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OPPOSE– HB 531
House Bill 531 – Utility Regulation—Consideration of Climate and Labor

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **House Bill 531 Utility Regulation – Consideration of Climate and Labor**. House Bill 531 would require the Power Plant Research Program to evaluate the impact of electric power plants on climate change from an emissions perspective and in the context of whether Maryland can achieve its greenhouse gas reduction goals. House Bill 531 also requires the Public Service Commission (PSC), in its supervision and regulation of public service companies, to consider the maintenance of fair and stable labor standards for affected workers, protection of the global climate from warming and the achievement of the State’s greenhouse gas reduction goals.

House Bill 531 is a laudable attempt to amplify the consideration of climate change in Maryland. Maryland has very aggressive greenhouse gas reduction goals and the energy and transportation sector will play a significant role in helping the State to achieve those goals. While the regulating body of public utilities in Maryland, the PSC, arguably has broad authority to consider impact to the environment in its oversight of public utilities, the language of House Bill 531 specifies that the PSC must consider scientific information relating to global warming.

However, Pepco and Delmarva Power urge careful consideration of two things: first, whether an undefined standard for the maintenance of “fair and stable labor standards” for affected workers should be included within the purview of the PSC and second, whether the CPCN standards in Maryland should be changed. The Maryland Department Labor is generally responsible for protecting employee wages and rights. For those policies that have been implemented by the states requiring certain wage rates, the Department of Labor is responsible for enforcing those policies. Pepco and Delmarva Power believe the requirement for the PSC to consider “fair and stable labor standards” is not appropriate in the public utilities code since the Department of Labor is responsible for the implementation of those policies.

The current CPCN process already ensures that all environmental, historical, ratepayer impacts and other considerations are addressed by the applicant. The process involves notifying specific 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. The very purpose of the CPCN permitting process is to determine whether the applicant has met the standards for receiving a permit, including the location of projects.

A CPCN process is a comprehensive regulatory process, requiring input from various State agencies such as the Power Plant Research Program, the Department of Natural Resources, and

the Maryland Department of the Environment as well as input from impacted local governing body or bodies, landowners, and the public. Under Maryland law, Pepco and Delmarva Power must obtain a CPCN for any transmission line project 100kV and above—by way of example, two prior transmission projects undertaken for reliability that required CPCNs include the Burtonsville to Takoma project and the Piney Grove to Wattsville project. It is the PSC’s statutory obligation to determine whether a CPCN is in the best interests of Maryland and the reliability of the electric system. Specifically, the PSC must consider, among other items the effect of the project on the stability and reliability of the electric system; economics; esthetics; historic sites; aviation safety; air and water pollution; and the need to meet existing and future demand for electric service.

The Department of Natural Resources (DNR) input to the CPCN process is particularly important. DNR reviews air and water impacts, and in reviewing both it considers the health impacts on persons affected by proposed infrastructure. Specifically, DNR’s air pollution review assesses air emissions compliance with federal national ambient air quality standards, which are determined based on human health risk assessments. The existing CPCN process sufficiently assesses the impact of a particular project and as such the language in House Bill 531 that alters the CPCN process is unnecessary.

For the above reasons, Pepco and Delmarva Power respectfully oppose House Bill 531.

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