



Takoma Park City Council Meeting – July 10, 2019 Agenda Item 5

Work Session

Discussion of Legislative Requests to Submit to the Maryland Municipal League

Recommended Council Action

Discuss and select legislative requests for consideration by the Maryland Municipal League.

Context with Key Issues

Member municipalities in the Maryland Municipal League (MML) may submit up to three Legislative Action Requests (LARs) each year for consideration as MML initiatives before the Maryland General Assembly. The deadline to submit for the 2020 Legislative Session is July 26.

The MML LAR process is as follows:

- Member municipalities submit up to three LAR forms on issues they would like to have addressed by legislation in the upcoming General Assembly Session;
- MML staff prepares background on each LAR for the Legislative Committee to consider;
- The Legislative Committee meets to discuss the requests and to consider the MML priority issues not resolved during the previous session;
- The MML membership votes on the recommended Legislative Committee priorities at the Fall Conference in October.

A list of Takoma Park's requests to MML for the 2015-2019 sessions of the General Assembly is attached along with the League's legislative priorities for those same years.

An LAR that is the same or substantially similar to a request that has previously been considered and rejected by the Legislative Committee twice within a four-year period coinciding with the current term of the General Assembly shall be excluded from consideration by the committee.

Suggestions for discussion to date are listed below. Additional ideas may be added before or during the work session.

- 1) Municipal infraction fines are limited by State law. The maximum fine is \$1,000. Consider requesting legislation to increase the maximum fines.
- 2) Delegate Charkoudian introduced HB 730 in the 2019 Session. It would have authorized a group of counties and/or municipalities to form or join a "community choice aggregator" to purchase or generate electricity for their residents. (A copy of the bill and fiscal analysis is attached.) Consider requesting MML to support Community Choice Aggregation.
- 3) Minimum and maximum speed limits are set by Maryland vehicle law. Excluding certain school zones, the lowest speed limit for a highway outside an urban district is currently 25

mph. Consider requesting legislation to allow municipalities to set lower speed limits in residential zones.

- 4) The State of Maryland requires that local governments verify that a rental property has a current certificate stating it has passed a lead-free, limited lead-free, or reduced-risk inspection before issuing a rental license. Recently, the State reached out to municipalities to make clear a previously unaddressed part of this mandate: that local governments are expected to ensure continued compliance with this State law each time a license is renewed. (A memo with more details is attached.) Consider requesting legislation or a source of funding to assist municipalities with compliance and legislation or a source of funding to assist property owners to achieve lead-free status.

While this discussion is focused on potential requests to MML for consideration as League priorities, there will be another work session in the fall to consider legislative priorities for Takoma Park.

Council Priority

Fiscally Sustainable Government; Environmentally Sustainable Community; Community Development for an Improved and Equitable Quality of Life

Environmental Considerations

To be evaluated as Council selects priorities to submit to MML.

Fiscal Considerations

Fiscal impact will depend upon the priorities selected and the success of those priorities in the legislative session.

Racial Equity Considerations

To be evaluated as Council selects priorities to submit to MML.

Attachments and Links

- Takoma Park requests and MML legislative priorities - 2015-2019
- Blank Legislative Action Request form
- HB730/SB660 Electric Industry – Community Choice Aggregation
- HB730/SB660 Fiscal Impact Statement
- Lead Compliance Memo

Takoma Park Legislative Action Requests and MML Legislative Priorities 2015-2019

2019 Takoma Park Legislative Action Requests

- 1) Legislation or sources of funding to maintain affordable housing in areas with rising property values and rents resulting from infrastructure improvements, transit projects such as the Purple Line, and redevelopment.
- 2) Legislation mandating coordination and cooperation between utilities, the State Highway Administration, and municipalities in order to minimize impact on residents and businesses resulting from infrastructure construction and repairs.
- 3) Legislation that would provide additional opportunities to raise municipal revenues without increasing dependence on property taxes.

2019 MML Legislative Priorities

- 1) Preservation of Local Authority to Site Small Cellular Infrastructure

Strategic Initiatives:

- 1) Oppose any attempt to preempt local authority
- 2) Explore Municipal Revenue Options
- 3) Consider 5-year Annexation Rule Changes

2018 Takoma Park Legislative Action Requests

- 1) Appropriation of funding in the State budget for the National Capital Strategic Economic Development Fund which would provide grants to assist local governments and nonprofits in predevelopment activities for revitalization in areas designated as Sustainable Communities.
- 2) Legislation that would require allocation of a portion of the State Sales Tax to municipalities.
- 3) Legislation that would move away from direct bill payment assistance and require at least 60% of the proceeds received from the Regional Greenhouse Gas Initiative (RGGI) to be used for efforts that reduce greenhouse gas emissions, such as energy efficiency retrofits for homes or apartments of low-income residents.

