

site electricity demand from the grid when prices are high, which primarily occurs during peak electricity demand periods.

(5) Emergency.

(a) "Emergency" means a condition where the primary energy or power source is disrupted or discontinued due to conditions beyond the control of the owner or operator of a facility, including:

- (i) A failure of the electrical grid;
- (ii) On-site disaster or equipment failure; or
- (iii) Public service emergencies such as flood, fire, natural disaster, or severe weather conditions.

(b) "Emergency" includes a PJM declared emergency.

(6) "Emergency generator" means:

(a) A engine used only during an emergency or for testing and engine maintenance purposes; and

(b) An engine that operates during an emergency according to the procedures in the PJM Emergency Operations Manual for a PJM declared emergency.

(7) "Emergency response program" means a demand response program where a facility curtails on-site electricity demand only during an emergency declared by the PJM in accordance with Manual 13, Emergency Operations, Revision 40, Effective Date August 13, 2010, as amended.]

[(8)] (4) "Engine" means a stationary *reciprocating* internal combustion engine (*RICE*) or *stationary internal combustion engine*, subject to 40 CFR Part 63 Subpart ZZZZ and 40 CFR Part 60 Subparts IIII or JJJJ, as amended.

[(9)] (5) (text unchanged)

[(10)] Load Shaving Unit.

(a) "Load shaving unit" means an engine that operates for other than an emergency to generate electricity for use on-site or for sale.

(b) "Load shaving unit" does not include an engine:

(i) Whose primary function is to generate electricity for use by the public; or

(ii) That serves as the primary source of power for agricultural equipment or industrial equipment, including the period when equipment or a facility is being maintained and the engine is used in place of the primary power source.]

[(11)] (6) —[(12)] (7) (text unchanged)

[(13)] "PJM declared emergency" means a condition that exists where the PJM Interconnection, LLC notifies electric distributors that an emergency exists or may occur and it is necessary to implement the procedures in the PJM Manual 13 Emergency Operations, as revised.]

.02 Applicability.

This chapter applies to a person who owns or operates an [emergency generator, load shaving unit,] *engine as defined in Regulation .01B of this chapter or a curtailment service provider.*

.03 Requirements for Stationary Engines.

A. *The owner or operator of an engine is subject to requirements under 40 CFR Part 63 Subpart ZZZZ, as applicable.**

B. *The owner or operator of an engine is subject to requirements, as applicable, under:*

- (1) *40 CFR Part 60 Subpart IIII**; or
- (2) *40 CFR Part 60 Subpart JJJJ**.

* *In May 2015, the United States Court of Appeals for the District of Columbia Circuit vacated paragraphs 40 CFR 60.4211(f)(2)(ii)—(iii), 60.4243(d)(2)(i)—(iii), and 63.6640(f)(2)(ii)—(iii). Therefore, engines subject to this chapter do not have to comply with those provisions.*

.04 Annual Report Requirement for Curtailment Service Providers (CSPs).

A. A CSP that administers a demand response program for a participating facility in the State shall provide the following information to the Department in an annual report:

(1) — (2) (text unchanged)

(3) A description of the demand response program for each participating engine[, that is, whether it is an economic response program or an emergency response program];

(4) As called for by the CSP, the dates on which each engine was requested to operate during the year and the hours of operation on each date, including:

(a) The reason for operating the engine under a demand response program[, that is, whether it is an economic response program or an emergency response program];

(b) — (c) (text unchanged)

(5) — (7) (text unchanged)

B. — C. (text unchanged)

BENJAMIN H. GRUMBLES
Secretary of the Environment

**Title 31
MARYLAND INSURANCE
ADMINISTRATION**

**Subtitle 03 INSURANCE PRODUCERS
AND OTHER INSURANCE
PROFESSIONALS**

31.03.06 Surplus Lines

Authority: Insurance Article, §§2-109, 3-304, 3-306, 3-307, 3-311—3-313, 3-325[(e)], 9-301(f), 9-303(5), 9-401(i)(l), and 9-405(b), Annotated Code of Maryland

Notice of Proposed Action

[17-176-P]

The Insurance Commissioner proposes to amend Regulation .05 under **COMAR 31.03.06 Surplus Lines**.

