

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

Senate Bill 50 (Chairman, Finance Committee)
(Departmental – Public Service Commission)

Finance

Environmental Matters

Public Service Commission - Certificate of Public Convenience and Necessity

This departmental bill replaces the term “electric company” with the term “person” in certain sections of the Public Utility Companies Article for consistency. The bill also makes conforming changes to provisions of the Environment Article relating to issuance of registrations and permits to construct facilities that may cause or control emissions into the air under the jurisdiction of the Department of the Environment.

The bill is effective July 1, 2001.

Fiscal Summary

State Effect: The bill’s changes could be absorbed within existing budgeted resources of the Public Service Commission (PSC) and the Maryland Department of the Environment. The Office of People’s Counsel advises that it has already adopted the broader “person” definition in the performance of its functions. Consequently, there will be no material effect on State finances.

Local Effect: None.

Small Business Effect: The Public Service Commission has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: This bill requires a “person” to obtain prior approval from the PSC to modify a power plant, to install pollution control equipment in order to comply with Phase II of the federal Clean Water Act, or to change operational methods. This bill also requires a “person” to apply for a certificate of public convenience and necessity at least two years before constructing a generating station. “Person” is defined as an individual, receiver, trustee, guardian, personal representative, fiduciary, or representative of any kind and any partnership, firm, association, corporation, or other entity.

Current Law: An “electric company” is required to obtain PSC approval to modify a power plant, to install pollution control equipment in order to comply with Phase II of the federal Clean Water Act, or to change operational methods and must apply for a certificate of public convenience and necessity two years before constructing a generating station. The law defines an “electric company” as a person who physically transmits or distributes electricity in the State to a retail electric customer.

Background: The Electrical Customer Choice and Competition Act of 1999 (Chapter 3, Acts of 1999) uses the term “person” instead of “electric company” and thereby broadened what kind of entity needs a certificate of public convenience and necessity to construct a generating station. However, certain parts of the Public Utilities Companies Article that pre-date the enactment of the Electrical Customer Choice and Competition Act still use the term “electric company” and now discrepancies exist within the code. This bill attempts to make the code consistent by using the term “person” throughout the article.

Additional Information

Prior Introductions: None.

Cross File: None, but HB 28 is nearly identical to this bill.

Information Source(s): Office of People’s Counsel, Public Service Commission, Department of Legislative Services

Fiscal Note History: First Reader – January 19, 2001
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