2018 MML Legislative Priorities

- 1) Permanently restore municipal highway user revenues (HURs), not only to meet current road maintenance needs, but more importantly, to provide a long-term, stable funding source for municipal transportation projects.

2) Work with stakeholders to provide clear authority to deny Public Information Act requests which would require the release of email addresses and phone numbers provided by residents to allow them to receive emergency alerts and city/town newsletters.

3) Protect the authority of a municipality to assert local control over the siting and installation of small cellular towers and antennas and to impose a fee for permit review and rental of space in a municipal right-of-way.

2017 Takoma Park Legislative Action Requests

1) Creation of an Innovation Fund from which municipalities could receive grant funding to undertake innovative efforts to advance one or more high priority goals of the State of Maryland.

2) Legislation that would mandate coordination of construction and repairs by utilities and the State Highway Administration, and localities, provide notice to municipalities and residents, and mandate time frames in which final repaving and repairs are made to residents' property.

3) Evaluation of the collection and distribution of business personal tax by the State of Maryland.

2017 MML Legislative Priorities

1) Highway User Revenue Funding Restoration for Municipalities.

2) Authorize municipalities that charge a stormwater management fee for stormwater management services to apply those fees to county and State-owned property within municipalities, and provide tools to enforce payment of fees.

3) Improve coordination, collaboration, and communication between municipalities and public utilities/State Highway Administration regarding project/construction schedules.

2016 Takoma Park Legislative Action Requests

1) Ensure that municipal residents are no longer harmed by tax duplication laws or the lack of appropriate tax duplication laws, and that reimbursement or tax differential eligibility is extended to all tax-duplicated services regardless of how those services are funded by the municipality or county.

2) Mandate coordination of construction and repairs by utilities and the State Highway Administration, and localities, provide notice to municipalities and residents, and mandate time frames in which final repaving and repairs are made to residents' property.

3) Ensure that Maryland municipalities that participate in the Maryland State Retirement and Pension System will not be required to report unfunded liabilities under GASB 68 that are significantly larger than their actual liabilities in the System.

2016 MML Legislative Priorities

1) Highway User Revenue Funding Restoration for Municipalities

2) Restoration of Program Open Space funding and for protection of the program to ensure that program funds are not diverted to other uses

2015 Takoma Park Legislative Action Requests

1) Ensure that an adequate, ongoing formula for Highway User Revenue for municipalities is established and fully funded each year.

2) Ensure that municipal residents are no longer harmed by tax duplication laws or the lack of appropriate tax duplication laws, and that reimbursement or tax differential eligibility is extended to all tax-duplicated services regardless of how those services are funded by the municipality or county.

3) Create an Innovation Fund from which municipalities could receive grant funding to undertake innovative efforts to advance one or more high priority goals of the State of Maryland.

2015 MML Legislative Priorities

1) Highway User Revenue Funding Restoration for Municipalities

2) Alleviate the financial disclosure requirements of state ethics law for municipal government officials.

3) Alter the comprehensive master plan adoption procedure to (a) establish a timeframe longer than 60 days for adoption of a plan or plan amendment; (b) authorize the legislative body to remand back to the planning commission for further action; and (c) authorize the legislative body to approve a plan or plan amendment with changes.

BACKGROUND INFORMATION

1. Could the problem be resolved by something other than a new law, i.e., action by another level of government or changes in administrative procedures?

2. If administrative remedies have already been pursued, what were they and what was the outcome?

3. What other state and/or local agencies, if any, would be affected by this proposal?

4. Have any state agencies been contacted about the proposal? If yes, what was their reaction?

HISTORICAL INFORMATION

1. Has the League considered this proposal in a previous year? If yes, describe any significant changes in circumstances that might improve its chances of success in 2020:

2. Has this request been considered by the General Assembly in prior sessions? If yes, please provide the bill number, year, and outcome of legislation, if known:

3. Has this proposed legislation been implemented by any other city, county or state? If yes, please describe where it has been implemented and cite any existing law or model code upon which the proposal is based:

Signature of authorized municipal, chapter
or departmental official

Print name & Title

Date

Please return LAR form to:
MML Legislative Committee
1212 West Street
Annapolis, MD 21401
ATTN: Bill Jorch
410-268-5514
E-mail: kevinc@mdmunicipal.org
& copy billj@mdmunicipal.org

Please indicate the date of the meeting where the governing body of the municipality, chapter or department endorsed/approved this request: _____.

