

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 578
Finance

(Harford County Senators)

**Electricity - Considerations for Certificate of Public Convenience and Necessity
and Overhead Transmission Lines**

This bill requires the Public Service Commission (PSC), before taking final action on an application for a Certificate of Public Convenience and Necessity (CPCN), to consider whether an applicant’s design prioritizes the use of existing infrastructure or upgrading existing infrastructure. In addition, the bill prohibits PSC from authorizing – and a person from undertaking – the construction of an overhead transmission line that is aligned with and within one mile of a conservation easement unless there is an exceptional showing of good cause. The bill must be construed to apply only prospectively to CPCNs issued by PSC on or after the effective date of the bill and may not be applied or interpreted to have any effect on CPCNs issued before that date.

Fiscal Summary

State Effect: PSC can handle the bill’s requirements with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: “Conservation easement,” as defined under the Real Property Article, means an easement, covenant, restriction, or condition on real property, including an amendment to an easement, covenant, restriction, or condition, that is (1) owned by the Maryland Environmental Trust, the Maryland Historical Trust, the Maryland Agricultural

Land Preservation Foundation, the Department of Natural Resources (DNR), or a land trust; owned by a county or municipal corporation and is funded by DNR, the Rural Legacy Program, or a local agricultural preservation program; or (3) required by a permit issued by the Maryland Department of the Environment (MDE).

Generally, a person may not begin construction in the State of a generating station, overhead transmission line, or a qualified generator lead line 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.

As noted above, the CPCN application process involves public hearings. At least 30 days before a hearing, a public service company must provide written notice to each owner of land and each owner of adjacent land, by certified mail, of intent to run a line or similar transmission device over, on, or under the land. The public service company must determine the property owners from current tax assessment records. Unless willful or deliberate, the failure of a public service company to provide notice does not invalidate a public hearing or require that another hearing take place.

Pursuant to Chapter 773 of 2018, for construction of an overhead transmission line, PSC must require an applicant for a CPCN to identify whether the overhead transmission line is proposed to be constructed on an existing brownfields site, property subject to an existing easement, or a site where a tower structure or components of a tower structure used to support an overhead transmission line exist.

PSC must take final action on a CPCN application only after due consideration of the recommendations of the governing body of each county or municipality in which any portion of the project is proposed to be located and the effect of the project on various aspects of the State infrastructure, economy, and environment.

Background: The licensing of new electric generating stations in the State is a comprehensive two-part process involving PSC and several other State agencies, *e.g.*, DNR and MDE. PSC is the lead agency for licensing the siting, construction, and operation of power plants in the State.

Additional Information

Prior Introductions: SB 691 of 2018, a similar bill, received a hearing in the Senate Finance Committee, but no further action was taken. Its cross file, HB 812, received an unfavorable report from the House Economic Matters Committee.

Designated Cross File: HB 1014 (Delegate Szeliga, *et al.*) - Economic Matters.

Information Source(s): Maryland Department of Agriculture; Department of Natural Resources; Office of People's Counsel; Public Service Commission; Department of Legislative Services

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