

HOUSE BILL 784

C5

8lr1533

By: **Delegates Impallaria and Reilly**

Introduced and read first time: February 1, 2018

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2018

CHAPTER _____

1 AN ACT concerning

2 **Electric Facilities – Construction of Overhead Transmission Lines – ~~Repeal of~~**
3 **~~Condemnation Authority, Location, and Workgroup~~ Additional Notice**
4 **Requirements**

5 FOR the purpose of ~~repealing the authority of a person to which a certain certificate of~~
6 ~~public convenience and necessity is issued for the construction of a certain overhead~~
7 ~~transmission line to acquire certain property or rights by condemnation; prohibiting~~
8 ~~requiring the Public Service Commission from issuing a certificate of public~~
9 ~~convenience and necessity for the construction of an overhead transmission line that~~
10 ~~is designed to carry a certain voltage unless the overhead transmission line will be~~
11 ~~located on certain sites or on land subject to a certain easement to provide certain~~
12 ~~notice of an application for a certificate of public convenience and necessity on its~~
13 ~~website and social media platforms; authorizing the Commission to issue a certificate~~
14 ~~of public convenience and necessity for the construction of an overhead transmission~~
15 ~~line at a location other than~~ requiring a certain applicant to identify whether a
16 certain overhead transmission line is located on certain sites or on land subject to a
17 certain easement under certain circumstances; establishing the Workgroup on
18 Overhead Transmission Lines; providing for the composition, chair, and staffing of
19 the Workgroup; prohibiting a member of the Workgroup from receiving certain
20 compensation, but authorizing the reimbursement of certain expenses; requiring the
21 Workgroup to study certain matters; requiring the Workgroup to report its findings
22 to the Governor and the General Assembly on or before a certain date; defining
23 certain terms; making a stylistic change; providing for the application of this Act;
24 providing for the termination of certain provisions of this Act; and generally relating
25 to overhead transmission lines.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
 2 Article – Public Utilities
 3 Section 7–207
 4 Annotated Code of Maryland
 5 (2010 Replacement Volume and 2017 Supplement)

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

8 **Article – Public Utilities**

9 7–207.

10 (a) (1) (i) In this section and § 7–208 of this subtitle, “construction” means:

11 1. any physical change at a site, including fabrication,
 12 erection, installation, or demolition; or

13 2. the entry into a binding agreement or contractual
 14 obligation to purchase equipment exclusively for use in construction in the State or to
 15 undertake a program of actual construction in the State which cannot be canceled or
 16 modified without substantial loss to the owner or operator of the proposed generating
 17 station.

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

21 (2) (I) In this section [, “qualified] **THE FOLLOWING WORDS HAVE**
 22 **THE MEANINGS INDICATED.**

23 (II) **“BROWNFIELDS SITE” MEANS:**

24 1. **A FORMER INDUSTRIAL OR COMMERCIAL SITE**
 25 **IDENTIFIED BY FEDERAL OR STATE LAWS OR REGULATION AS CONTAMINATED OR**
 26 **POLLUTED;**

27 2. **A CLOSED LANDFILL REGULATED BY THE**
 28 **DEPARTMENT OF THE ENVIRONMENT; OR**

29 3. **MINED LAND.**

30 (III) 1. **“MINED LAND” MEANS THE SURFACE OR**
 31 **SUBSURFACE OF AN AREA IN WHICH SURFACE MINING OPERATIONS WILL BE, ARE**
 32 **BEING, OR HAVE BEEN CONDUCTED.**

1 **2. “MINED LAND” INCLUDES:**

2 **A. PRIVATE WAYS AND ROADS USED FOR MINING**
3 **APPURTENANT TO ANY SURFACE MINING AREA;**

4 **B. LAND EXCAVATIONS;**

5 **C. WORKINGS; AND**

6 **D. OVERBURDEN.**

7 **(IV) “QUALIFIED generator lead line”** means an overhead
8 transmission line that is designed to carry a voltage in excess of 69,000 volts and would
9 allow an out-of-state Tier 1 or Tier 2 renewable source to interconnect with a portion of
10 the electric system in Maryland that is owned by an electric company.

