMERCIAL
14 RETAIL GAS CUSTOMERS.

15 (B) THE COMMISSION MAY ADOPT REGULATIONS TO:

16 (1) REQUIRE A RESIDENTIAL ENERGY RETAILER TO POST NOTICES
17 AND DISCLOSURES REQUIRED UNDER THIS TITLE ON THE RETAILER’S WEBSITE:

18 (I) IN A PROMINENT LOCATION;

19 (II) USING AT LEAST A CERTAIN MINIMUM FONT SIZE; AND

20 (III) IN A FORMAT APPROVED BY THE COMMISSION; AND

21 (2) REQUIRE OR PROHIBIT THE USE OF SPECIFIC LANGUAGE IN A
22 RESIDENTIAL ENERGY RETAILER’S MARKETING MATERIALS, DISCLAIMERS,
23 DISCLOSURES, AND LEGAL DOCUMENTS, INCLUDING REQUIRING OR PROHIBITING
24 THE USE OF SPECIFIC LANGUAGE BASED ON SERVICE OR PRODUCT TYPE.

25 (C) THE COMMISSION SHALL REQUIRE A RESIDENTIAL ENERGY RETAILER
26 TO POST ON THE RETAILER’S WEBSITE, IN CLEAR AND UNAMBIGUOUS LANGUAGE:

27 (1) THE TERMS AND CONDITIONS OF THE RESIDENTIAL SERVICES
28 AND PRODUCTS SOLD BY THE RETAILER; AND

1 (2) AN ENVIRONMENTAL DISCLOSURE, IN A FORMAT REQUIRED BY
2 THE COMMISSION, FOR THE RESIDENTIAL SERVICES AND PRODUCTS SOLD BY THE
3 RETAILER.

4 7-316.

5 (A) IN THIS SECTION, “MARKETING” DOES NOT INCLUDE MATERIALS TO
6 EDUCATE OR INFORM A RETAIL CUSTOMER ABOUT STANDARD OFFER SERVICE,
7 DEFAULT GAS COMMODITY SERVICE, OR CUSTOMER CHOICE.

8 (B) ~~AN~~ EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, AN
9 ELECTRIC COMPANY ~~AND~~ OR A GAS COMPANY MAY NOT RECOVER THROUGH ITS
10 RATES ANY COSTS ASSOCIATED WITH MARKETING ITS SERVICES.

11 (C) AN ELECTRIC COOPERATIVE MAY RECOVER THROUGH ITS RATES ANY
12 COSTS ASSOCIATED WITH MARKETING ITS SERVICES, INCLUDING THE COSTS
13 ASSOCIATED WITH MATERIALS THAT EDUCATE OR INFORM A RETAIL CUSTOMER
14 ABOUT STANDARD OFFER SERVICE OR CUSTOMER CHOICE.

15 (D) THE COMMISSION MAY, BY REGULATION, ADOPT CRITERIA FOR
16 REVIEWING MARKETING AND OTHER COMMUNICATION MATERIALS OF AN ELECTRIC
17 COMPANY OR A GAS COMPANY TO DETERMINE WHETHER THE COST OF THE
18 MATERIALS MAY BE RECOVERED THROUGH THE COMPANY’S RATES.

19 7-317.

20 (A) (1) BEGINNING JULY 1, 2025, A PERSON MAY NOT ENGAGE IN THE
21 BUSINESS OF AN ENERGY SALESPERSON IN THE STATE UNLESS THE PERSON HOLDS
22 A LICENSE ISSUED BY THE COMMISSION.

23 (2) A LICENSED ENERGY SALESPERSON MAY OFFER OR SELL
24 ELECTRICITY SUPPLY AGREEMENTS OR GAS SUPPLY AGREEMENTS TO CUSTOMERS
25 IN THE STATE ONLY IF THE ENERGY SALESPERSON IS ASSOCIATED WITH A LICENSED
26 ELECTRICITY SUPPLIER OR LICENSED GAS SUPPLIER, RESPECTIVELY.

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

28 (I) BE MADE TO THE COMMISSION IN WRITING ON A FORM
29 ADOPTED BY THE COMMISSION;

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

31 (III) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES,
32 INCLUDING:

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

3 2. PROOF OF COMPLIANCE WITH ALL APPLICABLE
4 TRAINING REQUIREMENTS FOR CUSTOMER PROTECTION UNDER THIS SUBTITLE
5 AND SUBTITLES 5 AND 6 OF THIS TITLE AS REQUIRED BY THE COMMISSION; AND

6 3. PAYMENT OF THE APPLICABLE LICENSING FEE.

7 (2) (I) THE TERM OF AN ENERGY SALESPERSON LICENSE IS 3
8 YEARS.

9 (II) THE TERMS OF LICENSES MAY BE STAGGERED AS
10 DETERMINED BY THE COMMISSION.

11 (III) SUBJECT TO SUBPARAGRAPH (V) OF THIS PARAGRAPH,
12 UNLESS A LICENSE IS RENEWED FOR A 3-YEAR TERM IN ACCORDANCE WITH THIS
13 SUBSECTION, THE LICENSE EXPIRES ON THE DATE THAT THE COMMISSION SETS.

14 (IV) A LICENSEE MAY RENEW A LICENSE FOR A 3-YEAR TERM
15 BEFORE THE LICENSE EXPIRES IF THE LICENSEE:

16 1. OTHERWISE IS ENTITLED TO BE LICENSED;

17 2. SUBMITS TO THE COMMISSION A RENEWAL
18 APPLICATION ON THE FORM THAT THE COMMISSION PROVIDES; AND

19 3. PAYS TO THE COMMISSION THE APPLICABLE
20 RENEWAL FEE SET BY THE COMMISSION.

21 (V) A LICENSEE MAY CONTINUE TO PROVIDE SERVICES AS AN
22 ENERGY SALESPERSON AFTER THE LICENSEE'S LICENSE EXPIRES IF THE
23 LICENSEE'S RENEWAL APPLICATION IS SUBMITTED TO THE COMMISSION BEFORE
24 THE LICENSE EXPIRES.

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

26 (1) REQUIRE PROOF OF FINANCIAL INTEGRITY;

27 (2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR
28 INSTRUMENT IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR
29 INSTRUMENT IS NECESSARY TO ENSURE AN ENERGY SALESPERSON'S FINANCIAL
30 INTEGRITY; AND

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

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

5 7-318.

6 (A) BEGINNING JULY 1, 2025, A PERSON MAY NOT ENGAGE IN THE BUSINESS
7 OF AN ENERGY VENDOR IN THE STATE UNLESS THE PERSON HOLDS A LICENSE
8 ISSUED BY THE COMMISSION.

9 (B) (1) AN APPLICATION FOR AN ENERGY VENDOR LICENSE SHALL:

10 (I) BE MADE TO THE COMMISSION IN WRITING ON A FORM
11 ADOPTED BY THE COMMISSION;

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

13 (III) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES,
14 INCLUDING PAYMENT OF THE APPLICABLE LICENSING FEE.

15 (2) (I) THE TERM OF AN ENERGY VENDOR LICENSE IS 3 YEARS.

16 (II) THE TERMS OF LICENSES MAY BE STAGGERED AS
17 DETERMINED BY THE COMMISSION.

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

21 (IV) A LICENSEE MAY RENEW A LICENSE FOR A 3-YEAR TERM
22 BEFORE THE LICENSE EXPIRES IF THE LICENSEE:

23 1. OTHERWISE IS ENTITLED TO BE LICENSED;

24 2. SUBMITS TO THE COMMISSION A RENEWAL
25 APPLICATION ON THE FORM THAT THE COMMISSION PROVIDES; AND

26 3. PAYS TO THE COMMISSION THE APPLICABLE
27 RENEWAL FEE SET BY THE COMMISSION.