Please complete this form in its entirety. Attach additional sheets, if necessary, as well as documents related to your request. **Please return to MML NO LATER THAN FRIDAY, JULY 26, 2019.**

HOUSE BILL 730

C5, L6

9lr1191
CF SB 660

By: **Delegates Charkoudian, Lehman, Acevero, Barron, Carr, Crosby, Ebersole, Fraser-Hidalgo, Kelly, R. Lewis, Love, Luedtke, Moon, Mosby, Shetty, Smith, Solomon, Stewart, and Wilkins**

Introduced and read first time: February 8, 2019

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Industry – Community Choice Aggregation**

3 FOR the purpose of repealing a provision that prohibits a county or municipal corporation
4 from acting as an aggregator under certain circumstances; establishing a process by
5 which a county or municipal corporation or group of counties and municipal
6 corporations may become a community choice aggregator; requiring a county or
7 municipal corporation to develop and give certain notice of a certain aggregation
8 plan; providing for the contents of a certain aggregation plan; authorizing a
9 community choice aggregator to own a certain electric generating facility for a
10 certain purpose; exempting a community choice aggregator from certain
11 requirements relating to the licensing of electricity suppliers; establishing a process
12 under which certain customers shall be deemed to have given permission to a certain
13 county or municipal corporation to act as the customers' community choice
14 aggregator; providing that certain customers may refuse to participate in certain
15 aggregation activities under certain circumstances; requiring a certain electricity
16 supplier to give certain notice to a community choice aggregator regarding the end
17 of a certain contract term; requiring a county or municipal corporation to give or
18 provide for certain notices to certain persons and to the Public Service Commission
19 under certain circumstances; providing for the contents of certain notices;
20 prohibiting a county or municipal corporation from excluding certain customers from
21 the ability to participate in certain aggregation activities under certain
22 circumstances; requiring the Commission to notify a certain county or municipal
23 corporation as to its compliance with certain requirements; providing that a
24 community choice aggregator may award contracts for competitive generation
25 service supply only at certain times; requiring the Commission to make a certain
26 determination as to when a community choice aggregator may award contracts for
27 competitive generation service supply; providing that a certain county or municipal
28 corporation is deemed to have obtained certain customer authorization to retrieve
29 certain data; requiring the Commission to review certain fees, request formats, and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the format of certain data provided to facilitate the intent of certain provisions of
2 law; prohibiting a community choice aggregator from assessing certain new fees,
3 taxes, or charges in the aggregation charges or rates under certain circumstances;
4 limiting the amount of a certain fee; requiring the Commission to adopt certain
5 regulations and establish certain procedures; requiring the Commission to consider
6 certain factors; defining certain terms; altering certain definitions; and generally
7 relating to the ability of a county or municipal corporation to aggregate demand for
8 electricity within the county or municipal corporation.

9 BY renumbering

10 Article – Public Utilities
11 Section 1–101(f) through (tt), respectively
12 to be Section 1–101(g) through (uu), respectively
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2018 Supplement)

15 BY repealing and reenacting, without amendments,

16 Article – Public Utilities
17 Section 1–101(a)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2018 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Public Utilities
22 Section 1–101(b) and 7–507(a)
23 Annotated Code of Maryland
24 (2010 Replacement Volume and 2018 Supplement)

25 BY adding to

26 Article – Public Utilities
27 Section 1–101(f) and 7–510.2
28 Annotated Code of Maryland
29 (2010 Replacement Volume and 2018 Supplement)

30 BY repealing

31 Article – Public Utilities
32 Section 7–510(f)
33 Annotated Code of Maryland
34 (2010 Replacement Volume and 2018 Supplement)

35 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
36 That Section(s) 1–101(f) through (tt), respectively, of Article – Public Utilities of the
37 Annotated Code of Maryland be renumbered to be Section(s) 1–101(g) through (uu),
38 respectively.

39 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
40 as follows:

Article – Public Utilities

1–101.

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

(b) (1) “Aggregator” means an entity or an individual that acts on behalf of a customer to purchase electricity or gas.

(2) “Aggregator” does not include:

(i) an entity or individual that purchases electricity or gas **ONLY** for its own use or for the use of its subsidiaries or affiliates;

(ii) a municipal electric utility or a municipal gas utility serving only in its distribution territory; or

(iii) a combination of governmental units that purchases electricity or gas for use by the governmental units.

