
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2610 Session of
2008

INTRODUCED BY GEORGE, BELFANTI, GIBBONS, HARKINS, HORNAMAN,
JAMES, JOSEPHS, McILVAINE SMITH, M. O'BRIEN, PARKER,
PASHINSKI, PETRONE, K. SMITH, SURRA, THOMAS, WOJNAROSKI AND
YOUNGBLOOD, JUNE 10, 2008

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 10, 2008

AN ACT

1 Providing for a moratorium on certain utility permits.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Electric
6 Utility Competitive Bid Moratorium Act.

7 Section 2. Policy declaration.

8 The General Assembly finds and declares as follows:

9 (1) The current rules stating that regulatory
10 authorities have only one business day to review the results
11 of competitive procurements and would consider even a shorter
12 review period on these auctions which could amount to the
13 sale of billions of dollars of electricity is not in the
14 public interest.

15 (2) Recent developments in the competitive bidding
16 process demonstrate that generation costs under the current

process could increase 100%.

(3) These price spikes would result in economic and commercial discord and therefore it is in the public interest for the General Assembly to intervene and reexamine and objectively evaluate the competitive bidding process.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Commission." The Pennsylvania Public Utility Commission.

"Competitive bid solicitation process." A fair, transparent and nondiscriminatory process by which a default service provider awards contracts for electric generation to qualified suppliers who submit the lowest bids.

"Default service provider" or "DSP." The incumbent electric distribution company within a certificated service territory or the Pennsylvania Public Utility Commission-approved alternative supplier of electric generation service.

"Electric distribution company" or "EDC." The public utility providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners and operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility.

"Public utility."

(1) Any person or corporation now or hereafter owning or operating in this Commonwealth equipment or facilities for producing, generating, transmitting, distributing or furnishing electricity for the public for compensation.

1 (2) The term does not include:

2 (i) Any person or corporation, not otherwise a
3 public utility, who or which furnishes service only to
4 himself or itself.

5 (ii) Any bona fide cooperative association which
6 furnishes service only to its stockholders or members on
7 a nonprofit basis.

8 Section 4. Authorization of moratorium.

9 (a) Prohibition.--On and after the effective date of this
10 act, the commission and any DSP shall no longer accept, deny,
11 approve, disapprove, solicit, engage in or continue any portion
12 of the competitive bid solicitation process.

13 (b) End of moratorium.--The prohibition under subsection (a)
14 shall remain in effect until six months after this act takes
15 effect.

16 Section 5. Competitive Bid Solicitation Task Force.

17 (a) Establishment.--A special legislative task force, known
18 as the Competitive Bid Solicitation Task Force, shall be
19 established within seven days of the effective date of this act.

20 (b) Composition.--The task force shall be made up of the
21 following:

22 (1) Three members of the Senate. Two members shall be
23 appointed by the President pro tempore of the Senate and one
24 shall be appointed by the Majority Leader of the Senate, two
25 of whom shall be members of the majority party and one who
26 shall be a member of the minority party. The President pro
27 tempore of the Senate and the Majority Leader of the Senate
28 shall each designate one of the members as cochairman.

29 (2) Three members of the House of Representatives. Two
30 members shall be appointed by the Speaker of the House of

Representatives and one shall be appointed by the Majority Leader of the House of Representatives, two of whom shall be members of the majority party and one who shall be a member of the minority party. The Speaker of the House of Representatives and the Majority Leader of the House of Representatives shall each designate one of the members as cochairman.

(c) Review.--The Competitive Bid Solicitation Task Force shall be given absolute and complete access to all documents, public and confidential, in the possession of the commission and any DSP, shall study and may conduct public hearings on the issue of the commission's competitive bid solicitation process as defined under 52 Pa. Code § 69.1803 (relating to definitions), including, but not limited to, the need for and potential impact of increased transparency into, and expanded governmental oversight of, the process by which a DSP awards contracts for electric generation supply, including past competitive bidding processes.

(d) Report.--The Competitive Bid Solicitation Task Force shall submit a report of its findings and recommendations to the General Assembly within four months of the effective date of this act.

(e) Advisory Committee.--The Competitive Bid Solicitation Task Force may appoint an advisory committee including, but not limited to:

(1) The Commissioner of the Pennsylvania Public Utility Commission or a designee.

(2) The Secretary of Environmental Protection or a designee.

(3) Public members appointed by the Governor.

1 Section 20. Effective date.

2 This act shall take effect in seven days.