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

1 **(1) REQUIRE PROOF OF FINANCIAL INTEGRITY;**

2 **(2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR**
3 **INSTRUMENT IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR**
4 **INSTRUMENT IS NECESSARY TO ENSURE AN ENERGY VENDOR'S FINANCIAL**
5 **INTEGRITY; AND**

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

8 **(D) A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED**
9 **WITHOUT PRIOR COMMISSION APPROVAL.**

10 7-507.

11 (a) A person, other than an electric company providing standard offer service
12 under § 7-510(c) of this subtitle, a municipal electric utility serving customers solely in its
13 distribution territory, **THE DEPARTMENT OF GENERAL SERVICES SELLING ENERGY**
14 **UNDER § 7-704.4 OF THIS TITLE,** or a community choice aggregator under § 7-510.3 of
15 this subtitle, may not engage in the business of an electricity supplier in the State unless
16 the person holds a license issued by the Commission.

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

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

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

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

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

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

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

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

29 **(2) (I) THE TERM OF ~~AN~~ A RESIDENTIAL ELECTRICITY SUPPLIER**
30 **LICENSE IS 3 YEARS.**

1 **(II) THE TERMS OF LICENSES MAY BE STAGGERED AS**
2 **DETERMINED BY THE COMMISSION.**

3 **(III) UNLESS A LICENSE FOR A RESIDENTIAL ELECTRICITY**
4 **SUPPLIER IS RENEWED FOR A 3-YEAR TERM IN ACCORDANCE WITH THIS**
5 **SUBSECTION, THE LICENSE EXPIRES ON THE DATE THAT THE COMMISSION SETS.**

6 **(IV) A LICENSEE MAY RENEW A LICENSE FOR ~~AN ADDITIONAL A~~**
7 **3-YEAR TERM BEFORE THE LICENSE EXPIRES IF THE LICENSEE:**

8 **1. OTHERWISE IS ENTITLED TO BE LICENSED;**

9 **2. SUBMITS TO THE COMMISSION A RENEWAL**
10 **APPLICATION ON THE FORM THAT THE COMMISSION PROVIDES; AND**

11 **3. PAYS TO THE COMMISSION THE APPLICABLE**
12 **RENEWAL FEE SET BY THE COMMISSION.**

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

14 (1) require proof of financial integrity;

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

18 (3) require a licensee to:

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

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

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

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

25 (ii) the different categories of electricity suppliers.

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

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

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

(2) require each electricity supplier ~~AND, EACH ENERGY SALESPERSON,~~
AND EACH ENERGY VENDOR 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) 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) (1) An electricity supplier, **AN ENERGY SALESPERSON, AN ENERGY**
VENDOR, 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) (1) An electricity supplier, AN ENERGY SALESPERSON, OR AN ENERGY VENDOR 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, AN ENERGY SALESPERSON, OR AN ENERGY VENDOR 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) An electricity supplier, AN ENERGY SALESPERSON, AND AN ENERGY VENDOR shall be subject to all applicable federal and State environmental laws and regulations.

(j) 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.

(k) (1) ~~[The]~~ FOR SUBJECT TO SUBSECTION (R) OF THIS SECTION, 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, THE Commission may:

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

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

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

(IV) 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] ~~OR, ENERGY SALESPERSON, OR ENERGY VENDOR.~~

(2) A civil penalty may be imposed in addition to the Commission's decision to DENY, revoke, suspend, OR REFUSE TO RENEW A LICENSE 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) **DENIAL**, suspension, or revocation of **OR REFUSAL TO RENEW** a license by any State or federal authority; **AND**

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

(l) (1) An electricity supplier, ~~AN ENERGY SALESPERSON VENDOR~~, or ANY OTHER person, EXCEPT FOR AN ENERGY SALESPERSON, selling or offering to sell electricity in the State in violation of this section ~~OR § 7-507.1 OF THIS SUBTITLE § 7-318 OF THIS TITLE~~, after notice and an opportunity for a hearing, is subject to:

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

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

(III) BOTH.

(2) AN ENERGY SALESPERSON SELLING OR OFFERING TO SELL ELECTRICITY IN THE STATE IN VIOLATION OF THIS SECTION OR § 7-317 OF THIS TITLE, AFTER NOTICE AND AN OPPORTUNITY FOR A HEARING, IS SUBJECT TO LICENSE DENIAL, REVOCATION, OR SUSPENSION OR REFUSAL TO RENEW THE LICENSE.

1 **(3)** Each day **OR PART OF A DAY** a violation continues is a separate
2 violation.

3 ~~(3)~~ **(4)** EACH CUSTOMER TO WHOM ELECTRICITY IS SOLD OR
4 OFFERED IN VIOLATION OF THIS SECTION IS A SEPARATE VIOLATION.

5 ~~(4)~~ **(5)** The Commission shall determine the amount of any civil penalty
6 after considering:

7 (i) the number of previous violations of any provision of this division
8 **BY THE ELECTRICITY SUPPLIER, ENERGY SALESPERSON VENDOR, OR OTHER**
9 **PERSON;**

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

11 (iii) the good faith of the electricity supplier, **ENERGY**
12 ~~**SALESPERSON VENDOR,**~~ or **OTHER** person charged in attempting to achieve compliance
13 after notification of the violation; **AND**

14 **(IV) ANY OTHER MATTER THAT THE COMMISSION CONSIDERS**
15 **APPROPRIATE AND RELEVANT.**

16 (m) In connection with a consumer complaint or Commission investigation under
17 this section ~~**OR § 7-507.1 OF THIS SUBTITLE § 7-317 OR § 7-318 OF THIS TITLE,**~~ an
18 electricity supplier, **AN ENERGY SALESPERSON, ENERGY VENDOR, AND ANY OTHER**
19 **PERSON SELLING OR OFFERING TO SELL ELECTRICITY IN THE STATE** shall provide to
20 the Commission access to any accounts, books, papers, and documents [which] **THAT** the
21 Commission considers necessary to resolve the matter at issue.

22 (n) The Commission may order the electricity supplier, **ENERGY SALESPERSON,**
23 **AN ENERGY VENDOR, OR OTHER PERSON** to cease adding or soliciting additional
24 customers or to cease serving customers in the State.

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

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

29 (q) Nothing in this subtitle may be construed to affect the authority of the
30 Division of Consumer Protection in the Office of the Attorney General to enforce violations
31 of Titles 13 and 14 of the Commercial Law Article or any other applicable State law or
32 regulation in connection with the activities of electricity suppliers ~~**AND,**~~ **ENERGY**
33 **SALESPERSONS, AND ENERGY VENDORS.**

(R) THE COMMISSION MAY NOT IMPOSE A CIVIL PENALTY ON AN ENERGY SALESPERSON UNDER SUBSECTION (K) OR (L) OF THIS SECTION.

~~7-507.1.~~

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

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

~~(B) (1) AN APPLICATION FOR AN ENERGY SALESPERSON LICENSE SHALL:~~
~~(I) BE MADE TO THE COMMISSION IN WRITING ON A FORM ADOPTED BY THE COMMISSION;~~

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

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

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

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

~~3. PAYMENT OF THE APPLICABLE LICENSING FEE.~~

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

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

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

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

~~1. OTHERWISE IS ENTITLED TO BE LICENSED;~~

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

~~3. PAYS TO THE COMMISSION THE APPLICABLE
RENEWAL FEE SET BY THE COMMISSION.~~

~~(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 IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR
INSTRUMENT IS NECESSARY TO INSURE AN ENERGY SALESPERSON'S FINANCIAL
INTEGRITY; AND~~

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

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

7-510.