(F) “COMMUNITY CHOICE AGGREGATOR” MEANS A COUNTY OR MUNICIPAL CORPORATION OR A GROUP OF COUNTIES, MUNICIPAL CORPORATIONS, OR BOTH THAT SERVE AS AN ELECTRIC AGGREGATOR FOR THE PURPOSE OF NEGOTIATING THE PURCHASE OF ELECTRIC GENERATION SERVICES FROM AN ELECTRICITY SUPPLIER OR PROVIDING ELECTRICITY FROM AN ELECTRIC GENERATING FACILITY OWNED BY THE AGGREGATOR FOR ALL ELECTRIC CUSTOMERS:

(1) LOCATED, FOR A MUNICIPAL CORPORATION, IN THE MUNICIPAL CORPORATION OR, FOR A COUNTY, IN ANY AREA IN THE COUNTY OUTSIDE A MUNICIPAL CORPORATION;

(2) THAT HAVE NOT:

(I) SELECTED AN ELECTRICITY SUPPLIER OTHER THAN THE STANDARD OFFER SERVICE SUPPLIER; OR

(II) REFUSED TO PARTICIPATE IN THE AGGREGATION ACTIVITIES OF THE COUNTY, MUNICIPAL CORPORATION, OR GROUP OF COUNTIES OR GROUP OF MUNICIPAL CORPORATIONS; AND

(3) THAT ARE NOT LOCATED IN THE SERVICE TERRITORY OF A MUNICIPAL ELECTRIC UTILITY.

7–507.

1 (a) A person, other than an electric company providing standard offer service
2 under § 7-510(c) of this subtitle [or], a municipal electric utility serving customers solely
3 in its distribution territory, **OR A COMMUNITY CHOICE AGGREGATOR UNDER § 7-510.2**
4 **OF THIS SUBTITLE**, may not engage in the business of an electricity supplier in the State
5 unless the person holds a license issued by the Commission.

6 7-510.

7 [(f) A county or municipal corporation may not act as an aggregator unless the
8 Commission determines there is not sufficient competition within the boundaries of the
9 county or municipal corporation.]

10 **7-510.2.**

11 **(A) A COUNTY OR MUNICIPAL CORPORATION OR GROUP OF COUNTIES OR**
12 **MUNICIPAL CORPORATIONS MAY FORM OR JOIN A COMMUNITY CHOICE**
13 **AGGREGATOR UNDER THIS SECTION.**

14 **(B) (1) AT LEAST 60 DAYS BEFORE INITIATING THE PROCESS TO JOIN OR**
15 **FORM A COMMUNITY CHOICE AGGREGATOR, A COUNTY OR MUNICIPAL**
16 **CORPORATION SHALL DEVELOP AN AGGREGATION PLAN.**

17 **(2) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL**
18 **CORPORATION SHALL:**

19 **(I) GIVE WRITTEN NOTICE OF THE AGGREGATION PLAN TO**
20 **EACH ELECTRIC CUSTOMER IN THE JURISDICTION;**

21 **(II) PUBLISH A FAIR SUMMARY OF THE AGGREGATION PLAN IN**
22 **AT LEAST ONE NEWSPAPER OF GENERAL CIRCULATION IN THE JURISDICTION; AND**

23 **(III) IF THE JURISDICTION MAINTAINS A WEBSITE, PUBLISH THE**
24 **FULL TEXT OF THE AGGREGATION PLAN ON THE WEBSITE.**

25 **(3) THE AGGREGATION PLAN SHALL:**

26 **(I) DETAIL THE PROCESS AND CONSEQUENCES OF COMMUNITY**
27 **CHOICE AGGREGATION;**

28 **(II) CONTAIN INFORMATION ON THE OPERATIONS, FUNDING,**
29 **AND ORGANIZATIONAL STRUCTURE OF THE COMMUNITY CHOICE AGGREGATOR;**

30 **(III) PROVIDE DETAILS ON:**

- 1 1. THE RATE SETTING AND COSTS TO PARTICIPANTS;
- 2 2. METHODS THAT THE COMMUNITY CHOICE
- 3 AGGREGATOR MUST USE FOR ENTERING INTO AND TERMINATING AGREEMENTS
- 4 WITH OTHER ENTITIES;
- 5 3. THE RIGHTS AND RESPONSIBILITIES OF
- 6 PARTICIPATING ELECTRIC CUSTOMERS; AND
- 7 4. THE TERMINATION OF THE AGGREGATION PROGRAM,
- 8 IF ANY; AND