11 (b) (1) (i) Unless a certificate of public convenience and necessity for the
12 construction is first obtained from the Commission, a person may not begin construction in
13 the State of:

14 1. a generating station; or

15 2. a qualified generator lead line.

16 (ii) If a person obtains Commission approval for construction under
17 § 7-207.1 of this subtitle, the Commission shall exempt a person from the requirement to
18 obtain a certificate of public convenience and necessity under this section.

19 (iii) Notwithstanding subparagraph (i) of this paragraph, a person
20 may not apply to obtain a certificate of public convenience and necessity for construction of
21 a qualified generator lead line unless:

22 1. at least 90 days before the filing of an application for a
23 certificate of public convenience and necessity, the person had in good faith offered the
24 electric company that owns that portion of the electric grid in Maryland to which the
25 qualified generator lead line would interconnect a full and fair opportunity for the electric
26 company to construct the qualified generator lead line; and

27 2. at any time at least 10 days before the filing of an
28 application for a certificate of public convenience and necessity, the electric company:

29 A. did not accept from the person a proposal or a negotiated
30 version of the proposal under which the electric company would construct the qualified
31 generator lead line; or

1 B. stated in writing that the electric company did not intend
2 to construct the qualified generator lead line.

3 (2) Unless a certificate of public convenience and necessity for the
4 construction is first obtained from the Commission, and the Commission has found that the
5 capacity is necessary to ensure a sufficient supply of electricity to customers in the State, a
6 person may not exercise a right of condemnation in connection with the construction of a
7 generating station.

8 (3) (i) Except as provided in paragraph (4) of this subsection, unless a
9 certificate of public convenience and necessity for the construction is first obtained from the
10 Commission, a person may not begin construction of an overhead transmission line that is
11 designed to carry a voltage in excess of 69,000 volts or exercise a right of condemnation
12 with the construction.

13 (ii) For construction related to an existing overhead transmission
14 line, the Commission may waive the requirement in subparagraph (i) of this paragraph for
15 good cause.

16 (iii) Notwithstanding subparagraph (i) of this paragraph and subject
17 to subparagraph (iv) of this paragraph, the Commission may issue a certificate of public
18 convenience and necessity for the construction of an overhead transmission line only if the
19 applicant for the certificate of public convenience and necessity:

20 1. is an electric company; or

21 2. is or, on the start of commercial operation of the overhead
22 transmission line, will be subject to regulation as a public utility by an officer or an agency
23 of the United States.

24 (iv) The Commission may not issue a certificate of public convenience
25 and necessity for the construction of an overhead transmission line in the electric
26 distribution service territory of an electric company to an applicant other than an electric
27 company if:

28 1. the overhead transmission line is to be located solely
29 within the electric distribution service territory of that electric company; and

30 2. the cost of the overhead transmission line is to be paid
31 solely by that electric company and its ratepayers.

32 ¶(v) 1. This subparagraph applies to the construction of an
33 overhead transmission line for which a certificate of public convenience and necessity is
34 required under this section.

35 2. On issuance of a certificate of public convenience and
36 necessity for the construction of an overhead transmission line, a person may acquire by

1 condemnation, in accordance with Title 12 of the Real Property Article, any property or
2 right necessary for the construction or maintenance of the transmission line.†

3 (4) (i) Except as provided in subparagraph (ii) of this paragraph, for
4 construction related to an existing overhead transmission line designed to carry a voltage
5 in excess of 69,000 volts, the Commission shall waive the requirement to obtain a certificate
6 of public convenience and necessity if the Commission finds that the construction does not:

7 1. require the person to obtain new real property or
8 additional rights-of-way through eminent domain; or

9 2. require larger or higher structures to accommodate:

10 A. increased voltage; or

11 B. larger conductors.

12 (ii) 1. For construction related to an existing overhead
13 transmission line, including repairs, that is necessary to avoid an imminent safety hazard
14 or reliability risk, a person may undertake the necessary construction.

