

(5) allowing opt-out aggregation of residential electric customer demand by local governments in the service territories of investor-owned electric companies.

(c) On or before December 31, 2006, the Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on its findings and recommendations.

(d) (1) The Commission may not implement any of the actions under subsection (b)(1) through (4) of this section that are otherwise authorized by this Act unless the Commission finds that the action is in the public interest.

(2) On or before December 31, 2006, and based on its consideration of energy efficiency and conservation measures under subsection (b)(3) of this section, the Commission shall establish, by regulation or order:

(i) the process for procurement of energy and conservation measures and services; and

(ii) criteria to evaluate bids that are submitted for energy and conservation measures and services.

(3) As a part of its review of electric restructuring in the State as it pertains to the availability of competitive generation to residential and small commercial customers and the structure, procurement, and terms and conditions of standard offer service for residential and small commercial customers, the Commission shall:

1. adopt a uniform definition of a "small commercial customer" for purposes of standard offer service that applies in all service territories in the State; and

2. consider whether it benefits small commercial customers for an electric company not to be required to provide the standard offer service under § 7-510(c) for small commercial customers.

(e) The requirement to study opt-out local governmental aggregation under subsection (b)(5) of this section may not be construed to interfere with any pilot program to implement local aggregation in existence on the effective date of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding the rate cap imposed in accordance with § 7-505(d) of the Public Utility Companies Article and implementing settlement agreements and orders, the Public Service Commission, on its own initiative or on request of an electric company in the service territory of which a rate cap or freeze expires after July 1, 2006, shall initiate a proceeding to investigate options available to implement a rate mitigation plan or rate stabilization plan, including renegotiation of a settlement agreement to allow a portion of the residential electric supply in that service territory to be procured at market rates earlier than otherwise provided in the settlement agreement so that the full residential electricity rates in that service territory are not exposed to volatile market conditions at one time, while ensuring that residential customers in that service territory obtain the full value of the savings provided under the existing rate cap.