

Department of Legislative Services  
2010 Session

FISCAL AND POLICY NOTE

House Bill 791  
Economic Matters

(Delegate Beitzel, *et al.*)

**Public Utility Companies - Wind Turbines - Performance Standards**

This bill requires the Public Service Commission (PSC) and the Department of Natural Resources (DNR) to jointly develop general performance standards for wind-powered electric generating turbines erected in the State. These standards must include the individual turbine electricity generating capacity, turbine type or model, tower height, number and size of blades, rotor diameter, noise, lighting on and near turbines, and setbacks. PSC must adopt these standards by regulation.

**Fiscal Summary**

**State Effect:** Special fund expenditures from the Environmental Trust Fund (ETF) increase by \$30,000 in FY 2011 for consulting services to assist DNR in developing performance standards for wind-powered electric generating facilities. Revenues are not affected.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	30,000	0	0	0	0
Net Effect	(\$30,000)	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** For wind-powered generating facilities with a capacity over 70 megawatts, the performance standards of the turbines are reviewed during the

certificate of public convenience and necessity (CPCN) application process. If a facility is granted a CPCN, the generating facility may be constructed without regard to local zoning rule, regulation, law, or ordinance. For turbines that are exempt from the CPCN requirement, local zoning ordinances may determine the maximum tower height, noise, setback, and other specifications.

Local zoning restrictions for wind turbines vary by jurisdiction. The Maryland Energy Administration provides a model zoning ordinance for small wind energy systems (less than 100 kilowatts), which has been adopted by some counties and municipalities. Nine counties (Allegany, Caroline, Carroll, Dorchester, Frederick, Harford, Howard, St. Mary's, and Washington) have adopted local ordinances for small wind generation.

Wind-power generating facilities with a capacity under 70 megawatts may request an exemption from CPCN requirements. PSC must grant an exemption from CPCN requirements as long as certain conditions are met: (1) the wind-powered facility is land-based; (2) the generating capacity is 70 megawatts or less; (3) the excess electricity is sold on the wholesale market pursuant to an interconnection, operation, and maintenance agreement with the local electric company; and (4) PSC provides an opportunity for public comment at a public hearing. The Code of Maryland Regulations (COMAR 20.79.01.02) specifies that a small generating facility under 373 kilowatts does not need prior approval of PSC under certain conditions.

The Power Plant Research Program (PPRP) within DNR evaluates how the design, construction, and operation of power plants and transmission lines impact Maryland's environmental, socioeconomic, and cultural resources. PPRP plays a key role in the licensing process for power plants and transmission lines by coordinating the State agencies' review of new or modified facilities and developing recommendations for license conditions. PPRP is funded through DNR's ETF, which is supported by an environmental surcharge per kilowatt hour of electric energy distributed in the State.

**State Expenditures:** Special fund expenditures from ETF within DNR increase by an estimated \$30,000 in fiscal 2011 to hire consulting services to develop performance standards in accordance with the bill's requirements. This estimate assumes that DNR takes the lead in the development of standards. PSC's contributions to this effort can be handled with existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** HB 750 of 2009 received an unfavorable report from the House Economic Matters Committee. Its cross file, SB 771, passed the Senate with

amendments and received a hearing in the House Economic Matters Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** Allegany and Garrett counties; Department of Natural Resources; Maryland Department of the Environment; Maryland Energy Administration; Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 2010  
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