15 2. Within 30 days after construction is completed under
16 subsubparagraph 1 of this subparagraph, a person shall file a report with the Commission
17 describing the work that was completed.

18 ~~(5) (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OF THIS~~
19 ~~PARAGRAPH, THE COMMISSION MAY NOT ISSUE A CERTIFICATE OF PUBLIC~~
20 ~~CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF AN OVERHEAD~~
21 ~~TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000~~
22 ~~VOLTS UNLESS THE OVERHEAD TRANSMISSION LINE WILL BE LOCATED ON:~~

23 ~~1. AN EXISTING BROWNFIELDS SITE;~~

24 ~~2. PROPERTY THAT IS SUBJECT TO AN EXISTING~~
25 ~~EASEMENT; OR~~

26 ~~3. A SITE WHERE A TOWER STRUCTURE OR COMPONENTS~~
27 ~~OF A TOWER STRUCTURE USED TO SUPPORT AN OVERHEAD TRANSMISSION LINE~~
28 ~~EXIST.~~

29 ~~(ii) THE COMMISSION MAY ISSUE A CERTIFICATE OF PUBLIC~~
30 ~~CONVENIENCE FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE AT~~
31 ~~A LOCATION OTHER THAN THE LOCATIONS LISTED IN SUBPARAGRAPH (i) OF THIS~~
32 ~~PARAGRAPH IF THE COMMISSION DETERMINES THAT THE LOCATIONS LISTED IN~~

1 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH ARE AT FULL CAPACITY, AS VERIFIED BY~~
 2 ~~AN INDEPENDENT AUTHORITY.~~

3 (c) (1) On receipt of an application for a certificate of public convenience and
 4 necessity under this section, the Commission shall provide notice immediately or require
 5 the applicant to provide notice immediately of the application to:

6 (i) the Department of Planning;

7 (ii) the governing body, and if applicable the executive, of each
 8 county or municipal corporation in which any portion of the generating station, overhead
 9 transmission line, or qualified generator lead line is proposed to be constructed;

10 (iii) the governing body, and if applicable the executive, of each
 11 county or municipal corporation within 1 mile of the proposed location of the generating
 12 station, overhead transmission line, or qualified generator lead line;

13 (iv) each member of the General Assembly representing any part of
 14 a county in which any portion of the generating station, overhead transmission line, or
 15 qualified generator lead line is proposed to be constructed;

16 (v) each member of the General Assembly representing any part of
 17 each county within 1 mile of the proposed location of the generating station, overhead
 18 transmission line, or qualified generator lead line; and

19 (vi) all other interested persons.

20 (2) The Commission, when sending the notice required under paragraph
 21 (1) of this subsection, shall forward a copy of the application to:

22 (i) each appropriate State unit and unit of local government for
 23 review, evaluation, and comment regarding the significance of the proposal to State,
 24 area-wide, and local plans or programs; and

25 (ii) each member of the General Assembly included under paragraph
 26 (1)(iv) and (v) of this subsection who requests a copy of the application.

27 **(3) ON RECEIPT OF AN APPLICATION FOR A CERTIFICATE OF PUBLIC**
 28 **CONVENIENCE AND NECESSITY UNDER THIS SECTION, THE COMMISSION SHALL**
 29 **PROVIDE NOTICE OF THE APPLICATION ON THE COMMISSION'S SOCIAL MEDIA**
 30 **PLATFORMS AND WEBSITE.**

31 (d) (1) The Commission shall provide an opportunity for public comment and
 32 hold a public hearing on the application for a certificate of public convenience and necessity
 33 in each county and municipal corporation in which any portion of the construction of a

1 generating station, an overhead transmission line designed to carry a voltage in excess of
2 69,000 volts, or a qualified generator lead line is proposed to be located.

