HOUSE BILL 435

C5 6lr0511

By: **Delegates Tarlau, Carr, Ebersole, Fennell, Frush, Gaines, Korman, Luedtke, A. Miller, Moon, Pena-Melnyk, Platt, Sanchez, and A. Washington**
Introduced and read first time: January 29, 2016
Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

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

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

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

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

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

Article – Public Utilities

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

7–213.

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

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

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

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

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

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

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

(3) "Fund" means the Electric Reliability Remediation Fund established under subsection (j) of this section.

(4) "System–average interruption duration index" or "SAIDI" means the sum of the customer interruption hours divided by the total number of customers served.

(5) "System–average interruption frequency index" or "SAIFI" means the sum of the number of customer interruptions divided by the total number of customers served.

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

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

(1) SAIFI;

(2) SAIDI; and

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

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

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

1. service interruption;

2. downed wire response;

3. customer communications;

4. vegetation management;

5. periodic equipment inspections;

6. annual reliability reporting; and

7. any other standards established by the Commission;

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

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

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

(i) system design;

(ii) existing infrastructure;

(iii) customer density; and

(iv) geography.

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

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

(ii) ensure that the service quality and reliability standards are cost–effective; and

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

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

2. customer acceptance of vegetation management initiatives.

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

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

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

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

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