

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 716 (Senator Washington)
 Finance

Residential Electricity and Gas Supply Billing Information - Reports

This bill requires electric companies, gas companies, and certain electricity and gas suppliers to submit monthly reports to the Public Service Commission (PSC) on the supply of electricity and gas to their residential customers. The first report must be submitted no later than July 1, 2020, and must contain information for the previous 12 months. PSC must make each report available to the Office of People’s Counsel (OPC) and the Office of Home Energy Programs (OHEP) in the Department of Human Services (DHS). OHEP must use the reports to analyze information relating to low-income customers. PSC, in consultation with OHEP, must provide a related overview report to the General Assembly each year and publish the report on its website.

Fiscal Summary

State Effect: General fund expenditures increase by about \$20,000 annually beginning in FY 2021. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	20,000	20,000	20,000	20,000
Net Effect	\$0	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Municipal electric companies must comply with the bill’s reporting requirements in the same manner as other electric companies. Local expenditures may increase minimally for any data collection or analysis necessary to do so.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Each monthly report must contain specified information, organized by category. For electricity or gas supplied by an electric or gas supplier, broken down by supplier, the report must contain:

- each unique rate that is charged to one or more residential customers by the supplier;
- the total kilowatt-hours or therms billed for each unique rate;
- the total dollar amount billed for each rate class;
- the total number of customers billed for each rate class;
- the number of customers who pay variable rates for service; and
- the fluctuation in each variable rate and whether the fluctuation increases and decreases according to market rates.

For standard offer service (SOS) or utility procured gas, the report must contain:

- the total kilowatt-hours billed or therms;
- the total dollar amount billed; and
- the total number of accounts billed.

The information in each report must be organized by the following categories:

- all customers other than low-income customers;
- all low-income customers; and
- low-income customers that receive benefits through OHEP.

Current Law/Background: The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland. The resulting system of customer choice allows the customer to purchase electricity from a competitive supplier or to continue receiving electricity under SOS. Default SOS electric service is provided by a customer's *electric company* (e.g., Baltimore Gas and Electric Company or Pepco). Competitive electric supply is provided by competitive *electricity suppliers*. In either case, the electric company delivers the electricity and recovers the costs for delivery through distribution rates. Gas supply and delivery are similarly restructured, with gas suppliers and gas companies.

Energy Assistance and Competitive Retail Supply

A recent [report](#) on the competitive retail electricity market in Maryland conducted on behalf of OPC included a finding that energy assistance funds for low-income customers

may be inefficiently used if benefits are paid to cover higher priced supply costs. However, the report found that additional information is needed, including much of the information specified in the bill.

Energy Assistance

OHEP administers two energy assistance programs for residential customers using local administering agencies, including local departments of social services, in each county and Baltimore City. These programs are (1) the Maryland Energy Assistance Program, funded by the federal Low-Income Home Energy Assistance Program, which provides bill payment assistance, crisis assistance, and furnace repair/replacement for a variety of heating sources and (2) the Electric Universal Service Program, funded from a ratepayer surcharge and an allocation of revenue from the Regional Greenhouse Gas Initiative carbon dioxide emission allowance auctions, which provides both bill payment and arrearage assistance to electric customers.

State Expenditures: DHS advises that OHEP does not have the relevant staff expertise to analyze data as required under the bill. The deadline for the first data report due to PSC, which must then share the data with OHEP to be analyzed in preparation for an annual report to the General Assembly, is July 1, 2020. Based on this timing, general fund expenditures for DHS/OHEP increase by about \$20,000 annually beginning in fiscal 2021. PSC can generally analyze data and report annually to the General Assembly using existing budgeted resources.

Small Business Effect: Generally, electricity and gas suppliers bill directly through electric or gas companies. To the extent that a particular supplier does not, and is a small business, the supplier must comply with the bill's monthly reporting requirements.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Services; Public Service Commission; Department of Legislative Services

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