
By: **Senator Klausmeier**

Introduced and read first time: February 4, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Construction of Electricity Generating Stations - Required Certificates -**
3 **Exemption**

4 FOR the purpose of expanding the scope of an exemption from a requirement to
5 obtain a certificate of public convenience and necessity before beginning certain
6 construction of an electricity generating station whose capacity does not exceed
7 a certain wattage and certain portion of whose electricity generated each year is
8 consumed on-site; and generally relating to the construction of electricity
9 generating stations.

10 BY repealing and reenacting, without amendments,
11 Article - Public Utility Companies
12 Section 1-101(r)
13 Annotated Code of Maryland
14 (1998 Volume and 2004 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Public Utility Companies
17 Section 7-207.1
18 Annotated Code of Maryland
19 (1998 Volume and 2004 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Public Utility Companies**

23 1-101.

24 (r) "On-site generated electricity" means electricity that:

25 (1) is not transmitted or distributed over an electric company's
26 transmission or distribution system; or

1 (2) is generated at a facility owned or operated by an electric customer or
2 operated by a designee of the owner who, with the other tenants of the facility,
3 consumes at least 80% of the power generated by the facility each year.

4 7-207.1.

5 (a) This section applies to a person who [constructs]:

6 (1) CONSTRUCTS a generating station designed to provide on-site
7 generated electricity if:

8 [(1)] (I) the capacity of the generating station does not exceed 70
9 megawatts; and

10 [(2)] (II) the electricity that may be exported for sale from the generating
11 station to the electric system is sold only on the wholesale market pursuant to an
12 interconnection, operation, and maintenance agreement with the local electric
13 company; OR

14 (2) CONSTRUCTS A GENERATING STATION:

15 (I) THE CAPACITY OF WHICH DOES NOT EXCEED 25 MEGAWATTS;
16 AND

17 (II) BY WHICH AT LEAST 10% OF THE ELECTRICITY GENERATED
18 EACH YEAR IS CONSUMED ON-SITE.

19 (b) (1) The Commission shall require a person that is exempted from the
20 requirement to obtain a certificate of public convenience and necessity to obtain
21 approval from the Commission under this section before the person may construct a
22 generating station described in subsection (a) of this section.

23 (2) An application for approval under this section shall:

24 (i) be made to the Commission in writing on a form adopted by the
25 Commission;

26 (ii) be verified by oath or affirmation; and

27 (iii) contain information that the Commission requires, including:

28 1. proof of compliance with all applicable requirements of the
29 independent system operator; and

30 2. a copy of an interconnection, operation, and maintenance
31 agreement between the generating station and the local electric company.

32 (c) When reviewing an application for approval under this section, the
33 Commission shall:

34 (1) ensure the safety and reliability of the electric system;

1 (2) require the person constructing the generating station to notify the
2 Commission 2 weeks before the first export of electricity from a generating station
3 approved under this section; and

4 (3) conduct its review and approval in an expeditious manner.

5 (d) The Commission may waive an element of the approval process under this
6 section if the Commission determines that the waiver is in the public interest.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2005.