

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 532 (Delegates Stein and Guyton)
 Environment and Transportation

**Protecting Natural Resources and Preserving Productive Farms – Commission
 on the Development of a Blueprint for Solar Energy in Maryland**

This bill establishes the Commission on the Development of a Blueprint for Solar Energy in Maryland. The Power Plant Research Program (PPRP) in the Department of Natural Resources (DNR) must provide staff for the commission. A member of the commission may not receive compensation but is entitled to reimbursement for travel expenses. By January 1, 2020, the commission must submit a report of its findings and recommendations, together with the comprehensive siting blueprint it must develop, to the Governor and the General Assembly. **The bill takes effect June 1, 2019, and terminates May 31, 2020.**

Fiscal Summary

State Effect: No effect in FY 2019. Special fund expenditures increase by \$100,000 in FY 2020. Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

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

Local Effect: Local governments may benefit from the comprehensive blueprint developed by the commission. Overall, the bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

The commission must study and make recommendations regarding:

- restricting or discouraging the development of solar energy projects in ecologically or agriculturally important areas;
- options for siting solar energy projects in areas with low potential for conflict with natural and agricultural resources;
- encouraging the co-usage of land for solar energy projects and other purposes;
- options for implementing the siting policies and preferences identified by the commission, including changing existing laws and regulations and developing new financial incentives;
- updating the SmartDG+ tool developed by DNR and the Maryland Energy Administration to reflect siting policies and preferences identified by the commission;
- creating a solar energy clearinghouse in the Maryland Department of Planning to provide land use planning guidance and technical assistance to local governments undertaking solar energy planning; and
- centralizing the tracking and mapping of locations, acreage, and environmental characteristics of proposed solar energy projects and related transmission upgrades to facilitate coordinated, comprehensive land use and environmental planning for solar energy development.

In addition, the commission must develop a comprehensive siting blueprint to guide units of State and local government in the evaluation of proposed solar energy projects, consistent with the commission's findings and recommendations.

Current Law/Background: Solar photovoltaic (PV) systems are relatively land-intensive (several acres per megawatt). As the number of solar PV systems in the State has grown over the years, so too has the potential for conflict over the appropriate use of the State's finite amount of land. A recent [report](#) commissioned by the Public Service Commission (PSC) on the benefits and costs of solar PV systems in Maryland addresses many of these land use issues. The report can be found on PSC's website.

Certificate of Public Convenience and Necessity

PSC is the lead agency for licensing the siting, construction, and operation of power plants in the State through the certificate of public convenience and necessary (CPCN) process. Large utility scale solar PV systems generally must obtain a CPCN from PSC, which is a comprehensive process involving several other State agencies, including DNR/PPRP. The process includes the consideration of the comprehensive plan and zoning of each affected

local government and the efforts to resolve any issues presented by an affected local government, among other aspects of the project.

Smaller (but still utility scale) solar PV systems can be exempt from the CPCN process; if an exemption from the CPCN requirement is granted, PSC evaluation is limited to ensuring safety and reliability of the electric system. All issues other than safety and reliability of the electric system are left up to other State and local agencies.

Power Plant Research Program

PPRP was created in 1971 to conduct research on the impacts of existing and proposed power plants in each county. PPRP is required to undertake a continuing research program for electric power plant site evaluation and related environmental and land use considerations. PPRP is funded through an assessment on electricity used in the State, which accrues to the Environmental Trust Fund.

State Expenditures: Special fund expenditures for PPRP increase by \$100,000 in fiscal 2020 for contractual services to provide technical support in assessing the issues the commission must consider. This estimate assumes a 30-day start-up delay. PPRP can otherwise staff the commission with existing budgeted resources, and any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

Additional Comments: There are other costs associated with potential commission recommendations but are not required by the bill. For example, DNR estimates that updating the SmartDG+ tool would cost \$50,000 as a one-time expense. Creating and maintaining a map-based project to track solar energy projects and transmission lines would cost \$20,000 annually. These costs are not included in the above analysis.

Additional Information

Prior Introductions: None.

Cross File: SB 744 (Senator Pinsky, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Department of Natural Resources; Public Service Commission; Department of Legislative Services

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md/lgc

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