

# SENATE BILL 583

C5, M1

9lr1856  
CF HB 605

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By: **Senator Edwards**

Introduced and read first time: February 6, 2009

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utility Companies – Generating Stations – Wind**

3 FOR the purpose of repealing a provision that exempts a certain person from having to  
4 obtain a certificate of public convenience and necessity for a generating station  
5 that produces electricity from wind under certain circumstances; repealing a  
6 provision that requires a person to obtain approval from the Public Service  
7 Commission prior to any construction of a generating station that produces  
8 electricity from wind under certain circumstances; repealing a provision that  
9 requires the Commission to provide an opportunity for public comment at a  
10 public hearing in a certain manner under certain circumstances; repealing a  
11 provision requiring the Commission to provide certain notices; amending the  
12 termination provision for a certain reporting requirement; and generally  
13 relating to electricity from wind generating stations.

14 BY repealing and reenacting, without amendments,  
15 Article – Public Utility Companies  
16 Section 7–207(b)  
17 Annotated Code of Maryland  
18 (2008 Replacement Volume and 2008 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Public Utility Companies  
21 Section 7–207.1  
22 Annotated Code of Maryland  
23 (2008 Replacement Volume and 2008 Supplement)

24 BY repealing and reenacting, without amendments,  
25 Chapter 163 of the Acts of the General Assembly of 2007  
26 Section 2

27 BY repealing and reenacting, with amendments,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Chapter 163 of the Acts of the General Assembly of 2007  
2 Section 4

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

5 **Article – Public Utility Companies**

6 7–207.

7 (b) (1) (i) Unless a certificate of public convenience and necessity for  
8 the construction is first obtained from the Commission, a person may not begin  
9 construction in the State of a generating station.

10 (ii) If a person obtains Commission approval for construction  
11 under § 7–207.1 of this subtitle, the Commission shall exempt a person from the  
12 requirement to obtain a certificate of public convenience and necessity under this  
13 section.

14 (2) Unless a certificate of public convenience and necessity for the  
15 construction is first obtained from the Commission, and the Commission has found  
16 that the capacity is necessary to ensure a sufficient supply of electricity to customers  
17 in the State, a person may not exercise a right of condemnation in connection with the  
18 construction of a generating station.

19 (3) Unless a certificate of public convenience and necessity for the  
20 construction is first obtained from the Commission, an electric company may not begin  
21 construction of an overhead transmission line that is designed to carry a voltage in  
22 excess of 69,000 volts or exercise a right of condemnation with the construction.

23 7–207.1.

24 (a) This section applies to a person who:

25 (1) constructs a generating station[:

26 (i)] designed to provide on–site generated electricity if:

27 [1.] (I) the capacity of the generating station does not  
28 exceed 70 megawatts; and

29 [2.] (II) the electricity that may be exported for sale  
30 from the generating station to the electric system is sold only on the wholesale market  
31 pursuant to an interconnection, operation, and maintenance agreement with the local  
32 electric company; or

33 [(ii) that produces electricity from wind if:

- 1                                   1.     the generating station is land-based;
- 2                                   2.     the capacity of the generating station does not exceed  
3 70 megawatts;
- 4                                   3.     the electricity that may be exported for sale from the  
5 generating station to the electric system is sold only on the wholesale market  
6 pursuant to an interconnection, operation, and maintenance agreement with the local  
7 electric company; and
- 8                                   4.     the Commission provides an opportunity for public  
9 comment at a public hearing as provided in subsection (e) of this section; or]
- 10                               (2)    constructs a generating station if:
  - 11                                   (i)    the capacity of the generating station does not exceed 25  
12 megawatts;
  - 13                                   (ii)   the electricity that may be exported for sale from the  
14 generating station to the electric system is sold only on the wholesale market pursuant  
15 to an interconnection, operation, and maintenance agreement with the local electric  
16 company; and
  - 17                                   (iii)  at least 10% of the electricity generated at the generating  
18 station 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  
25 the Commission;
  - 26                                   (ii)   be verified by oath or affirmation; and
  - 27                                   (iii)  contain information that the Commission requires,  
28 including:
    - 29                                   1.     proof of compliance with all applicable requirements  
30 of the independent system operator; and
    - 31                                   2.     a copy of an interconnection, operation, and  
32 maintenance agreement between the generating station and the local electric  
33 company.

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

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

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

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

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

10 [(e) (1) The Commission shall provide an opportunity for public comment  
11 and hold a public hearing as provided under this subsection on an application for  
12 approval made under subsection (a)(1)(ii) of this section in each county and municipal  
13 corporation in which any portion of the construction of a generating station is  
14 proposed to be located.

15 (2) Upon the request of the governing body of a county or municipal  
16 corporation in which any portion of the construction of a generating station is  
17 proposed to be located, the Commission shall hold the public hearing jointly with the  
18 governing body.

19 (3) Once in each of 2 successive weeks immediately before the hearing  
20 date, the Commission, at the expense of the applicant, shall provide weekly notice of  
21 the public hearing and opportunity for public comment by advertisement in a  
22 newspaper of general circulation in the county or municipal corporation affected by  
23 the application.]

24 **Chapter 163 of the Acts of 2007**

25 SECTION 2. AND BE IT FURTHER ENACTED, That on or before February 1  
26 of each year, the Public Service Commission shall report to the Governor and, in  
27 accordance with § 2-1246 of the State Government Article, the Senate Finance  
28 Committee and the House Economic Matters Committee on:

29 (1) the number of applications for and the locations of wind-powered  
30 generating stations for which approval is sought under § 7-207.1(a)(1)(ii) of the Public  
31 Utility Companies Article, as enacted by this Act;

32 (2) the status of the applications and the extent to which the  
33 wind-powered generating stations have been constructed after obtaining approval  
34 from the Commission in accordance with this Act; and

1           (3)    the status of any regulatory actions undertaken by other State of  
2 local agencies with respect to the wind-powered generating stations.

3           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 July 1, 2007. Section 2 of this Act shall remain effective for a period of [3] **2** years  
5 and, at the end of June 30, [2010] **2009**, with no further action required by the  
6 General Assembly, Section 2 of this Act shall be abrogated and of no further force and  
7 effect.

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 June 1, 2009.