3 (2) The Commission shall hold the public hearing jointly with the
4 governing body of the county or municipal corporation in which any portion of the
5 construction of the generating station, overhead transmission line, or qualified generator
6 lead line is proposed to be located, unless the governing body declines to participate in the
7 hearing.

8 (3) (i) Once in each of the 4 successive weeks immediately before the
9 hearing date, the Commission shall provide weekly notice of the public hearing and an
10 opportunity for public comment:

11 1. by advertisement in a newspaper of general circulation in
12 the county or municipal corporation affected by the application;

13 2. on two types of social media; and

14 3. on the Commission's ~~Web site~~ WEBSITE.

15 (ii) Before a public hearing, the Commission shall coordinate with
16 the governing body of the county or municipal corporation in which any portion of the
17 construction of the generating station, overhead transmission line, or qualified generator
18 lead line is proposed to be located to identify additional options for providing, in an efficient
19 and cost-effective manner, notice of the public hearing through other types of media that
20 are familiar to the residents of the county or municipal corporation.

21 (4) (i) On the day of a public hearing, an informational sign shall be
22 posted prominently at or near each public entrance of the building in which the public
23 hearing will be held.

24 (ii) The informational sign required under subparagraph (i) of this
25 paragraph shall:

26 1. state the time, room number, and subject of the public
27 hearing; and

28 2. be at least 17 by 22 inches in size.

29 (5) (i) The Commission shall ensure presentation and
30 recommendations from each interested State unit, and shall allow representatives of each
31 State unit to sit during hearing of all parties.

32 (ii) The Commission shall allow each State unit 15 days after the
33 conclusion of the hearing to modify the State unit's initial recommendations.

1 (e) The Commission shall take final action on an application for a certificate of
2 public convenience and necessity only after due consideration of:

3 (1) the recommendation of the governing body of each county or municipal
4 corporation in which any portion of the construction of the generating station, overhead
5 transmission line, or qualified generator lead line is proposed to be located;

6 (2) the effect of the generating station, overhead transmission line, or
7 qualified generator lead line on:

8 (i) the stability and reliability of the electric system;

9 (ii) economics;

10 (iii) esthetics;

11 (iv) historic sites;

12 (v) aviation safety as determined by the Maryland Aviation
13 Administration and the administrator of the Federal Aviation Administration;

14 (vi) when applicable, air and water pollution; and

15 (vii) the availability of means for the required timely disposal of
16 wastes produced by any generating station; and

17 (3) for a generating station:

18 (i) the consistency of the application with the comprehensive plan
19 and zoning of each county or municipal corporation where any portion of the generating
20 station is proposed to be located; and

21 (ii) the efforts to resolve any issues presented by a county or
22 municipal corporation where any portion of the generating station is proposed to be located.

23 (f) For the construction of an overhead transmission line, in addition to the
24 considerations listed in subsection (e) of this section, the Commission shall:

25 (1) take final action on an application for a certificate of public convenience
26 and necessity only after due consideration of the need to meet existing and future demand
27 for electric service; ~~and~~

28 (2) require as an ongoing condition of the certificate of public convenience
29 and necessity that an applicant complies with:

1 (i) all relevant agreements with PJM Interconnection, L.L.C., or its
 2 successors, related to the ongoing operation and maintenance of the overhead transmission
 3 line; and

4 (ii) all obligations imposed by the North America Electric Reliability
 5 Council and the Federal Energy Regulatory Commission related to the ongoing operation
 6 and maintenance of the overhead transmission line; **AND**

7 **(3) REQUIRE THE APPLICANT TO IDENTIFY WHETHER THE OVERHEAD**
 8 **TRANSMISSION LINE IS PROPOSED TO BE CONSTRUCTED ON:**

