

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 997
Rules

(Senator Hershey)

Public Utilities - Wind and Solar Generating Stations - Local Zoning and Land Use

This bill prohibits the Public Service Commission (PSC) from taking final action on an application for a certificate of public convenience and necessity (CPCN) for a solar or wind project without having received written documentation of local land use and zoning review and approval. Other specified existing evaluation criteria are removed for such systems.

Fiscal Summary

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

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Generally, a person may not begin construction in the State of a generating station, overhead transmission line, or a qualified generator lead line (project) 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.

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 various aspects of the State infrastructure, economy, and environment. Further, specifically for generating stations, PSC must consider:

- the consistency of the application with the comprehensive plan and zoning of each county or municipality where any portion of the generating station is proposed to be located; and
- the efforts to resolve any issues presented by a county or municipality where any portion of the generating station is proposed to be located.

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

Small Business Effect: In practical terms, the bill establishes local preemption authority for the siting of solar and wind facilities in the State. To the extent that this reduces the overall number of facilities installed over time, small businesses in the related trades or industries are affected. The effect on a particular small business could be meaningful.

Additional Information

Prior Introductions: None.

Cross File: HB 1227 (Delegate Arentz, *et al.*) - Environment and Transportation and Economic Matters.

Information Source(s): Public Service Commission; Office of People's Counsel; Maryland Department of the Environment; Department of Natural Resources; Maryland Department of Planning; Baltimore City; Caroline and Montgomery counties; cities of Bowie and Takoma Park; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2019
mag/lgc

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510