

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 538

(Senator Kelley, *et al.*)

Finance

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**Public Service Commission - Application for Certificate of Public Convenience  
and Necessity - Preservation of Environmental Quality and the Climate**

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This bill requires the Public Service Commission (PSC) to consider the effect of a proposed generating station, overhead transmission line, or qualified generator lead line on the preservation of environmental quality and climate before taking final action on an application for a certificate of public convenience and necessity (CPCN).

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**Fiscal Summary**

**State Effect:** The bill's requirements can likely be handled with existing resources, as discussed below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**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 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 the effect of the project on various aspects of the State infrastructure, economy, and environment. For example, when applicable, PSC must consider air quality and water pollution.

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

#### *Power Plant Research Program*

The 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 Fiscal Effect:** PSC advises that the bill's requirements can be met with existing budgeted resources, assuming that, consistent with existing practice, recommendations concerning the impact of a proposed project are made by other State agencies, including MDE and DNR. MDE and DNR advise that, given the potentially broad scope of the required consideration, the bill may result in minor operational impacts but can likely be handled with existing resources.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 1214 (Delegate Lierman) - Economic Matters.

**Information Source(s):** Maryland Department of the Environment; Department of Natural Resources; Office of People's Counsel; Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2020  
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