

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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Columbia
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To amend the Retail Electric Competition and Consumer Protection Act of 1999 to allow the Public Service Commission the flexibility to facilitate wholesale competitive bidding, conduct retail competitive bidding, or both, for standard offer service, to permit standard offer service to be provided by the incumbent electric company, to change the date after which the standard offer service provider or providers will provide standard offer service to February 7, 2005, to clarify that the Commission's contingency plan for standard offer service shall apply in the event of either insufficient or inadequate competitive bids, and to require the Public Service Commission to determine the threshold financial viability of wholesale bidders.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Electric Standard Offer Service Amendment Act of 2004".

Sec. 2. The Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D. C. Law 13-107; D.C. Official Code § 34-1501 *et seq.*), is amended as follows:

(a) Section 101 (D.C. Official Code § 34-1501) is amended by adding a new paragraph (29) to read as follows:

Amend
§ 34-1501

"(29) "Wholesale electricity supplier" means the electric company, which, pursuant to section 109, obtains bids from, and contracts for electric service with, third parties and provides standard offer service to retail customers."

(b) Section 109 (D.C. Official Code § 34-1509) is amended as follows:

Amend
§ 34-1509

(1) Subsection (b) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase "January 1, 2005" and inserting the phrase "February 7, 2005" in its place.

(B) Paragraph (2)(A) is amended by striking the phrase "January 1, 2005" and inserting the phrase "February 7, 2005" in its place.

(2) Subsection (c) is amended to read as follows:

"(c) Before January 2, 2004, the Commission shall adopt regulations or issue orders establishing terms and conditions for standard offer service and for the selection of an electricity

supplier or suppliers (retail, wholesale, or both) to provide standard offer service after February 7, 2005. The terms and conditions applicable to the selection of an electricity supplier or suppliers shall include:

“(1) Protection against a standard offer service provider's failure to provide service;

“(2) An appropriate rate design, subject to the restrictions in subsection (d) of this section;

“(3) The appropriate length of a standard offer service contract awarded under subsection (d) of this section; and

“(4) A contingency plan in the event of insufficient or inadequate bids; provided, that a contingency plan may award the standard offer service to the electric company or an affiliate of the electric company if it is in the public interest.”.

(3) Subsection (d)(1) is amended to read as follows:

“(1) After the regulations or orders mandated by subsection (c) of this section are issued, the Commission shall conduct competitive bid procedures for the selection of a retail electricity supplier or suppliers to provide standard offer service for the District of Columbia after February 7, 2005; authorize the electric company, as a wholesale electricity supplier, to conduct competitive bid procedures to obtain third-party contracts to provide standard offer service for the District of Columbia after February 7, 2005; or both. If competitive bid procedures for the selection of a retail electricity supplier or suppliers to provide standard offer service are conducted by the Commission, the competitive selection of retail electricity supplier or suppliers to provide standard offer service shall occur before July 2, 2004. In conducting retail bid procedures or facilitating the wholesale bid process under this subsection, the Commission:

“(A) Shall ensure that the price for standard offer service will not hinder the development of a competitive electricity supply market in the District of Columbia; and

“(B) May, in its discretion, solicit the payment, by the retail electricity supplier or suppliers chosen to provide standard offer service, of a bid premium.”.

(4) A new subsection (e) is added to read as follows:

“(e) The Commission shall determine the threshold financial viability of wholesale bidders.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

ENROLLED ORIGINAL

This act shall take effect following the approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)) and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia