

SENATE BILL 294

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C5

2001 Regular Session
(11r1510)

ENROLLED BILL
-- Finance/Environmental Matters --

Introduced by **Senator Teitelbaum**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **On-Site Generated Electricity - ~~Exemption~~ Approval Process**

3 FOR the purpose of ~~exempting certain generating stations that produce only on-site~~
4 ~~generated electricity from the requirement to obtain a certificate of public~~
5 ~~convenience and necessity for certain purposes~~ authorizing requiring the Public
6 Service Commission to waive the requirement to obtain a certificate of public
7 convenience and necessity under certain circumstances; ~~authorizing requiring~~
8 the Commission to require a person to obtain approval from the Commission
9 before the person may construct a generating station under certain
10 circumstances; requiring an application to contain certain information;
11 requiring the Commission to consider certain criteria, require certain
12 notification, and conduct its review and approval in a certain manner;
13 authorizing the Commission to waive an element of a certain process under
14 certain circumstances; providing that the Department of the Environment may
15 not require a certain permit or registration for the construction of a generating
16 station constructed by a certain person; altering a certain definition; and
17 generally relating to the review and approval of the construction of certain

1 generating stations.

2 BY repealing and reenacting, with amendments,

3 Article - Environment

4 Section 2-402

5 Annotated Code of Maryland

6 (1996 Replacement Volume and 2000 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article - Public Utility Companies

9 Section 7-207(a)

10 Annotated Code of Maryland

11 (1998 Volume and 2000 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article - Public Utility Companies

14 Section 1-101(r) and 7-207(b)

15 Annotated Code of Maryland

16 (1998 Volume and 2000 Supplement)

17 BY adding to

18 Article - Public Utility Companies

19 Section 7-207.1

20 Annotated Code of Maryland

21 (1998 Volume and 2000 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article - Environment**

25 2-402.

26 The Department may not require a permit or registration for:

27 (1) Any machinery or equipment that normally is used in a mobile
28 manner;

29 (2) Any boiler used exclusively to operate steam engines for farm and
30 domestic use;

31 (3) The construction of a generating station constructed by [an electric
32 company] A PERSON THAT IS REQUIRED TO OBTAIN A CERTIFICATE OF PUBLIC
33 CONVENIENCE AND NECESSITY UNDER §§ 7-207 AND 7-208 OF THE PUBLIC UTILITY
34 COMPANIES ARTICLE AND REGULATIONS ADOPTED BY THE PUBLIC SERVICE
35 COMMISSION;

1 (4) Actual construction of buildings, apart from any possible emission
 2 producing machinery housed in the buildings;

3 (5) Any parking garage; or

4 (6) Any parking lot.

5 **Article - Public Utility Companies**

6 1-101.

7 (r) "On-site generated electricity" means electricity that:

8 (1) is not transmitted or distributed over an electric company's
 9 transmission or distribution system; [and] OR

10 (2) is generated at a facility owned or operated by an electric customer or
 11 operated by a designee of the owner who, with the other tenants of the facility,
 12 consumes at least 80% of the power generated by the facility each year.

13 7-207.

14 (a) (1) In this section and § 7-208 of this subtitle, "construction" means the
 15 clearing of land, excavation, or other action that affects the natural environment of a
 16 site or route of a bulk power supply facility.

17 (2) "Construction" does not include a change that is needed for the
 18 temporary use of a site or route for nonutility purposes or for use in securing
 19 geological data, including any boring that is necessary to ascertain foundation
 20 conditions.

21 (b) (1) (I) Unless a certificate of public convenience and necessity for the
 22 construction is first obtained from the Commission, a person may not begin
 23 construction in the State of a generating station.