(a) (1) 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) **(I)** Electricity supply purchased from a customer's electric company is known as standard offer service.

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

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

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

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

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

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

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

8 (3) [(i)] Except as provided under subparagraph (ii) of this paragraph,
9 any obligation of an electric company to provide standard offer service shall cease on July
10 1, 2003.

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

15 2. On and after July 1, 2003, ~~an~~ **(I)** **AN** electric
16 company ~~continues to have~~ **HAS** the obligation to provide standard offer service to
17 residential and small commercial customers at a market price that permits recovery of the
18 verifiable, prudently incurred costs to procure or produce the electricity plus a reasonable
19 return.

20 ~~(iii)~~ ~~1-1~~ **(II)** On or before December 31, 2008, and every 5 years
21 thereafter, the Commission shall report to the Governor and, in accordance with § 2-1257
22 of the State Government Article, to the General Assembly on the status of the standard
23 offer service[, **AND** the development of competition[, and the transition of standard offer
24 service to a default service].

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

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

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

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

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

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

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

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

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

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

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

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

35 5. The investor-owned electric company shall publicly
36 disclose the names of all bidders and the names and load allocation of all successful bidders
37 90 days after all contracts for supply are executed.

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

(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.

(10) (I) THIS PARAGRAPH DOES NOT APPLY TO A MEMBER-REGULATED COOPERATIVE AS DEFINED IN § 5-601 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(II) AN ELECTRIC COOPERATIVE MAY ADVERTISE, MARKET, AND PROMOTE STANDARD OFFER SERVICE AND RELATED PRODUCTS IN ITS SERVICE TERRITORY, INCLUDING AVAILABILITY, PRICE, AND OTHER TERMS, IN COMPLIANCE WITH APPROPRIATE CONSUMER PROTECTIONS CONSISTENT WITH THOSE THAT APPLY TO ELECTRICITY SUPPLIERS UNDER § 7-507 OF THIS SUBTITLE.

[(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.]

(D) (1) THIS SUBSECTION APPLIES TO RESIDENTIAL ELECTRICITY
SUPPLY OTHER THAN SUPPLY OFFERED THROUGH:

(I) STANDARD OFFER SERVICE;

(II) THE DEPARTMENT OF GENERAL SERVICES' SALE OF
ENERGY UNDER § 7-704.4 OF THIS TITLE; OR

(III) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF
THIS SUBTITLE.

(2) ~~AN~~ A RESIDENTIAL ELECTRICITY SUPPLIER:

(I) MAY OFFER ELECTRICITY, OTHER THAN GREEN POWER,
ONLY AT A PRICE THAT DOES NOT EXCEED THE TRAILING 12-MONTH AVERAGE OF
THE ELECTRIC COMPANY'S STANDARD OFFER SERVICE RATE IN THE ELECTRIC
COMPANY'S SERVICE TERRITORY AS OF THE DATE OF AGREEMENT WITH THE
CUSTOMER;

(II) MAY OFFER RESIDENTIAL ELECTRICITY SUPPLY ONLY;

~~1.~~ FOR A TERM NOT TO EXCEED 12 MONTHS AT A TIME;

(III) MAY, FOR ELECTRICITY SUPPLY OTHER THAN GREEN
POWER, AUTOMATICALLY RENEW THE TERM ONLY IF THE ELECTRICITY SUPPLIER
PROVIDES NOTICE TO THE CUSTOMER 90 DAYS BEFORE AND 30 DAYS BEFORE
RENEWAL;

(IV) MAY OFFER GREEN POWER THAT MEETS THE
REQUIREMENTS OF § 7-707 OF THIS TITLE, BUT MAY NOT AUTOMATICALLY RENEW
THE TERM WITH THE CUSTOMER; ~~AND~~

~~2.~~ ~~WITHOUT AUTOMATIC RENEWAL;~~

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

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

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

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

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

~~(5)~~ (4) ~~AN~~ A RESIDENTIAL ELECTRICITY SUPPLIER MAY NOT SELL TO AN ELECTRIC COMPANY, AND AN ELECTRIC COMPANY MAY NOT PURCHASE FROM ~~AN~~ THE ELECTRICITY SUPPLIER, ACCOUNTS RECEIVABLE.

(E) (1) THIS SUBSECTION DOES NOT APPLY TO:

(I) THE DEPARTMENT OF GENERAL SERVICES' SALE OF ENERGY UNDER § 7-704.4 OF THIS TITLE; OR

(II) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF THIS SUBTITLE.

(2) AN ELECTRIC COMPANY AND ~~AN~~ A RESIDENTIAL ELECTRICITY SUPPLIER SHALL ESTABLISH A MECHANISM FOR A CUSTOMER WHOSE ACCOUNT NUMBER OR CUSTOMER CHOICE IDENTIFICATION NUMBER HAS BEEN COMPROMISED TO RECEIVE A REPLACEMENT ACCOUNT NUMBER OR CUSTOMER CHOICE IDENTIFICATION NUMBER ON REQUEST, SUBJECT TO VERIFICATION IN A MANNER APPROVED BY THE COMMISSION.

(F) (1) THIS SUBSECTION DOES NOT APPLY TO:

(I) THE DEPARTMENT OF GENERAL SERVICES' SALE OF ENERGY UNDER § 7-704.4 OF THIS TITLE; OR

(II) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF THIS SUBTITLE.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ~~AS AS~~ APPROVED BY THE COMMISSION BY REGULATION OR ORDER, EACH ELECTRIC COMPANY AND EACH RESIDENTIAL ELECTRICITY SUPPLIER SHALL ALLOW A CUSTOMER TO INDICATE THE CUSTOMER'S INTENTION TO REMAIN ON STANDARD OFFER SERVICE INDEFINITELY AND NOT TO RECEIVE DIRECTED MARKETING

CONTACTS FROM ELECTRICITY SUPPLIERS THROUGH THE IMPLEMENTATION OF A “DO NOT TRANSFER” LIST ONTO WHICH THE CUSTOMER MAY REQUEST TO BE PLACED.

(3) A RESIDENTIAL ELECTRICITY SUPPLIER MAY CONTACT A CUSTOMER ON A “DO NOT TRANSFER” LIST UNTIL THE ELECTRICITY SUPPLY AGREEMENT ENTERED INTO BETWEEN THE ELECTRICITY SUPPLIER AND THE CUSTOMER EXPIRES.

(G) (1) IN THIS SUBSECTION, “BILLING ENTITY” MEANS AN ELECTRIC COMPANY, A LICENSED ELECTRICITY SUPPLIER, OR ANY OTHER ENTITY THAT IS RESPONSIBLE FOR ISSUING AN ELECTRIC BILL TO A RESIDENTIAL CUSTOMER.

