

Department of Legislative Services  
 Maryland General Assembly  
 2018 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 715 (Delegate R. Lewis)  
 Economic Matters

**Public Service Commission - Application for a Certificate of Public Convenience and Necessity - Public Notice and Hearing**

This bill establishes additional notification, public hearing, and public comment requirements for the certificate of public convenience and necessity (CPCN) application process. In addition to existing decision criteria, the Public Service Commission (PSC) must take final action on a CPCN application only after due consideration of public comments and specified health impacts.

**Fiscal Summary**

**State Effect:** Special fund expenditures increase by \$106,200 in FY 2019. Future year expenditures reflect annualization. Special fund revenues increase correspondingly from assessments imposed on public service companies.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SF Revenue	\$106,200	\$135,800	\$136,600	\$137,900	\$139,200
SF Expenditure	\$106,200	\$135,800	\$136,600	\$137,900	\$139,200
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** None.

## Analysis

### **Current Law/Bill Summary:**

*Current Law:* Generally, a person may not begin construction in the State of a generating station, overhead transmission line, or a qualified generator lead line (project) unless a CPCN is first obtained from PSC. The application process involves notifying specified stakeholders, public hearings, and the consideration of recommendations by State and local government entities and the project's effect on various aspects of the State infrastructure, economy, and environment. There are conditions under which a person constructing a generating station may apply to PSC for an exemption from the CPCN requirement.

### *Notification Process*

*Current Law:* Upon receipt of a CPCN application, PSC – or the CPCN applicant, if required by PSC – must immediately provide notice to specified recipients, including the executive and governing body of affected local governments, affected members of the General Assembly, and other interested persons. When providing the notice, PSC must also forward the CPCN application to each appropriate unit of State and local government for review, evaluation, and comment and to each member of the General Assembly that requests a copy.

*The Bill:* PSC or the CPCN applicant must provide *specific* notice of the application to existing recipients of such notification and also to each resident in each county or municipality in which any portion of the project is proposed to be constructed.

On receipt of a CPCN application, PSC must immediately provide specific notice (1) on its existing social media accounts; (2) in a searchable manner on its website, with information for the current year and the three previous years; and (3) through a text alert to interested persons who opt to receive them.

Other notification processes are unchanged.

### *Public Hearing and Comment Process*

*Current Law:* PSC must provide an opportunity for public comment and hold a public hearing on a CPCN application in each county and municipality in which any portion of the project is to be located. PSC must hold the hearing jointly with the governing body of the county or municipality and must provide weekly notice during the four weeks prior to the hearing, both in a newspaper and online. PSC must also coordinate with each local government to identify additional options for providing notice of the hearing through other types of media.

*The Bill:* Public comment must be allowed to be submitted electronically on PSC's website and in writing.

In addition to existing notification related to the public hearing, PSC must issue a reminder text alert to interested persons who opt to receive them at least five business days prior to the public hearing. The existing hearing notice on PSC's website must be searchable by county. The public hearing must be recorded or webcast and available to the public for review prior to the public comment submission deadline. A recording or webcast of the public hearing must be posted on PSC's website in a searchable manner. As soon as PSC determines the procedural schedule for any subsequent hearing, it must provide notice of the hearing on its website and through a text alert to interested persons who opt to receive them.

Other aspects of the public hearing and comment process are unchanged.

#### *Decision Process*

*Current Law:* PSC must take final action on a CPCN application only after due consideration of recommendations of the governing body of each county or municipality in which any portion of the project is proposed to be located and various aspects of the State infrastructure, economy, and environment. There are additional considerations specifically for a generating station, including the consistency of the CPCN application with the local comprehensive plan and zoning and the efforts to resolve any issues presented by local government.

*The Bill:* In addition to the above criteria, PSC must consider public comments and the potential health impacts on residents who live in the county or municipality in which any portion of the project is proposed to be located.

**Background:** The licensing of new electric power plants in the State is a comprehensive two-part process involving PSC and several other State agencies, *e.g.*, the Department of Natural Resources and the Maryland Department of the Environment. PSC is the lead agency for licensing the siting, construction, and operation of power plants in the State. Unless otherwise exempt, companies wishing to construct a new power plant, overhead transmission line, or qualified generator lead line must apply to PSC for a CPCN.

**State Fiscal Effect:** Special fund expenditures for PSC increase by \$106,208 in fiscal 2019, which accounts for the bill's October 1, 2018 effective date. This estimate reflects the cost of hiring one *half-time* administrative specialist to manage the text alert service and the scheduling/posting of recordings. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes an estimated \$75,000 for videographer services.

Position	0.5
Salary and Fringe Benefits	\$23,383
Videographer Services	75,000
Other Operating Expenses	<u>7,825</u>
<b>Total FY 2019 PSC Expenditures</b>	<b>\$106,208</b>

Future year expenditures reflect a full salary with annual increases and employee turnover, ongoing operating expenses, and \$100,000 annually for videographer services. Special fund revenues increase correspondingly from assessments imposed on public service companies.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission; Department of Natural Resources; Maryland Department of Planning; Maryland Department of Transportation; Harford and Montgomery counties; Department of Legislative Services

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