24 ~~(H) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS PARAGRAPH, A~~
 25 ~~CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IS NOT REQUIRED FOR THE~~
 26 ~~CONSTRUCTION OF A GENERATING STATION THAT PRODUCES ONLY ON-SITE~~
 27 ~~GENERATED ELECTRICITY AND GENERATES LESS THAN 100 MEGAWATTS.~~

28 ~~(II) IF A PERSON OBTAINS COMMISSION APPROVAL FOR~~
 29 ~~CONSTRUCTION UNDER § 7-207.1 OF THIS SUBTITLE, THE COMMISSION MAY SHALL~~
 30 ~~EXEMPT A PERSON FROM THE REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC~~
 31 ~~CONVENIENCE AND NECESSITY UNDER THIS SECTION IF A PERSON OBTAINS~~
 32 ~~COMMISSION APPROVAL FOR CONSTRUCTION UNDER SECTION 7-207.1 OF THIS~~
 33 ~~SUBTITLE.~~

34 (2) Unless a certificate of public convenience and necessity for the
 35 construction is first obtained from the Commission, and the Commission has found
 36 that the capacity is necessary to ensure a sufficient supply of electricity to customers

1 in the State, a person may not exercise a right of condemnation in connection with the
2 construction of a generating station.

3 (3) Unless a certificate of public convenience and necessity for the
4 construction is first obtained from the Commission, an electric company may not
5 begin construction of an overhead transmission line that is designed to carry a voltage
6 in excess of 69,000 volts or exercise a right of condemnation with the construction.

7 7-207.1.

8 (A) THIS SECTION APPLIES TO A PERSON WHO CONSTRUCTS A GENERATING
9 STATION DESIGNED TO PROVIDE ON-SITE GENERATED ELECTRICITY IF:

10 (1) THE CAPACITY OF THE GENERATING STATION DOES NOT EXCEED 70
11 MEGAWATTS; AND

12 (2) THE ELECTRICITY THAT MAY BE EXPORTED FOR SALE FROM THE
13 GENERATING STATION TO THE ELECTRIC SYSTEM IS SOLD ONLY ON THE
14 WHOLESALE MARKET PURSUANT TO AN INTERCONNECTION, OPERATION, AND
15 MAINTENANCE AGREEMENT WITH THE LOCAL ELECTRIC COMPANY.

16 (B) (1) THE COMMISSION SHALL REQUIRE A PERSON THAT IS EXEMPTED
17 FROM THE REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC CONVENIENCE AND
18 NECESSITY TO OBTAIN APPROVAL FROM THE COMMISSION UNDER THIS SECTION
19 BEFORE THE PERSON MAY CONSTRUCT A GENERATING STATION DESCRIBED IN
20 SUBSECTION (A) OF THIS SECTION.

21 (2) AN APPLICATION FOR APPROVAL UNDER THIS SECTION SHALL:

22 (I) BE MADE TO THE COMMISSION IN WRITING ON A FORM
23 ADOPTED BY THE COMMISSION;

24 (II) BE VERIFIED BY OATH OR AFFIRMATION; AND

25 (III) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES,
26 INCLUDING:

27 1. PROOF OF COMPLIANCE WITH ALL APPLICABLE
28 REQUIREMENTS OF THE INDEPENDENT SYSTEM OPERATOR; AND

29 2. A COPY OF AN INTERCONNECTION, OPERATION, AND
30 MAINTENANCE AGREEMENT BETWEEN THE GENERATING STATION AND THE LOCAL
31 ELECTRIC COMPANY.

32 (C) WHEN REVIEWING AN APPLICATION FOR APPROVAL UNDER THIS SECTION
33 THE COMMISSION SHALL:

34 (1) ENSURE THE SAFETY AND RELIABILITY OF THE ELECTRIC SYSTEM;

1 (2) REQUIRE THE PERSON CONSTRUCTING THE GENERATING STATION
2 TO NOTIFY THE COMMISSION 2 WEEKS BEFORE THE FIRST EXPORT OF ELECTRICITY
3 FROM A GENERATING STATION APPROVED UNDER THIS SECTION; AND

4 (3) CONDUCT ITS REVIEW AND APPROVAL IN AN EXPEDITIOUS MANNER.

5 (D) THE COMMISSION MAY WAIVE AN ELEMENT OF THE APPROVAL PROCESS
6 UNDER THIS SECTION IF THE COMMISSION DETERMINES THAT THE WAIVER IS IN
7 THE PUBLIC INTEREST.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2001.