(2) ON OR BEFORE THE 15TH DAY OF EACH MONTH, EACH ~~ELECTRIC COMPANY~~ BILLING ENTITY SHALL SUBMIT A REPORT TO THE COMMISSION ON CUSTOMER CHOICE IN ITS SERVICE TERRITORY FOR THE PRECEDING MONTH, INCLUDING:

~~(1)~~ (I) THE TOTAL KILOWATT-HOURS DISTRIBUTED TO CUSTOMERS PURCHASING ELECTRICITY FROM A THIRD-PARTY ELECTRICITY SUPPLIER;

~~(2)~~ (II) THE TOTAL SUPPLY COST CHARGED TO CUSTOMERS PURCHASING ELECTRICITY FROM A THIRD-PARTY ELECTRICITY SUPPLIER;

~~(3)~~ (III) THE TOTAL COST THAT CUSTOMERS SPECIFIED IN ITEM ~~(2)~~ (II) OF THIS SUBSECTION PARAGRAPH WOULD HAVE PAID UNDER STANDARD OFFER SERVICE;

~~(4)~~ (IV) THE NET THIRD-PARTY TOTAL COST COMPARED TO THE NET STANDARD OFFER SERVICE COST;

~~(5)~~ (V) THE TOTAL THIRD-PARTY AVERAGE RATE;

~~(6)~~ (VI) THE STANDARD OFFER SERVICE AVERAGE RATE;

~~(7)~~ (VII) THE DIFFERENCE BETWEEN THE TOTAL THIRD-PARTY AVERAGE RATE AND THE STANDARD OFFER SERVICE AVERAGE RATE;

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

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

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

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

~~(12)~~ **(XII)** OTHER PERTINENT INFORMATION THE COMMISSION CONSIDERS APPROPRIATE.

[(e)] (H) 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)] (I) Except as provided in § 7-510.3 of this subtitle, 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.

7-602.

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

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

(2) require the Commission to license gas suppliers ~~AND~~, **ENERGY SALESPERSONS, AND ENERGY VENDORS**;

(3) authorize the Commission to adopt complaint procedures;

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

(5) establish standards for the protection of consumers.

7-603.

(a) The Commission shall license gas suppliers ~~AND~~, **ENERGY SALESPERSONS, AND ENERGY VENDORS** and shall have the same authority as the Commission has under

1 ~~§ 7-507~~ ~~§§ 7-507 AND 7-507.1~~ §§ 7-317, 7-318, AND 7-507 of this title for electricity
2 suppliers ~~AND, ENERGY SALESPERSONS, AND ENERGY VENDORS~~, including the
3 authority to:

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

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

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

7 (b) The Commission shall adopt licensing requirements and procedures for gas
8 suppliers ~~AND, ENERGY SALESPERSONS, AND ENERGY VENDORS~~ that protect
9 consumers, the public interest, and the collection of all State and local taxes, CONSISTENT
10 WITH THE REQUIREMENTS FOR ELECTRICITY SUPPLIERS ~~AND ENERGY~~
11 ~~SALESPERSONS~~ UNDER SUBTITLE 5 OF THIS TITLE AND ENERGY SALESPERSONS
12 AND ENERGY VENDORS UNDER SUBTITLE 3 OF THIS TITLE.

13 **7-603.1.**

14 (A) (1) ~~FOR~~ SUBJECT TO SUBSECTION (B)(5) OF THIS SECTION, FOR JUST
15 CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF THE
16 OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED
17 PARTY, THE COMMISSION MAY:

18 (I) DENY A LICENSE TO, OR REVOKE, SUSPEND, OR REFUSE TO
19 RENEW THE LICENSE OF, A GAS SUPPLIER ~~OR, AN ENERGY SALESPERSON, OR AN~~
20 ENERGY VENDOR;

21 (II) IMPOSE A CIVIL PENALTY OR OTHER REMEDY;

22 (III) ORDER A REFUND OR CREDIT TO A CUSTOMER; OR

23 (IV) IMPOSE A MORATORIUM ON ADDING OR SOLICITING
24 ADDITIONAL CUSTOMERS BY THE GAS SUPPLIER ~~OR, ENERGY SALESPERSON, OR AN~~
25 ENERGY VENDOR.

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

29 (3) JUST CAUSE INCLUDES:

30 (I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE
31 COMMISSION;

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

(III) FAILING TO PROVIDE GAS 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;

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

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

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

~~(H)~~ 1. A CIVIL PENALTY OF NOT MORE THAN \$25,000 FOR THE VIOLATION;

~~(H)~~ 2. LICENSE DENIAL, REVOCATION, OR SUSPENSION OR REFUSAL TO RENEW THE LICENSE; OR

~~(H)~~ 3. BOTH.

1 **(II) AN ENERGY SALESPERSON SELLING OR OFFERING TO SELL**
2 **GAS IN THE STATE IN VIOLATION OF THIS SECTION OR § 7-603 OF THIS SUBTITLE,**
3 **AFTER NOTICE AND AN OPPORTUNITY FOR A HEARING, IS SUBJECT TO LICENSE**
4 **DENIAL, REVOCATION, OR SUSPENSION OR REFUSAL TO RENEW THE LICENSE.**

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

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

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

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

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

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

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

20 **(5) THE COMMISSION MAY NOT IMPOSE A CIVIL PENALTY ON AN**
21 **INDIVIDUAL ENERGY SALESPERSON IN ACCORDANCE WITH THIS SUBSECTION.**

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

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

32 7-604.

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

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

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

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

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

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

(2) impose appropriate requirements on gas suppliers ~~AND, ENERGY SALESPERSONS, AND ENERGY VENDORS~~ that are consistent with applicable requirements imposed on electricity suppliers ~~AND, ENERGY SALESPERSONS, AND ENERGY VENDORS~~.

7-604.2.

(A) IN THIS SECTION, "DEFAULT GAS COMMODITY SERVICE" MEANS THE SUPPLY OF RETAIL GAS COMMODITY SERVICE BY A CUSTOMER'S GAS COMPANY.

(B) (1) THIS SUBSECTION APPLIES TO RESIDENTIAL GAS SUPPLY OTHER THAN DEFAULT GAS COMMODITY SERVICE PROVIDED BY A GAS COMPANY.

(2) A GAS SUPPLIER THAT SUPPLIES GAS TO RESIDENTIAL RETAIL GAS CUSTOMERS:

(I) MAY OFFER GAS SERVICE ONLY AT A PRICE THAT DOES NOT EXCEED THE TRAILING 12-MONTH AVERAGE OF THE GAS COMPANY'S DEFAULT GAS COMMODITY SERVICE IN THE GAS COMPANY'S SERVICE TERRITORY AS OF THE DATE OF THE AGREEMENT WITH THE CUSTOMER;

(II) MAY OFFER RESIDENTIAL GAS SUPPLY ONLY FOR A TERM NOT TO EXCEED 12 MONTHS AT A TIME AND MAY AUTOMATICALLY RENEW THE TERM ONLY IF THE GAS SUPPLIER PROVIDES NOTICE TO THE CUSTOMER 90 DAYS BEFORE AND 30 DAYS BEFORE RENEWAL;

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

4 (IV) MAY NOT PAY A COMMISSION OR OTHER INCENTIVE-BASED
5 COMPENSATION TO AN ENERGY SALESPERSON FOR ENROLLING CUSTOMERS.

6 (3) PARAGRAPH (2)(III) OF THIS SUBSECTION DOES NOT PROHIBIT
7 THE OFFER AND USE OF RATES THAT DIFFER BASED ON THE TOTAL NUMBER OF
8 THERMS USED BY A CUSTOMER IN ANY BILLING PERIOD.

9 (4) A GAS SUPPLIER THAT SUPPLIES GAS TO RESIDENTIAL RETAIL
10 GAS CUSTOMERS MAY NOT SELL TO A GAS COMPANY, AND A GAS COMPANY MAY NOT
11 PURCHASE FROM THE GAS SUPPLIER, ACCOUNTS RECEIVABLE.