9 (IV) PROVIDE FOR UNIVERSAL ELECTRICITY ACCESS,

10 RELIABILITY, AND EQUITABLE TREATMENT OF ALL ELECTRIC CUSTOMERS IN THE

11 JURISDICTION.

12 (C) (1) AT LEAST 60 DAYS AFTER GIVING WRITTEN NOTICE OF THE

13 AGGREGATION PLAN TO THE ELECTRIC CUSTOMERS IN ITS JURISDICTION, A COUNTY

14 OR MUNICIPAL CORPORATION OR GROUP OF COUNTIES OR MUNICIPAL

15 CORPORATIONS MAY INITIATE THE PROCESS OF FORMING OR JOINING A

16 COMMUNITY CHOICE AGGREGATOR BY FILING WITH THE COMMISSION BY

17 REGISTERED MAIL:

18 (I) A NOTICE OF INTENT TO FORM OR JOIN A COMMUNITY

19 CHOICE AGGREGATOR;

20 (II) A COPY OF THE AGGREGATION PLAN DEVELOPED IN

21 ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION; AND

22 (III) A DRAFT LOCAL LAW FORMING OR JOINING A COMMUNITY

23 CHOICE AGGREGATOR.

24 (2) THE NOTICE OF INTENT SHALL INCLUDE:

25 (I) THE NAME OF EACH COUNTY OR MUNICIPAL CORPORATION

26 IN THE COMMUNITY CHOICE AGGREGATOR; AND

27 (II) WHETHER THE COUNTY OR MUNICIPAL CORPORATION IS

28 FORMING A COMMUNITY CHOICE AGGREGATOR OR JOINING AN EXISTING

29 COMMUNITY CHOICE AGGREGATOR.

30 (3) A COUNTY OR MUNICIPAL CORPORATION IS A COMMUNITY

1 CHOICE AGGREGATOR AFTER:

2 (I) SUBMITTING THE NOTICE OF INTENT AND AGGREGATION
3 PLAN REQUIRED UNDER THIS SUBSECTION; AND

4 (II) ENACTING A LOCAL LAW THAT PROVIDES THAT THE COUNTY
5 OR MUNICIPAL CORPORATION SHALL ACT AS A COMMUNITY CHOICE AGGREGATOR.

6 (D) (1) IF A COUNTY OR MUNICIPAL CORPORATION ENACTS A LOCAL LAW
7 TO ACT AS A COMMUNITY CHOICE AGGREGATOR UNDER THIS SECTION, THE COUNTY
8 OR MUNICIPAL CORPORATION SHALL GIVE, OR CAUSE ITS SELECTED ELECTRICITY
9 SUPPLIER TO GIVE, WRITTEN NOTICE TO ALL ELECTRIC CUSTOMERS IN ITS
10 JURISDICTION.

11 (2) THE NOTICE REQUIRED UNDER THIS SUBSECTION SHALL
12 INCLUDE:

13 (I) THE IDENTITY OF THE SELECTED ELECTRICITY SUPPLIER;

14 (II) TERMS AND CONDITIONS OF SERVICE;

15 (III) NEW RATES FOR SERVICE;

16 (IV) A COMPARISON OF THE NEW RATES AND THE RATES UNDER
17 THE CURRENT STANDARD OFFER SERVICE; AND

18 (V) THE TOTAL RENEWABLE COMPONENT OF THE PORTFOLIO
19 OF THE SELECTED ELECTRICITY SUPPLIER THAT EXCEEDS THE REQUIREMENTS
20 UNDER CURRENT LAW, IF ANY.

21 (3) IN THE NOTICE REQUIRED UNDER THIS SUBSECTION, THE
22 COUNTY OR MUNICIPAL CORPORATION SHALL PROVIDE TO THE ELECTRIC
23 CUSTOMERS IN ITS JURISDICTION THE OPPORTUNITY TO REFUSE TO PARTICIPATE
24 IN THE AGGREGATION ACTIVITIES OF THE COMMUNITY CHOICE AGGREGATOR
25 WITHOUT PENALTY BY RETURN MAILING OF THE NOTICE INDICATING THE
26 CUSTOMER'S DECISION TO REFUSE TO PARTICIPATE IN THE AGGREGATION
27 ACTIVITIES OF THE COMMUNITY CHOICE AGGREGATOR.

28 (4) A COUNTY OR MUNICIPAL CORPORATION THAT ENACTS A LOCAL
29 LAW TO ACT AS A COMMUNITY CHOICE AGGREGATOR UNDER THIS SECTION MAY NOT
30 EXCLUDE ANY ELECTRIC CUSTOMER IN ITS JURISDICTION FROM THE ABILITY TO
31 PARTICIPATE IN THE AGGREGATION ACTIVITIES OF THE COMMUNITY CHOICE
32 AGGREGATOR.

