

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 25
Finance

(Senator Brinkley)

Electric Utilities - Overhead Transmission Lines - Certificate of Public Convenience and Necessity

This bill requires the Public Service Commission (the commission) to deny a Certificate of Public Convenience and Necessity (CPCN) for the construction of an overhead transmission line if the commission determines that there is an existing right-of-way or transmission line that may be utilized or paralleled by the new overhead transmission line. The bill also alters the conditions under which the commission may review alternatives to the construction of a new overhead transmission line.

Fiscal Summary

State Effect: The bill will not materially affect State government operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill amends the Public Utility Article to include rights-of-way of another company in the alternative considerations the commission may make when reviewing the need for additional transmission lines. It directs the commission to determine if the right-of-way is convenient to the service area. The bill also adds a provision that the commission need not consider whether the company that owns a right-of-way has a franchise in a service area.

Current Law: Electric companies are not permitted to construct transmission lines that carry more than 69,000 volts without a CPCN. Electric companies are required to submit an application to the commission. The commission solicits input from interested parties and is required to hold a public hearing. The commission is required to consider (1) the recommendation of the governing body of each county or municipal corporation in which any part of the transmission line is proposed to be located; (2) the need to meet existing and future demand for electric services; and (3) the effect of the transmission line on the stability and reliability of the electric system, economics, aesthetics, historic sites, aviation safety as determined by the administrators of the Maryland Aviation Administration and the Federal Aviation Administration, and air or water pollution when applicable.

Current law requires the commission to include the use of an existing transmission line when examining alternatives to the construction of new overhead transmission lines. The commission is not required to consider whether the company that owns the line has a franchise in a service area. No mention is made in current law of rights-of-way.

Background: The commission indicates that the purpose of the certificate program is to ensure that an expert body, the commission, is examining the needs for pipelines and transmission lines. The process is designed to bring local jurisdictions, commercial customers, residential customers, and utilities together to solicit their input.

The commission notes that there have been two certificates filed in the past five fiscal years. The first, filed in October 1999 and issued in May 2000, was for a short transmission line for a large customer. The second certificate, issued in late 2003, was a reinforcement transmission line for a local power system. The commission also notes that because of the complexity of choosing transmission line routes, estimates of this bill's impact on recent filings are not feasible.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, Department of Legislative Services

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