12 (C) A GAS COMPANY AND A GAS SUPPLIER THAT SUPPLIES GAS TO
13 RESIDENTIAL RETAIL GAS CUSTOMERS SHALL ESTABLISH A MECHANISM FOR A
14 CUSTOMER WHOSE ACCOUNT NUMBER OR CUSTOMER CHOICE IDENTIFICATION
15 NUMBER HAS BEEN COMPROMISED TO RECEIVE A REPLACEMENT ACCOUNT NUMBER
16 OR CUSTOMER CHOICE IDENTIFICATION NUMBER ON REQUEST, SUBJECT TO
17 VERIFICATION IN A MANNER APPROVED BY THE COMMISSION.

18 (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
19 AS APPROVED BY THE COMMISSION BY REGULATION OR ORDER, EACH GAS
20 COMPANY AND EACH GAS SUPPLIER THAT SUPPLIES GAS TO RESIDENTIAL RETAIL
21 GAS CUSTOMERS SHALL ALLOW A CUSTOMER TO INDICATE THE CUSTOMER'S
22 INTENTION TO REMAIN ON DEFAULT GAS COMMODITY SERVICE INDEFINITELY AND
23 NOT TO RECEIVE DIRECTED MARKETING CONTACTS FROM GAS SUPPLIERS
24 THROUGH THE IMPLEMENTATION OF A "DO NOT TRANSFER" LIST ONTO WHICH THE
25 CUSTOMER MAY REQUEST TO BE PLACED.

26 (2) A GAS SUPPLIER THAT SUPPLIES GAS TO RESIDENTIAL RETAIL
27 GAS CUSTOMERS MAY CONTACT A CUSTOMER ON A "DO NOT TRANSFER" LIST UNTIL
28 THE GAS SUPPLY AGREEMENT ENTERED INTO BETWEEN THE GAS SUPPLIER AND
29 THE CUSTOMER EXPIRES.

30 (E) (1) IN THIS SUBSECTION, "BILLING ENTITY" MEANS A GAS COMPANY,
31 A LICENSED GAS SUPPLIER, OR ANY OTHER ENTITY THAT IS RESPONSIBLE FOR
32 ISSUING A GAS BILL TO A RESIDENTIAL CUSTOMER.

33 (2) ON OR BEFORE THE 15TH DAY OF EACH MONTH, EACH BILLING
34 ENTITY SHALL SUBMIT A REPORT TO THE COMMISSION ON CUSTOMER CHOICE IN
35 ITS SERVICE TERRITORY FOR THE PRECEDING MONTH, INCLUDING:

1 (I) THE TOTAL THERMS DISTRIBUTED TO CUSTOMERS
2 PURCHASING GAS FROM A THIRD-PARTY GAS SUPPLIER;

3 (II) THE TOTAL SUPPLY COST CHARGED TO CUSTOMERS
4 PURCHASING GAS FROM A THIRD-PARTY GAS SUPPLIER;

5 (III) THE TOTAL COST THAT CUSTOMERS SPECIFIED IN ITEM (II)
6 OF THIS PARAGRAPH WOULD HAVE PAID UNDER DEFAULT GAS COMMODITY
7 SERVICE;

8 (IV) THE NET THIRD-PARTY TOTAL COST COMPARED TO THE
9 NET DEFAULT GAS COMMODITY SERVICE COST;

10 (V) THE TOTAL THIRD-PARTY AVERAGE RATE;

11 (VI) THE DEFAULT GAS COMMODITY SERVICE AVERAGE RATE;

12 (VII) THE DIFFERENCE BETWEEN THE TOTAL THIRD-PARTY
13 AVERAGE RATE AND THE DEFAULT GAS COMMODITY SERVICE AVERAGE RATE;

14 (VIII) THE THIRD-PARTY AVERAGE RESIDENTIAL RATES BROKEN
15 OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE RATES AND THE
16 DEFAULT GAS COMMODITY SERVICE AVERAGE RATE;

17 (IX) THE THIRD-PARTY AVERAGE GENERAL SERVICE
18 NONDEMAND RATES BROKEN OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH
19 OF THESE THIRD-PARTY RATES AND THE DEFAULT GAS COMMODITY SERVICE
20 AVERAGE RATE;

21 (X) THE THIRD-PARTY AVERAGE GENERAL SERVICE DEMAND
22 RATES BROKEN OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE
23 THIRD-PARTY RATES AND THE DEFAULT GAS COMMODITY SERVICE AVERAGE RATE;

24 (XI) THE THIRD-PARTY AVERAGE LARGE POWER DEMAND RATES
25 BROKEN OUT BY SUPPLIER AND THE VARIANCE BETWEEN EACH OF THESE
26 THIRD-PARTY RATES AND THE DEFAULT GAS COMMODITY SERVICE AVERAGE RATE;
27 AND

28 (XII) OTHER PERTINENT INFORMATION THE COMMISSION
29 CONSIDERS APPROPRIATE.

30 (F) THE COMMISSION SHALL, BY REGULATION OR ORDER, ADOPT
31 PROCEDURES TO CARRY OUT THIS SECTION.

1 7-605.

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

3 (1) affect the authority of the Division of Consumer Protection of the Office
4 of the Attorney General to enforce violations of Titles 13 and 14 of the Commercial Law
5 Article or any other applicable State law or regulation in connection with the activities of
6 gas suppliers ~~OR~~, **ENERGY SALESPERSONS, OR ENERGY VENDORS**; or

7 (2) exempt gas companies [and], gas suppliers, ~~AND~~ **ENERGY**
8 **SALESPERSONS, AND ENERGY VENDORS** from otherwise applicable State or federal
9 consumer protection and antitrust laws.

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

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

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

20 7-701.

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

22 (m) "Renewable energy credit" or "credit" means a credit equal to the generation
23 attributes of 1 megawatt-hour of electricity that is derived from a Tier 1 renewable source
24 or a Tier 2 renewable source that is located:

25 (1) in the PJM region;

26 (2) outside the area described in item (1) of this subsection but in a control
27 area that is adjacent to the PJM region, if the electricity is delivered into the PJM region; or

28 (3) on the outer continental shelf of the Atlantic Ocean in an area that:

29 (i) the United States Department of the Interior designates for
30 leasing after coordination and consultation with the State in accordance with § 388(a) of the
31 Energy Policy Act of 2005; and

32 (ii) is between 10 and 80 miles off the coast of the State.

7-705.

(a) ~~(1) Each~~ **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH** electricity supplier shall submit a report to the Commission each year in a form and by a date specified by the Commission that:

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

~~(ii)~~ **2.** demonstrates the amount of electricity sales by which the electricity supplier failed to meet the applicable renewable energy portfolio standard; [and]

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

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

(IV) **DOCUMENTS THE AMOUNT OF RENEWABLE ENERGY CERTIFICATES THAT DO NOT QUALIFY AS RENEWABLE ENERGY CREDITS AS DEFINED IN § 7-701 OF THIS SUBTITLE, INCLUDING, FOR EACH CERTIFICATE:**

1. THE ENERGY SOURCE ASSOCIATED WITH THE CERTIFICATE, INCLUDING ITS LOCATION, WHEN IT WAS CONSTRUCTED, AND WHICH ELECTRIC DISTRIBUTION SYSTEM RECEIVED THE ENERGY;

2. WHETHER THE PURCHASE OF THE CERTIFICATE WAS BUNDLED WITH A POWER PURCHASE AGREEMENT FROM THE ENERGY SOURCE ASSOCIATED WITH THE CERTIFICATE;

3. WHETHER THE CERTIFICATE WAS PURCHASED DIRECTLY FROM THE OPERATOR OF THE ENERGY SOURCE OR THROUGH A THIRD PARTY; AND

4. ANY OTHER INFORMATION REQUIRED BY THE COMMISSION.

(2) PARAGRAPH (1)(III) AND (IV) OF THIS SUBSECTION DOES NOT APPLY TO:

(I) THE DEPARTMENT OF GENERAL SERVICES' SALE OF ENERGY UNDER § 7-704.4 OF THIS SUBTITLE; OR

(II) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF THIS TITLE.