1 **(E) AN ELECTRIC CUSTOMER IS DEEMED TO HAVE GIVEN PERMISSION TO**
2 **THE COUNTY OR MUNICIPAL CORPORATION TO ACT ON THE CUSTOMER'S BEHALF AS**
3 **A COMMUNITY CHOICE AGGREGATOR:**

4 **(1) WHEN THE COUNTY OR MUNICIPAL CORPORATION RECEIVES A**
5 **RETURNED NOTICE FROM THE CUSTOMER EXPLICITLY GRANTING THAT**
6 **PERMISSION; OR**

7 **(2) IN THE CASE OF A CUSTOMER RECEIVING STANDARD OFFER**
8 **SERVICE, WITHIN 30 DAYS AFTER THE NOTICE IS GIVEN IF THE COUNTY OR**
9 **MUNICIPAL CORPORATION HAS NOT RECEIVED A RETURNED NOTICE BY THAT DATE.**

10 **(F) (1) AT LEAST 45 DAYS BEFORE THE END OF A CONTRACT TERM**
11 **BETWEEN AN ELECTRICITY SUPPLIER AND A CUSTOMER IN THE JURISDICTION OF A**
12 **COMMUNITY CHOICE AGGREGATOR, AN ELECTRICITY SUPPLIER SHALL GIVE NOTICE**
13 **TO THE COMMUNITY CHOICE AGGREGATOR REGARDING THE END OF THE CONTRACT**
14 **TERM WITH THE CUSTOMER.**

15 **(2) AT THE END OF A CONTRACT TERM WITH AN ELECTRICITY**
16 **SUPPLIER A CUSTOMER IN THE JURISDICTION OF A COMMUNITY CHOICE**
17 **AGGREGATOR SHALL BE AUTOMATICALLY ENROLLED AS A PARTICIPANT IN THE**
18 **AGGREGATION ACTIVITIES OF THE COMMUNITY CHOICE AGGREGATOR UNLESS THE**
19 **CUSTOMER GIVES WRITTEN NOTICE TO THE COUNTY OR MUNICIPAL CORPORATION**
20 **DECLINING TO PARTICIPATE IN THE AGGREGATION ACTIVITIES OF THE COMMUNITY**
21 **CHOICE AGGREGATOR.**

22 **(G) THIS SECTION MAY NOT BE CONSTRUED TO PREVENT AN ELECTRIC**
23 **CUSTOMER IN THE JURISDICTION OF THE COUNTY OR MUNICIPAL CORPORATION**
24 **FROM CHOOSING TO ENTER INTO A CONTRACT WITH AN ELECTRICITY SUPPLIER**
25 **OTHER THAN THE COMMUNITY CHOICE AGGREGATOR.**

26 **(H) (1) IN THIS SUBSECTION, "AGGREGATION SERVICES" INCLUDES THE**
27 **PROVISION OF ELECTRICITY SERVICE FROM A GENERATING STATION OWNED BY A**
28 **COMMUNITY CHOICE AGGREGATOR.**

29 **(2) A COMMUNITY CHOICE AGGREGATOR MAY NOT ASSESS ANY NEW**
30 **FEE, TAX, OR OTHER CHARGE IN THE AGGREGATION CHARGES OR RATES THAT IS**
31 **NOT RELATED TO THE COST OF PROVIDING THE AGGREGATION SERVICE.**

1 **(3) A FEE FOR AGGREGATION MAY NOT EXCEED:**

2 **(I) THE COST OF TRANSMISSION OF THE ELECTRICITY**
3 **PROVIDED THROUGH THE AGGREGATION SERVICE; AND**

4 **(II) IF THE COMMUNITY CHOICE AGGREGATOR PROVIDES**
5 **ELECTRICITY SUPPLY TO ITS CUSTOMERS THROUGH AN ELECTRIC GENERATING**
6 **STATION THAT IT OWNS, THE COST OF THE ELECTRICITY PROVIDED THROUGH THE**
7 **AGGREGATION SERVICE.**

8 **(I) (1) A COMMUNITY CHOICE AGGREGATOR MAY NOT BE CONSIDERED**
9 **TO BE AN ELECTRICITY SUPPLIER UNDER § 7-507(A) OF THIS SUBTITLE.**

10 **(2) A COMMUNITY CHOICE AGGREGATOR MAY OWN AN ELECTRIC**
11 **GENERATING FACILITY IN ACCORDANCE WITH THIS ARTICLE IF THE FACILITY IS**
12 **DESIGNED TO PROVIDE ENERGY PRIMARILY FOR USE BY THE PARTICIPANTS OF THE**
13 **COMMUNITY CHOICE AGGREGATOR.**

14 **(J) (1) BASED ON A DETERMINATION OF THE MITIGATION OF**
15 **VOLUMETRIC RISK, THE COMMISSION SHALL IDENTIFY AT LEAST ONE 2-MONTH**
16 **PERIOD IN THE CALENDAR YEAR WITHIN WHICH A COMMUNITY CHOICE**
17 **AGGREGATOR MAY AWARD CONTRACTS FOR COMPETITIVE GENERATION SERVICE**
18 **SUPPLY.**