Statement of Purpose

The purpose of this action is to amend COMAR 31.03.06.05 Surplus Lines consistent with a legislative change that occurred during the 2017 session. Ch. 37, Acts of 2017, amended Insurance Article, §3-325, Annotated Code of Maryland. This change added language stating that surplus lines brokers only need to file a semi-annual report with the Commissioner if they actually transacted surplus lines business during the preceding half calendar year. A change to Regulation .05 is necessary to conform COMAR with the new statutory language.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. Minimal cost savings for businesses since they will not need to file a report unless they actually transact surplus lines business during the preceding 6 months. Minimal cost savings to the MIA as the number of reports may decrease since only surplus lines brokers who performed surplus lines business during the preceding 6 months will need to file a

report. Therefore, the number of reports received that need to be reviewed may decrease.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:		
Administrative cost	(E-)	Minimal
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:		
Administrative cost	(-)	Minimal
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A(1). Assuming the number of insurers who have to file the report goes down, since only those who have performed surplus lines business in the preceding 6 months need to submit a report, the number of reports received that have to be reviewed may decrease.

D. If some insurers were submitting the report even if they did not have any surplus lines business in the preceding 6 months, they cost might go down as that do not have to produce and submit this report.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Lisa Larson, Assistant Director of Regulatory Affairs, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202, or call 410-468-2007, or email to insurancereview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through August 7, 2017. A public hearing has not been scheduled.

.05 Surplus Lines Reports and Premium Receipts Tax.

A. Each surplus lines broker that has transacted surplus lines business in the State during the preceding half calendar year shall file with the Commissioner a semiannual statement that reports on business subject to the tax imposed by Insurance Article, §3-324, Annotated Code of Maryland, during the preceding half calendar year[, whether or not the surplus lines broker placed any business]. The report shall be made in accordance with the form prescribed by the Commissioner and available from the Commissioner's office.

B. — E. (text unchanged)

ALFRED W. REDMER, JR.
Insurance Commissioner

Title 36 MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

36.03.08 Collection of Taxes, Fees, and Penalties

Authority: State Government Article, §§9-1A-01, 9-1A-04, 9-1A-26, and 9-1A-33, Annotated Code of Maryland

Notice of Proposed Action

[17-179-P]

The Maryland State Lottery and Gaming Control Agency proposes to amend Regulations .01 — .03 under COMAR 36.03.08 Collection of Taxes, Fees, and Penalties. This action was considered at the Maryland Lottery and Gaming Control Commission open meeting held on May 25, 2017, notice of which was given pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to update the regulations to implement new legislation (S.B. 496, Ch. 445, Acts of 2017) that takes effect July 1, 2017, and requires the State Lottery and Gaming Control Commission to adopt regulations allowing a casino that returns to successful players more than the amount of money bet through video lottery terminals or table games on a given day to subtract that “negative” amount from the proceeds of a following day. Losses may not be subtracted for more than two consecutive gaming days.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. It is unclear what, if any, impact will happen if there is a decrease in revenue to the Education Trust Fund (ETF) revenues. Although the Department of Legislative Services indicates in its Fiscal and Policy Note on S.B. 496 that there could be a decrease in the ETF by approximately \$1.82 million in fiscal 2018 and by \$1.92 million in fiscal 2022, it also notes however that to the extent that allowing licensees to carry forward losses encourages larger bets and high-stakes gambling, the impact on table game revenues could be less. The Agency believes that this decrease in revenue would be more than offset and there would be an overall positive impact on revenue because it would allow casinos to market better to their largest customers. Such marketing requires that casinos accept larger bets when appropriate, despite the increased volatility such large bets can create. The Agency believes that such volatility evens out over time and marketing to large players will likely lead to increased gaming revenue.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	