7-707.

~~(A) IN THIS SECTION, "GREEN POWER" MEANS ENERGY SOURCES OR RENEWABLE ENERGY CREDITS THAT ARE MARKETED AS GREEN, ECO-FRIENDLY, ENVIRONMENTALLY FRIENDLY OR RESPONSIBLE, CARBON-FREE, RENEWABLE, 100% RENEWABLE, 100% WIND, 100% HYDRO, 100% SOLAR, 100% EMISSION-FREE, OR SIMILAR CLAIMS.~~

~~(A) IN THIS SECTION, "ELECTRICITY SUPPLIER" DOES NOT INCLUDE: "GREEN POWER" MEANS ENERGY SOURCES OR RENEWABLE ENERGY CREDITS THAT ARE MARKETED AS CLEAN, GREEN, ECO-FRIENDLY, ENVIRONMENTALLY FRIENDLY OR RESPONSIBLE, CARBON-FREE, RENEWABLE, 100% RENEWABLE, 100% WIND, 100% HYDRO, 100% SOLAR, 100% EMISSION-FREE, OR SIMILAR CLAIMS.~~

(B) THIS SECTION DOES NOT APPLY TO:

(1) THE DEPARTMENT OF GENERAL SERVICES WHEN THE DEPARTMENT OF GENERAL SERVICES SELLS ENERGY UNDER § 7-704.4 OF THIS SUBTITLE; OR

(2) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF THIS TITLE; OR

(3) AN ELECTRICITY SUPPLIER ~~THAT SUPPLIES~~ WHEN SUPPLYING ELECTRICITY TO COMMERCIAL RETAIL ELECTRIC CUSTOMERS.

~~(B) (C)~~ ~~(1)~~ AN ELECTRICITY SUPPLIER THAT SUPPLIES ELECTRICITY TO RESIDENTIAL RETAIL ELECTRIC CUSTOMERS MAY NOT MARKET ELECTRICITY AS GREEN POWER UNLESS:

~~(1)~~ (1) THE PERCENTAGE OF THE ELECTRICITY BEING OFFERED, OR THE EQUIVALENT NUMBER OF RENEWABLE ENERGY CREDITS ASSOCIATED WITH THE ELECTRICITY BEING MARKETED AS GREEN POWER, THAT IS ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD EQUALS OR EXCEEDS THE GREATER OF:

~~1~~ (I) 51%; OR

~~2.~~ (II) 1% HIGHER THAN THE RENEWABLE ENERGY
PORTFOLIO STANDARD FOR THE YEAR THE ELECTRICITY IS PROVIDED TO THE
CUSTOMER; AND

~~(H)~~ (2) THE COMMISSION APPROVES THE PRICE OF THE
ELECTRICITY BEING MARKETING AS GREEN POWER IN ACCORDANCE WITH
SUBSECTION (D) OF THIS SECTION; AND

(3) THE ELECTRICITY SUPPLIER SUBMITS AN APPLICATION TO THE
COMMISSION THAT:

(I) DESCRIBES THE ELECTRICITY BEING MARKETING AS GREEN
POWER, INCLUDING THE GREEN POWER SOURCE AND PERCENTAGE OF THE
ELECTRICITY THAT IS GREEN POWER;

(II) DESCRIBES HOW THE GREEN POWER COMPLIES WITH STATE
LAW AND REGULATIONS; AND

(III) INCLUDES ANY OTHER INFORMATION THE COMMISSION
CONSIDERS NECESSARY.

~~(2) IN APPROVING THE PRICE OF ELECTRICITY UNDER PARAGRAPH~~
~~(1)(II) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER:~~

~~(I) WHETHER THE PURCHASE OF RENEWABLE ENERGY~~
~~CREDITS WAS BUNDLED WITH A POWER PURCHASE AGREEMENT FROM THE ENERGY~~
~~SOURCES ASSOCIATED WITH THE CREDIT;~~

~~(II) THE PRICE OF THE ENERGY PURCHASED, INCLUDING THE~~
~~TOTAL COST OF THE RENEWABLE ENERGY CREDITS OR POWER PURCHASE~~
~~AGREEMENTS;~~

~~(III) THE AMOUNT OF ELECTRICITY THAT IS ELIGIBLE FOR~~
~~INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD; AND~~

~~(IV) THE STATE IN WHICH THE ELECTRICITY WAS GENERATED.~~

(D) (1) THE PRICE APPROVED BY THE COMMISSION UNDER SUBSECTION
(B)(2) OF THIS SECTION SHALL BE DETERMINED THROUGH:

(I) A PROCEEDING HELD IN ACCORDANCE WITH PARAGRAPH (2)
OF THIS SUBSECTION; OR

1 (II) A PROCEEDING HELD IN ACCORDANCE WITH PARAGRAPH (3)
2 OF THIS SUBSECTION.

3 (2) (I) EACH YEAR THE COMMISSION SHALL HOLD A PROCEEDING
4 TO SET A PRICE PER MEGAWATT-HOUR FOR ELECTRICITY MARKETING AS GREEN
5 POWER UNDER THIS SECTION THAT MAY NOT BE EXCEEDED BY AN ELECTRICITY
6 SUPPLIER EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION.

7 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, THE
8 PRICE SET BY THE COMMISSION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH
9 MAY:

10 1. EXCEED THE MAXIMUM PRICE PER MEGAWATT-HOUR
11 THAT IS AUTHORIZED UNDER § 7-510(D)(2)(I) OF THIS TITLE; AND

12 2. DIFFER BASED ON THE AMOUNT AND SOURCE OF THE
13 ELECTRICITY GENERATION.

14 (III) DURING A PROCEEDING HELD UNDER SUBPARAGRAPH (I)
15 OF THIS PARAGRAPH, THE COMMISSION:

16 1. SHALL CONSIDER:

17 A. THE PRICE OF THE ENERGY PURCHASED, INCLUDING
18 THE TOTAL COST OF THE RENEWABLE ENERGY CREDITS;

19 B. THE AMOUNT OF ELECTRICITY THAT IS ELIGIBLE FOR
20 INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD;

21 C. THE STATE IN WHICH THE ELECTRICITY WAS
22 GENERATED; AND

23 D. APPLICABLE MARKET DATA; AND

24 2. MAY CONSIDER WHETHER THE PURCHASE OF
25 RENEWABLE ENERGY CREDITS WAS BUNDLED WITH A POWER PURCHASE AGREEMENT
26 FROM THE ENERGY SOURCES ASSOCIATED WITH THE CREDIT.

27 (3) (I) ON REQUEST BY AN ELECTRICITY SUPPLIER, THE
28 COMMISSION SHALL HOLD A PROCEEDING TO SET A PRICE PER MEGAWATT-HOUR
29 FOR ELECTRICITY MARKETING AS GREEN POWER FOR THAT ELECTRICITY SUPPLIER.

