
By: **Senator Klausmeier**

Introduced and read first time: February 4, 2005

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 2005

CHAPTER _____

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~~ the capacity of
 7 which does not exceed a certain wattage ~~and, the exported electricity of which~~
 8 may only be sold on the wholesale market pursuant to a certain agreement, and
 9 at which at least a certain portion of ~~whose~~ the electricity generated each year is
 10 consumed on-site; and generally relating to the construction of electricity
 11 generating stations.

12 BY repealing and reenacting, without amendments,
 13 Article - Public Utility Companies
 14 Section 1-101(r)
 15 Annotated Code of Maryland
 16 (1998 Volume and 2004 Supplement)

17 BY repealing and reenacting, with amendments,
 18 Article - Public Utility Companies
 19 Section 7-207.1
 20 Annotated Code of Maryland
 21 (1998 Volume and 2004 Supplement)

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

1 **Article - Public Utility Companies**

2 1-101.

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

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

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

9 7-207.1.

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

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

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

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

19 (2) CONSTRUCTS A GENERATING STATION IF:

20 (I) THE CAPACITY OF WHICH THE GENERATING STATION DOES
21 NOT EXCEED 25 MEGAWATTS; AND

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

24 (II) THE ELECTRICITY THAT MAY BE EXPORTED FOR SALE FROM
25 THE GENERATING STATION TO THE ELECTRIC SYSTEM IS SOLD ONLY ON THE
26 WHOLESALE MARKET PURSUANT TO AN INTERCONNECTION, OPERATION, AND
27 MAINTENANCE AGREEMENT WITH THE LOCAL ELECTRIC COMPANY; AND

28 (III) AT LEAST 10% OF THE ELECTRICITY GENERATED AT THE
29 GENERATING STATION EACH YEAR IS CONSUMED ON-SITE.

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

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

- 1 (i) be made to the Commission in writing on a form adopted by the
2 Commission;
- 3 (ii) be verified by oath or affirmation; and
- 4 (iii) contain information that the Commission requires, including:
- 5 1. proof of compliance with all applicable requirements of the
6 independent system operator; and
- 7 2. a copy of an interconnection, operation, and maintenance
8 agreement between the generating station and the local electric company.

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

- 11 (1) ensure the safety and reliability of the electric system;
- 12 (2) require the person constructing the generating station to notify the
13 Commission 2 weeks before the first export of electricity from a generating station
14 approved under this section; and
- 15 (3) conduct its review and approval in an expeditious manner.
- 16 (d) The Commission may waive an element of the approval process under this
17 section if the Commission determines that the waiver is in the public interest.

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