19 **(2) A COMMUNITY CHOICE AGGREGATOR MAY AWARD CONTRACTS**
20 **FOR COMPETITIVE GENERATION SERVICE SUPPLY ONLY WITHIN A 2-MONTH PERIOD**
21 **IDENTIFIED BY THE COMMISSION UNDER THIS SUBSECTION.**

22 **(K) (1) A COMMUNITY CHOICE AGGREGATOR IS DEEMED TO HAVE**
23 **OBTAINED ELECTRIC CUSTOMER AUTHORIZATION TO RETRIEVE PREENROLLMENT**
24 **USAGE DATA FOR CUSTOMERS IN THE JURISDICTION OF THE COMMUNITY CHOICE**
25 **AGGREGATOR.**

26 **(2) AN ELECTRIC COMPANY SHALL PROVIDE TO A COMMUNITY**
27 **CHOICE AGGREGATOR ANY RELEVANT PREENROLLMENT USAGE DATA FOR**
28 **CUSTOMERS IN THE JURISDICTION OF THE COMMUNITY CHOICE AGGREGATOR.**

29 **(L) THE COMMISSION SHALL REVIEW APPLICABLE FEES, REQUEST**
30 **FORMATS, AND THE FORMAT OF DATA PROVIDED TO FACILITATE THE INTENT OF**
31 **THIS SECTION.**

32 **(M) (1) THE COMMISSION SHALL ESTABLISH PROCEDURES FOR AN**
33 **ELECTRIC CUSTOMER WHO IS RECEIVING ELECTRIC GENERATION SERVICES FROM**

1 AN ELECTRICITY SUPPLIER SELECTED BY A COMMUNITY CHOICE AGGREGATOR TO
2 RECEIVE ANY BILL ASSISTANCE CREDIT TO WHICH THE CUSTOMER MAY BE
3 ENTITLED UNDER § 7-512.1 OF THIS SUBTITLE.

4 (2) AN ELECTRICITY SUPPLIER SELECTED BY A COMMUNITY CHOICE
5 AGGREGATOR SHALL REFER RESIDENTIAL CUSTOMERS WITH ACCOUNTS DEEMED
6 DELINQUENT UNDER THE TERMS AND CONDITIONS ADOPTED BY THE ELECTRICITY
7 SUPPLIER TO THE STANDARD OFFER SERVICE IN ACCORDANCE WITH THE
8 PROCEDURES ADOPTED BY THE COMMISSION UNDER §§ 7-507(E)(6) AND
9 7-510(C)(2)(VI) OF THIS SUBTITLE.

10 (N) (1) THE COMMISSION SHALL BY REGULATION ESTABLISH
11 STANDARDS AND PROCEDURES TO PROTECT THE CONSUMER RIGHTS OF
12 RESIDENTIAL CUSTOMERS WHO RECEIVE ELECTRIC GENERATION SERVICES FROM
13 AN ELECTRICITY SUPPLIER SELECTED BY A COMMUNITY CHOICE AGGREGATOR.

14 (2) THE REGULATIONS SHALL PROHIBIT DISCRIMINATION AGAINST A
15 CUSTOMER OR ON THE BASIS OF THE LOCATION OF THE CUSTOMER.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2019.

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 730

(Delegate Charkoudian, *et al.*)

Economic Matters

Electric Industry - Community Choice Aggregation

This bill authorizes a county, a municipality, or a group of counties and/or municipalities to form or join a “community choice aggregator,” as defined, under specified conditions.

Fiscal Summary

State Effect: The Public Service Commission (PSC) can handle the bill’s requirements with existing budgeted resources. The bill does not otherwise materially affect State finances or operations.

Local Effect: Local government revenues and expenditures increase beginning in FY 2020 to the extent one or more local governments choose to create or join a community choice aggregator.

Small Business Effect: Minimal, as discussed below.

Analysis

Bill Summary: “Community choice aggregator” means a county, a municipality, or a group of counties, municipalities, or both, that serve as an electric aggregator for the purpose of negotiating the purchase of electric generation services from an electricity supplier or providing electricity from an electric generating facility owned by the aggregator for all electric customers:

- located, for a municipality, in the municipality or, for a county, in any area in the county outside a municipality;

- that have not (1) selected an electricity supplier other than the standard offer service supplier or (2) refused to participate in the aggregation activities; and
- that are not located in the service territory of a municipal electric utility.

A county or municipality or group of counties or municipalities may form or join a community choice aggregator under the bill, subject to specified notification, planning, and other requirements. The bill may not be construed to prevent an electric customer in the jurisdiction of the county or municipality from choosing to enter into a contract with an electricity supplier other than the community choice aggregator.