30 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, AT A
31 PROCEEDING HELD UNDER THIS PARAGRAPH THE COMMISSION MAY SET A PRICE

PER MEGAWATT-HOUR THAT IS HIGHER THAN THE PRICE DETERMINED IN THE PROCEEDING HELD UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR AN ELECTRICITY SUPPLIER IF:

1. THE ELECTRICITY SUPPLIER DEMONSTRATES TO THE COMMISSION'S SATISFACTION, BASED ON AN INDEPENDENT THIRD-PARTY AUDIT, THAT THE ACTUAL COST TO THE ELECTRICITY SUPPLIER FOR THE GENERATION OR SUPPLY OF ELECTRICITY EXCEEDS THAT OF THE PRICE DETERMINED THROUGH THE PROCEEDING HELD IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION;

2. THE INCREASED PRICE REFLECTS ONLY THE COST OF THE ELECTRICITY MARKETING AS GREEN POWER AND IS NOT ASSOCIATED WITH ANY OF THE ELECTRICITY SUPPLIER'S OTHER COSTS; AND

3. THE ELECTRICITY SUPPLIER DEMONSTRATES TO THE COMMISSION'S SATISFACTION THAT THE ELECTRICITY SUPPLIER HAS A SIGNIFICANT LONG-TERM INVESTMENT IN RENEWABLE ENERGY THAT MEETS THE RENEWABLE ENERGY PORTFOLIO STANDARD UNDER § 7-703 OF THIS SUBTITLE.

(iii) DURING A PROCEEDING HELD UNDER THIS PARAGRAPH, THE COMMISSION SHALL CONSIDER:

1. WHETHER THE PURCHASE OF RENEWABLE ENERGY CREDITS WAS BUNDLED WITH A POWER PURCHASE AGREEMENT FROM THE ENERGY SOURCES ASSOCIATED WITH THE CREDIT;

2. THE PRICE OF THE ENERGY PURCHASED, INCLUDING THE TOTAL COST OF THE RENEWABLE ENERGY CREDITS OR POWER PURCHASE AGREEMENTS;

3. THE AMOUNT OF ELECTRICITY THAT IS ELIGIBLE FOR INCLUSION IN MEETING THE RENEWABLE ENERGY PORTFOLIO STANDARD;

4. THE STATE IN WHICH THE ELECTRICITY WAS GENERATED; AND

5. APPLICABLE MARKET DATA.

(4) (i) A PRICE APPROVED BY THE COMMISSION UNDER THIS SUBSECTION MAY NOT EXCEED 150% OF THE MAXIMUM PRICE PER MEGAWATT-HOUR THAT IS AUTHORIZED UNDER § 7-510(D)(2)(I) OF THIS TITLE UNLESS THE COMMISSION DETERMINES THAT THE ACTUAL COST OF THE GREEN POWER EXCEEDS THAT AMOUNT.

1 (II) WITHIN 120 DAYS AFTER APPROVING A PRICE FOR GREEN
2 POWER THAT EXCEEDS 150% OF THE MAXIMUM PRICE PER MEGAWATT-HOUR THAT
3 IS AUTHORIZED UNDER § 7-510(D)(2)(I) OF THIS TITLE, AND ANNUALLY FOR AS
4 LONG AS THE PRICE EXCEEDS THAT AMOUNT, THE COMMISSION SHALL SUBMIT A
5 REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE
6 STATE GOVERNMENT ARTICLE, THAT:

7 1. DEMONSTRATES THAT THE APPROVED PRICE
8 REPRESENTS ONLY THE ACTUAL PRICE OF THE GREEN POWER; AND

9 2. INCLUDES THE COMMISSION'S ORDER AUTHORIZING
10 THE PRICE OF THE GREEN POWER.

11 (III) IF THE COMMISSION HAS APPROVED FOR 3 CONSECUTIVE
12 YEARS A PRICE FOR GREEN POWER THAT EXCEEDS 150% OF THE MAXIMUM PRICE
13 PER MEGAWATT-HOUR THAT IS AUTHORIZED UNDER § 7-510(D)(2)(I) OF THIS TITLE,
14 THE COMMISSION SHALL INCLUDE IN THE ANNUAL REPORT REQUIRED UNDER
15 SUBPARAGRAPH (II) OF THIS PARAGRAPH:

16 1. INFORMATION ON MARKET CONDITIONS THAT
17 NECESSITATE THE APPROVED PRICE OF THE GREEN POWER THAT EXCEEDS 150% OF
18 THE MAXIMUM PRICE PER MEGAWATT-HOUR THAT IS AUTHORIZED UNDER §
19 7-510(D)(2)(I) OF THIS TITLE; AND

20 2. A RECOMMENDATION OF WHETHER TO INCREASE THE
21 LIMITATION ON THE MAXIMUM PRICE OF GREEN POWER ABOVE WHICH THE
22 COMMISSION IS REQUIRED TO MAKE A DETERMINATION UNDER THIS PARAGRAPH.

23 (5) THE COMMISSION:

24 (I) SHALL ANNUALLY REVIEW A PRICE APPROVED UNDER
25 PARAGRAPH (3) OF THIS SUBSECTION; AND

26 (II) MAY, ON ITS OWN INITIATIVE, OR ON PETITION BY THE
27 OFFICE OF PEOPLE'S COUNSEL, REQUIRE AN ELECTRICITY SUPPLIER OFFERING
28 GREEN POWER UNDER A PRICE ESTABLISHED UNDER PARAGRAPH (3) OF THIS
29 SUBSECTION TO DEMONSTRATE THAT THE PRICE CONTINUES TO MEET THE
30 REQUIREMENTS OF PARAGRAPH (3) OF THIS SUBSECTION.

31 ~~(B) (C) (E)~~ (1) ON AND AFTER JANUARY 1, 2025, AN ELECTRICITY
32 SUPPLIER SHALL PURCHASE RENEWABLE ENERGY CREDITS FOR EACH YEAR THE
33 ELECTRICITY SUPPLIER OFFERS GREEN POWER FOR SALE TO RESIDENTIAL RETAIL
34 ELECTRIC CUSTOMERS ~~AS FOLLOWS:~~

~~(I) BEGINNING JULY 1, 2025, 0% OF THE CREDITS MAY BE
GENERATED IN THE PJM REGION;~~

~~(II) BEGINNING JULY 1, 2027, AT LEAST 10% OF THE CREDITS
SHALL BE GENERATED IN THE PJM REGION;~~

~~(III) BEGINNING JULY 1, 2029, AT LEAST 20% OF THE CREDITS
SHALL BE GENERATED IN THE PJM REGION;~~

~~(IV) BEGINNING JULY 1, 2031, AT LEAST 30% OF THE CREDITS
SHALL BE GENERATED IN THE PJM REGION;~~

~~(V) BEGINNING JULY 1, 2033, AT LEAST 40% OF THE CREDITS
SHALL BE GENERATED IN THE PJM REGION; AND~~

~~(VI) BEGINNING JULY 1, 2035, AT LEAST 50% OF THE CREDITS
SHALL BE GENERATED IN THE PJM REGION.~~

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

~~(I) GENERATED:~~

~~1. IN THE PJM REGION; OR~~

~~2. OUTSIDE THE PJM REGION ONLY IF THE
ELECTRICITY IS DELIVERED INTO THE PJM REGION; AND~~

~~(H) (2)~~ A RENEWABLE ENERGY CREDIT AN ELECTRICITY
SUPPLIER PURCHASES UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE
RETIRED IN A PJM ENVIRONMENTAL INFORMATION SERVICES, INC., GENERATION
ATTRIBUTE TRACKING SYSTEM RESERVE SUBACCOUNT ACCESSIBLE BY THE
COMMISSION.