9 **(I) AN EXISTING BROWNFIELDS SITE;**

10 **(II) PROPERTY THAT IS SUBJECT TO AN EXISTING EASEMENT;**

11 **OR**

12 **(III) A SITE WHERE A TOWER STRUCTURE OR COMPONENTS OF A**
 13 **TOWER STRUCTURE USED TO SUPPORT AN OVERHEAD TRANSMISSION LINE EXIST.**

14 (g) (1) The Commission may not authorize, and a person may not undertake,
 15 the construction of an overhead transmission line that is aligned with and within 1 mile of
 16 either end of a public airport runway, unless:

17 (i) the Federal Aviation Administration determines that the
 18 construction of an overhead transmission line will not constitute a hazard to air navigation;
 19 and

20 (ii) the Maryland Aviation Administration concurs in that
 21 determination.

22 (2) A privately owned airport runway shall qualify as a public airport
 23 runway under this subsection only if the runway has been on file with the Federal Aviation
 24 Administration for at least 2 years as being open to the public without restriction.

25 ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

26 ~~(a) There is a Workgroup on Overhead Transmission Lines.~~

27 ~~(b) The Workgroup consists of the following members:~~

28 ~~(1) the Chair of the Public Service Commission, or the Chair's designee;~~
 29 ~~and~~

30 ~~(2) the following members, appointed by the Governor:~~

1 (i) ~~three individuals who own land that has been, is, or will be~~
2 ~~impacted by the condemnation of land for the construction or maintenance of an overhead~~
3 ~~transmission line;~~

4 (ii) ~~one representative of the fossil fuel industry; and~~

5 (iii) ~~one representative of the renewable energy industry.~~

6 (e) ~~The Chair of the Public Service Commission, or the Chair's designee, shall~~
7 ~~chair the Workgroup.~~

8 (d) ~~The Public Service Commission shall provide staff for the Workgroup.~~

9 (e) ~~A member of the Workgroup:~~

10 (1) ~~may not receive compensation as a member of the Workgroup; but~~

11 (2) ~~is entitled to reimbursement for expenses under the Standard State~~
12 ~~Travel Regulations, as provided in the State budget.~~

13 (f) ~~The Workgroup shall examine:~~

14 (1) ~~whether the authority to condemn land for the construction or~~
15 ~~maintenance of an overhead transmission line is necessary;~~

16 (2) ~~whether private companies should have the authority to condemn land~~
17 ~~for the construction or maintenance of an overhead transmission line;~~

18 (3) ~~how to adequately compensate a person whose property or right is~~
19 ~~condemned for the construction or maintenance of an overhead transmission line, including~~
20 ~~valuing the property or right without reduction based on the value of development or other~~
21 ~~rights restricted by a permanent conservation easement or another form of land~~
22 ~~preservation program;~~

23 (4) ~~whether there are other methods to acquire land for the construction or~~
24 ~~maintenance of an overhead transmission line; and~~

25 (5) ~~how to meet the State's energy demands without:~~

26 (i) ~~increasing the amount of energy in the State from renewable~~
27 ~~sources or out of state sources; and~~

28 (ii) ~~constructing new overhead transmission lines.~~

29 (g) ~~On or before December 31, 2018, the Workgroup shall report its findings to~~
30 ~~the Governor and, in accordance with § 2-1246 of the State Government Article, the~~
31 ~~General Assembly.~~

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
2 apply only prospectively and may not be applied or interpreted to have any effect on or
3 application to any application for a certificate of public convenience and necessity filed
4 before the effective date of this Act.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
6 1, 2018. ~~Section 2 of this Act shall remain effective for a period of 1 year and 1 month and,~~
7 ~~at the end of June 30, 2019, Section 2 of this Act, with no further action required by the~~
8 ~~General Assembly, shall be abrogated and of no further force and effect.~~

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.