

HOUSE BILL 522

C5

0lr1399
CF 0lr3018

By: **Delegates Manno and Hecht**

Introduced and read first time: February 1, 2010

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission – Report on the State’s Long-Term Energy Needs**

3 FOR the purpose of requiring, on or before a certain date, and periodically thereafter,
4 the Public Service Commission to submit a certain report to the Governor and
5 the General Assembly related to analyzing and meeting the State’s long-term
6 energy needs; requiring the Commission to solicit and consider input from
7 certain parties in developing the report required under this Act; requiring the
8 report to contain certain information and to make a certain recommendation;
9 requiring the Commission to provide an opportunity for public comment and a
10 public hearing on the report; authorizing the Commission to hire an outside
11 consulting firm to meet the requirements of this Act; authorizing the
12 Commission to impose a certain special assessment on electric companies and
13 electricity suppliers during certain fiscal years subject to certain limitations for
14 a certain purpose; altering the factors that the Commission is required to
15 consider before making a final decision on an application for a certificate of
16 public convenience and necessity; and generally relating to the Public Service
17 Commission and long-term energy needs.

18 BY adding to

19 Article – Public Utility Companies
20 Section 7–201.1
21 Annotated Code of Maryland
22 (2008 Replacement Volume and 2009 Supplement)

23 BY repealing and reenacting, without amendments,

24 Article – Public Utility Companies
25 Section 7–207(b)
26 Annotated Code of Maryland
27 (2008 Replacement Volume and 2009 Supplement)

28 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Public Utility Companies
2 Section 7–207(e)
3 Annotated Code of Maryland
4 (2008 Replacement Volume and 2009 Supplement)

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

7 **Article – Public Utility Companies**

8 **7–201.1.**

9 (A) ON OR BEFORE DECEMBER 1, 2010, AND EVERY 2 YEARS
10 THEREAFTER, THE COMMISSION SHALL SUBMIT A REPORT TO THE GOVERNOR
11 AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE,
12 THE GENERAL ASSEMBLY, ANALYZING OPTIONS TO MEET THE STATE’S
13 LONG–TERM ENERGY NEEDS FOR AT LEAST THE FOLLOWING 20 YEARS.

14 (B) IN DEVELOPING THE REPORT REQUIRED IN SUBSECTION (A) OF
15 THIS SECTION, THE COMMISSION SHALL SOLICIT AND CONSIDER INPUT FROM:

16 (1) THE MARYLAND ENERGY ADMINISTRATION;

17 (2) THE DEPARTMENT OF PLANNING;

18 (3) THE DEPARTMENT OF THE ENVIRONMENT;

19 (4) THE DEPARTMENT OF NATURAL RESOURCES;

20 (5) THE OFFICE OF PEOPLE’S COUNSEL;

21 (6) ELECTRIC COMPANIES AND ELECTRICITY SUPPLIERS;

22 (7) LARGE ELECTRICITY CONSUMERS, INCLUDING COMMERCIAL
23 AND INSTITUTIONAL ELECTRICITY CONSUMERS;

24 (8) ORGANIZATIONS REPRESENTING ENVIRONMENTAL
25 INTERESTS IN THE STATE;

26 (9) ORGANIZATIONS REPRESENTING CONSUMER PROTECTION
27 INTERESTS IN THE STATE; AND

28 (10) ANY OTHER RELEVANT INTERESTS.

1 (C) THE REPORT REQUIRED IN SUBSECTION (A) OF THIS SECTION
2 SHALL:

3 (1) PROVIDE ESTIMATES OF THE STATE'S LONG-TERM ENERGY
4 NEEDS FOR AT LEAST THE FOLLOWING 20 YEARS;

5 (2) IDENTIFY ALL REASONABLE OPTIONS FOR MEETING THOSE
6 NEEDS;

7 (3) RANK EACH OPTION UNDER ITEM (2) OF THIS SUBSECTION
8 WITH REGARD TO HOW WELL THE OPTION WOULD PROMOTE:

9 (I) LONG-TERM COST STABILITY;

10 (II) RELIABILITY OF SUPPLY;

11 (III) MINIMIZATION OF ADVERSE ENVIRONMENTAL IMPACTS;
12 AND

13 (IV) CONSISTENCY WITH THE STATE'S ENVIRONMENTAL
14 LAWS AND GOALS; AND

15 (4) RECOMMEND PARTICULAR OPTIONS BASED ON THEIR
16 RANKING UNDER ITEM (3) OF THIS SUBSECTION.

17 (D) THE COMMISSION SHALL PROVIDE AN OPPORTUNITY FOR PUBLIC
18 COMMENT AND HOLD A PUBLIC HEARING ON THE REPORT REQUIRED UNDER
19 SUBSECTION (A) OF THIS SECTION.

20 (E) THE COMMISSION MAY EMPLOY AN OUTSIDE CONSULTING FIRM TO
21 CARRY OUT THIS SECTION.

22 (F) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,
23 THE COMMISSION MAY IMPOSE A SPECIAL ASSESSMENT ON ELECTRIC
24 COMPANIES AND ELECTRICITY SUPPLIERS IN EACH FISCAL YEAR THAT A
25 REPORT IS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION TO PAY FOR
26 THE COSTS ASSOCIATED WITH GENERATING THE REPORT USING THE
27 ASSESSMENT PROCESS AUTHORIZED UNDER § 2-110 OF THIS ARTICLE.

28 (2) THE ASSESSMENT SHALL BE IMPOSED ONLY ON THOSE
29 ELECTRIC COMPANIES AND ELECTRICITY SUPPLIERS OTHERWISE SUBJECT TO
30 THE ASSESSMENT UNDER § 2-110 OF THIS ARTICLE.

1 **(3) THE LIMIT UNDER § 2-110(C)(12) OF THIS ARTICLE DOES NOT**
2 **APPLY TO ANY ASSESSMENT MADE UNDER THIS SUBSECTION.**

3 7-207.

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

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

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

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

20 (e) The Commission shall take final action on an application for a certificate
21 of public convenience and necessity only after due consideration of:

22 (1) the recommendation of the governing body of each county or
23 municipal corporation in which any portion of the construction of the generating
24 station or overhead transmission line is proposed to be located; [and]

25 (2) the effect of the generating station or overhead transmission line
26 on:

27 (i) the stability and reliability of the electric system;

28 (ii) economics;

29 (iii) esthetics;

30 (iv) historic sites;

31 (v) aviation safety as determined by the Maryland Aviation
32 Administration and the administrator of the Federal Aviation Administration;

1 (vi) [when applicable, air and water pollution] **CONSISTENCY**
2 **WITH THE STATE'S ENVIRONMENTAL GOALS AND LAWS;** and

3 (vii) the availability of means for the required timely disposal of
4 wastes produced by any generating station; **AND**

5 **(3) THE RECOMMENDATIONS OF THE COMMISSION IN THE MOST**
6 **RECENT REPORT SUBMITTED BY THE COMMISSION UNDER § 7-201.1 OF THIS**
7 **SUBTITLE.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2010.