~~(C) (D) (F)~~ (1) THIS SUBSECTION DOES NOT APPLY TO:

(I) THE DEPARTMENT OF GENERAL SERVICES WHEN THE
DEPARTMENT OF GENERAL SERVICES SELLS ENERGY UNDER § 7-704.4 OF THIS
SUBTITLE; OR

(II) A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.3 OF
THIS TITLE.

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

6 ~~**“IF YOU PURCHASE THIS ENERGY PLAN, YOU ARE AGREEING TO PURCHASE**~~
7 ~~**LOCAL UTILITY DISTRIBUTION GRID ELECTRICITY THAT IS PAIRED WITH**~~
8 ~~**RENEWABLE ENERGY CREDITS (“RECS”) IN AN AMOUNT SUFFICIENT TO MATCH THE**~~
9 ~~**PERCENT OF “GREEN POWER” ELECTRICITY IN YOUR CONTRACT.”**~~

10 **“WE DELIVER ENERGY THROUGH THE PURCHASE OF RENEWABLE ENERGY**
11 **CREDITS (RECS). A REC REPRESENTS THE SOCIAL GOOD THAT ACCOMPANIES 1**
12 **MEGAWATT-HOUR OF RENEWABLE ELECTRICITY GENERATION. RECS MAY BE SOLD**
13 **SEPARATELY FROM RENEWABLE ELECTRICITY ITSELF. RENEWABLE ELECTRICITY**
14 **AND RECS MAY BE SOLD TO DIFFERENT ENTITIES. THE PURCHASE OF A REC DOES**
15 **NOT INDICATE THAT RENEWABLE ELECTRICITY ITSELF HAS BEEN PURCHASED BY**
16 **THE ENTITY THAT PURCHASED THE REC.”**

17 ~~**(E) (G)**~~ **IN ADDITION TO THE DISCLOSURE REQUIRED UNDER SUBSECTION**
18 ~~**(D) (F)**~~ **OF THIS SECTION, THE COMMISSION SHALL ADOPT REGULATIONS THAT**
19 **REQUIRE AN ELECTRICITY SUPPLIER, OTHER THAN THE DEPARTMENT OF GENERAL**
20 **SERVICES WHEN THE DEPARTMENT OF GENERAL SERVICES SELLS ENERGY UNDER**
21 **§ 7-704.4 OF THIS SUBTITLE OR A COMMUNITY CHOICE AGGREGATOR UNDER §**
22 **7-510.3 OF THIS TITLE, THAT OFFERS GREEN POWER FOR SALE TO RESIDENTIAL**
23 **RETAIL CUSTOMERS TO INCLUDE IN THE ELECTRICITY SUPPLIER’S MARKETING**
24 **MATERIALS A DISCLOSURE, WRITTEN IN PLAIN LANGUAGE, THAT EXPLAINS:**

25 **(1) WHAT THE CUSTOMER WILL ACTUALLY BE PAYING FOR WHEN THE**
26 **CUSTOMER PURCHASES GREEN POWER FROM THE ELECTRICITY SUPPLIER;**

27 **(2) HOW THE ELECTRICITY THAT THE CUSTOMER HAS PURCHASED IS**
28 **GENERATED;**

29 **(3) HOW THE GREEN POWER WILL BENEFIT THE ENVIRONMENT;**

30 **(4) THE PERCENTAGE OF ELECTRICITY THAT WOULD BE PROVIDED**
31 **BY THE ELECTRICITY SUPPLIER THAT IS ELIGIBLE FOR INCLUSION IN MEETING THE**
32 **RENEWABLE ENERGY PORTFOLIO STANDARD; AND**

33 **(5) THE STATE IN WHICH THE ELECTRICITY WAS GENERATED.**

1 **(H) THE COMMISSION, IN ITS DISCRETION, MAY DETERMINE WHETHER AN**
2 **ELECTRICITY SUPPLIER IS MARKETING ELECTRICITY IN ACCORDANCE WITH THIS**
3 **SECTION.**

4 13–101.

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

7 (1) Title 5, Subtitle 4;

8 (2) Title 7, Subtitle 1;

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

10 (4) Title 9, Subtitle 3.

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

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

17 (1) is guilty of a misdemeanor; and

18 (2) unless a different punishment is specifically provided by law, on
19 conviction is subject to a fine not exceeding \$1,000 for a first offense and not exceeding
20 \$5,000 for each additional or subsequent offense.

21 13–201.

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

24 (1) Title 5, Subtitle 4;

25 (2) Title 7, Subtitle 1;

26 (3) § 7–213 as it applies to electric cooperatives;

27 (4) Title 8, Subtitles 1 and 3;

28 (5) Title 9, Subtitle 3; and

(6) Title 8, Subtitle 4.

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

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

(e) (3) A civil penalty assessed for a violation of [§ 7-505(b)(7), § 7-507, § 7-603, § 7-604, or § 7-606] ~~§ 7-317, § 7-318, § 7-505(B)(7), § 7-507, § 7-507.1, § 7-603, § 7-603.1, § 7-604, § 7-606, OR § 7-707~~ of this article, or a rule, an order, or a regulation adopted under any of those sections, shall be paid into the ~~Retail Choice Customer~~ Education and Protection Fund under § 7-310 of this article.

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

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

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

(ii) the Department of Budget and Management shall include the two PINs created under item (i) of this item in the Commission's budget for fiscal year 2025;

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

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

SECTION 3. AND BE IT FURTHER ENACTED, That:

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

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

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

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

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

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

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

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

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

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

SECTION 4. AND BE IT FURTHER ENACTED, That:

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

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

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

SECTION 5. AND BE IT FURTHER ENACTED, That, on or before December 31, 2024, the Public Service Commission shall:

(1) in accordance with § 7–311 of the Public Utilities Article, as enacted by Section 1 of this Act, develop a training and education program for any entity or individual that is licensed by the Commission as an electricity supplier, a gas supplier, an energy salesperson, or an energy vendor; and

(2) in accordance with § 2–1257 of the State Government Article, report to the General Assembly on the status of the development of the training and education program required under § 7–311 of the Public Utilities Article, as enacted by Section 1 of this Act.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) The Public Service Commission shall study and make recommendations on issues related to the utilization of end-use electricity customer load that is physically connected to the facilities of an existing or planned electric generation facility, also known as co-located load configuration, including:

(1) any potential cost impacts to Maryland ratepayers related to co-located load configurations;

(2) any potential impacts to the wholesale capacity, energy and ancillary markets, or the planning function overseen by PJM Interconnection, LLC related to co-located load configurations;

(3) any potential impacts to the reliability of the electric distribution or transmission systems serving Maryland related to co-located load configurations; and

(4) means to manage or mitigate the impacts specified in items (1) through (3) of this subsection.

(b) On or before December 15, 2024, the Public Service Commission shall report its findings and recommendations to the Senate Committee on Education, Energy, and the Environment and the House Economic Matters Committee, in accordance with § 2–1257 of the State Government Article.

SECTION ~~5~~ ~~6~~ 7. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.

SECTION ~~6~~ ~~7~~ 8. AND BE IT FURTHER ENACTED, That ~~§ 7–510(d)~~ §§ 7–510(d) and 7–604.2(c) of the Public Utilities Article, as enacted by Section 1 of this Act, shall be construed to apply to all electricity supply agreements and gas supply agreements entered into or renewed on or after January 1, 2025.

SECTION ~~7~~ ~~8~~ 9. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any electricity supply agreement or gas supply agreement that is in effect on or before December 31, 2024.

1 SECTION ~~8. 9.~~ 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.