An electric customer is deemed to have given permission to the county or municipality to act on the customer's behalf as a community choice aggregator:

- when the county or municipality receives a returned notice from the customer explicitly granting that permission; or
- in the case of a customer receiving standard offer service, within 30 days after the notice is given if the county or municipality has not received a returned notice by that date.

A community choice aggregator may own an electric generating facility if the facility is designed to provide energy primarily for use by the participants of the community choice aggregator.

Limitation on Fees, Taxes, or Other Charges

A community choice aggregator may not assess any new fee, tax, or other charge in the aggregation charges or rates that is not related to the cost of providing the aggregation service. Under the bill, "aggregation services" includes the provision of electricity service from a generating station owned by a community choice aggregator. A fee for aggregation may not exceed specified costs.

PSC Standards and Review

Based on a determination of the mitigation of volumetric risk, PSC must identify at least one two-month period in the calendar year within which a community choice aggregator may award contracts for competitive generation service supply. A community choice aggregator may award contracts for competitive generation service supply only within that period.

PSC must review applicable fees, request formats, and the format of data provided to facilitate the intent of the bill. PSC must establish procedures for an electric customer who

is receiving electric generation services from an electricity supplier selected by a community choice aggregator to receive a bill assistance credit to which the customer may be entitled under current law.

PSC must establish standards and procedures by regulation to protect the consumer rights of residential customers who receive electric generation services from an electricity supplier selected by a community choice aggregator. The regulations must prohibit discrimination against a customer or on the basis of the location of the customer.

Current Law: A county or municipality may only act as an aggregator if PSC determines that there is not sufficient competition within the boundaries of the local jurisdiction. “Aggregator” means an entity or an individual that acts on behalf of a customer to purchase electricity or gas. It does not include (1) an entity or individual that purchases electricity or gas for its own use or for the use of its subsidiaries or affiliates; (2) a municipal electric utility or a municipal gas utility serving only in its distribution territory; or (3) a combination of governmental units that purchases electricity or gas for use by the governmental unit.

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 standard offer service (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.

Local Fiscal Effect: The bill allows counties and municipalities to form or join a community choice aggregator, which under the bill is allowed to own generation assets and/or enter into contracts with electricity suppliers on behalf of persons within their jurisdictions. Therefore, local government revenues and expenditures increase beginning in fiscal 2020 to the extent one or more local governments choose to create or join a community choice aggregator.

Small Business Effect: Small electricity suppliers must comply with notification requirements to the extent that they have customers located in the jurisdiction of a community choice aggregator. The overall effect on any particular electricity supplier is likely minimal.

Additional Information

Prior Introductions: None.

Cross File: SB 660 (Senator Washington) - Finance.

Information Source(s): Public Service Commission; Office of People's Counsel; Anne Arundel, Baltimore, and Garrett counties; City of Laurel; Department of Legislative Services

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Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

From: Patti Mallin, Licensing Specialist
To: Suzanne Ludlow, City Manager
Date: April 17, 2019

Lead Compliance for Rental Properties Unfunded State Mandate

The State of Maryland requires that local governments verify that a rental property has a current certificate stating it has passed a lead-free, limited lead-free, or reduced-risk inspection, before issuing a rental license. Recently, the State reached out to municipalities to make clear a previously unaddressed part of this mandate:

Local governments are expected to ensure continued compliance of this State law each time a license is renewed. In Takoma Park, renewals are done either annually or biennially depending on the license type.

- If a property is lead-free, they never have to be checked again.
- If it has a limited lead-free certificate, they have to be re-inspected every two years.
- If they have a reduced-risk certificate, which is the most common type, *each individual unit is required to be reinspected every time there is a new tenancy.* The State made it clear that they expect municipalities to collect information regarding turnover of every unit, and the corresponding inspections, each time a rental property license is renewed, but not to report it back to them, even though the State maintains the Rental Property Lead Registry. **So the presumption that the State would inform municipalities if there was non-compliance so that we could revoke or deny rental licenses is wrong.**

For the City to take on this expanded set of responsibilities regarding compliance of the State law, we would need to overhaul our licensing database to accommodate a whole new set of data, re-design our web-based license renewal procedure, educate our license-holders on how to complete the expanded renewal forms, and perform a great deal of follow up to ensure compliance. The State provides no assistance in this regard.

To take a prevention-style approach, encouraging rental properties to achieve lead-free status would reduce the administrative side of things greatly, on top of the obvious benefit of making the properties safer. Lead-free testing is more comprehensive and so more expensive, and abatement can be prohibitively costly. State funds to offset those costs for property owners would be a helpful strategy to achieve the goals of lead safety and compliance with the law.