

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE**Revised**

House Bill 356 (Delegate Sher)

Environmental Matters

Finance

On-Site Generated Electricity - Approval Process

This bill establishes a new approval process for the construction of a generating station that produces on-site generated electricity and will generate less than 70 megawatts. These generating stations would no longer be required to have a Certificate of Public Convenience and Necessity (CPCN). Any electricity exported from these generating stations for sale, may only be sold on the wholesale market in accordance with an interconnection operation, and maintenance agreement with the local electric company. The bill sets forth application and review requirements for the applicant and the Public Service Commission.

The bill also alters the definition of “on-site generated electricity” to mean: (1) electricity that is not transmitted or distributed over an electric company’s transmission/distribution system; *or* (2) electricity generated at a facility owned or operated by an electric customer or a designee, who with other tenants of the facility, consumes at least 80% of the power generated by the facility each year.

Fiscal Summary

State Effect: The bill would not materially affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A certificate of public convenience and necessity from the Public Service Commission is required for the construction of any generating station, regardless of size or purpose.

“On-site generated electricity” means: (1) electricity that is not transmitted or distributed over an electric company’s transmission/distribution system; *and* (2) electricity generated at a facility owned or operated by an electric customer or a designee, who with other tenants of the facility, consumes at least 80% of the power generated by the facility each year.

Additional Information

Prior Introductions: None.

Cross File: SB 294 (Senator Teitelbaum) – Finance.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader – February 6, 2001
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