

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 493 (Delegate Sher)

Environmental Matters

Electricity - Certificate of Public Convenience and Necessity

This bill modifies provisions relating to certificates of public convenience and necessity (CPCNs), including altering the definitions of “electric company” and “construction.”

Fiscal Summary

State Effect: The bill is not expected to significantly impact governmental operations or finances.

Local Effect: Efficiency savings for local government entities that would make modifications to existing generating stations and build on-site generating stations without obtaining a CPCN.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill would:

- allow a person who does not qualify as an electric company to construct an on-site generating station without obtaining a CPCN;
- eliminate the need for a CPCN for the expansion, modification, or renovation of an existing generating station; and
- eliminate the requirement that the Public Service Commission (PSC) find that capacity is necessary to ensure a sufficient supply of electricity to customers in the State in order to exercise a right of condemnation in connection with the construction of a generating station.

Current Law: On-site generating projects and modifications to existing generating stations are not exempt from the requirement that a CPCN be obtained from the PSC.

Unless a CPCN for the construction is first obtained from the PSC, and the PSC has found that the capacity is necessary to ensure a sufficient supply of electricity to customers in the State, a person may not exercise a right of condemnation in connection with the construction of a generating station.

State Fiscal Effect: The bill is not expected to significantly impact the workload or finances of the PSC.

Local Fiscal Effect: The bill would provide efficiency savings to local government entities that would make modifications to existing generating stations and build on-site generating stations without obtaining a CPCN. Currently, approximately six municipalities in the State act as electric suppliers.

Small Business Effect: Small businesses could modify existing generating stations and build on-site generating stations without first obtaining a CPCN.

Additional Information

Prior Introductions: None.

Cross File: SB 623 (Senator Teitelbaum) - Finance.

Information Source(s): Public Service Commission, Montgomery and Prince George's counties, Department of Legislative Services

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