

# HOUSE BILL 922

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SB 867/09 – FIN

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CF SB 515

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By: **Delegate Hecht**

Introduced and read first time: February 12, 2010

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **The Renewables First Act**

3 FOR the purpose of declaring certain findings and policies of the General Assembly;  
4 establishing certain energy policy goals for the State; declaring that it is the  
5 policy of the State that certain policy goals should be prioritized in a certain  
6 manner; requiring a certain person to submit a certain statement when  
7 applying for a certain certificate of public convenience and necessity under  
8 certain circumstances; requiring a certain person to submit a certain statement  
9 when applying for permission to construct a certain generating station under  
10 certain circumstances; requiring the Public Service Commission to publish  
11 certain statements on its website; and generally relating to construction of  
12 electricity generation facilities or transmission lines and the energy policy goals  
13 of the State.

14 BY repealing and reenacting, with amendments,  
15 Article – Public Utility Companies  
16 Section 7–207(c), 7–207.1(b), and 7–208(c)  
17 Annotated Code of Maryland  
18 (2008 Replacement Volume and 2009 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article – Public Utility Companies  
21 Section 7–208(a) and (b)  
22 Annotated Code of Maryland  
23 (2008 Replacement Volume and 2009 Supplement)

24 BY adding to  
25 Article – Public Utility Companies  
26 Section 7–209.1  
27 Annotated Code of Maryland  
28 (2008 Replacement Volume and 2009 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utility Companies**

4 7–207.

5 (c) (1) On receipt of an application for a certificate of public convenience  
6 and necessity under this section **AND A STATEMENT OF COMPLIANCE WITH STATE**  
7 **ENERGY POLICY GOALS AND PRIORITIES AS REQUIRED UNDER § 7–209.1 OF**  
8 **THIS SUBTITLE**, the Commission shall provide notice to the Department of Planning  
9 and to all other interested persons.

10 (2) The Department of Planning shall forward the application to each  
11 appropriate State unit and unit of local government for review, evaluation, and  
12 comment regarding the significance of the proposal to State, area–wide, and local  
13 plans or programs.

14 7–207.1.

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

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

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

22 (ii) be verified by oath or affirmation; **[and]**

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

25 1. proof of compliance with all applicable requirements  
26 of the independent system operator; and

27 2. a copy of an interconnection, operation, and  
28 maintenance agreement between the generating station and the local electric  
29 company; **AND**

30 **(IV) INCLUDE A STATEMENT OF COMPLIANCE WITH STATE**  
31 **ENERGY POLICY GOALS AND PRIORITIES AS REQUIRED UNDER § 7–209.1 OF**  
32 **THIS SUBTITLE.**

1 7-208.

2 (a) This section applies to any person:

3 (1) constructing a generating station and its associated overhead  
4 transmission lines designed to carry a voltage in excess of 69,000 volts; or

5 (2) exercising the right of condemnation in connection with the  
6 construction.

7 (b) (1) To obtain the certificate of public convenience and necessity  
8 required under § 7-207 of this subtitle for construction under this section, a person  
9 shall file an application with the Commission at least 2 years before construction of  
10 the facility will commence.

11 (2) The Commission may waive the 2-year requirement on a showing  
12 of good cause.

13 (c) The applicant shall:

14 (1) include in an application under this section the information that  
15 the Commission requests initially; [and]

16 (2) furnish any additional information that the Commission requests  
17 subsequently; AND

18 (3) **SUBMIT A STATEMENT OF COMPLIANCE WITH STATE ENERGY**  
19 **POLICY GOALS AND PRIORITIES AS REQUIRED UNDER § 7-209.1 OF THIS**  
20 **SUBTITLE.**

21 **7-209.1.**

22 (A) **THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

23 (1) **IT IS THE POLICY OF THE STATE TO ENSURE THAT ADEQUATE,**  
24 **RELIABLE, AND REASONABLY PRICED ELECTRICAL POWER SUPPLIES,**  
25 **INCLUDING PRUDENT RESERVES, ARE ACHIEVED AND PROVIDED TO**  
26 **MARYLAND'S CONSUMERS AND TAXPAYERS THROUGH POLICIES, STRATEGIES,**  
27 **AND ACTIONS THAT ARE COST-EFFECTIVE AND ENVIRONMENTALLY SOUND; AND**

28 (2) **THE FOLLOWING STATE ENERGY POLICY GOALS ARE**  
29 **NECESSARY TO ACHIEVE ADEQUATE, RELIABLE, ENVIRONMENTALLY SOUND,**  
30 **AND AFFORDABLE ELECTRICAL POWER SUPPLIES:**

1                   **(I) MARYLAND’S ENERGY GROWTH NEEDS SHOULD BE MET**  
2 **IN PART BY OPTIMIZING ENERGY CONSERVATION AND RESOURCE EFFICIENCY**  
3 **AND REDUCING PER CAPITA ELECTRICITY DEMAND;**

4                   **(II) RELIABLE, AFFORDABLE, AND HIGH-QUALITY POWER**  
5 **SUPPLIES SHOULD BE ENSURED FOR ALL WHO NEED THEM IN ALL REGIONS OF**  
6 **THE STATE BY BUILDING OR ACQUIRING SUFFICIENT NEW SUPPLY RESOURCES,**  
7 **INCLUDING GENERATION FACILITIES AND TRANSMISSION LINES;**

8                   **(III) THE STATE’S GOAL FOR RENEWABLE ENERGY**  
9 **GENERATION SHOULD BE ENCOURAGED AND ACCELERATED;**

10                   **(IV) THE STATE’S ELECTRICITY TRANSMISSION AND**  
11 **DISTRIBUTION INFRASTRUCTURE SHOULD BE UPGRADED AND EXPANDED TO:**

- 12                   1.   **MEET THE NEED FOR RELIABLE ENERGY;**
- 13                   2.   **CONNECT WITH NEW SUPPLY RESOURCES; AND**
- 14                   3.   **REDUCE THE COST OF ENERGY;**

15                   **(V) THE PROMOTION OF CUSTOMER- AND UTILITY-OWNED**  
16 **DISTRIBUTED ELECTRICITY GENERATION; AND**

17                   **(VI) AFFORDABLE ELECTRICAL POWER FOR ENERGY SUPPLY**  
18 **NEEDS SHALL BE ACHIEVED BY INCLUDING RESOURCES THAT BALANCE THE**  
19 **NEED FOR:**

- 20                   1.   **LOW PRICES;**
- 21                   2.   **LOW PRICE VOLATILITY;**
- 22                   3.   **ENVIRONMENTAL IMPROVEMENT;**
- 23                   4.   **TECHNOLOGY DEVELOPMENT;**
- 24                   5.   **ECONOMIC GROWTH; AND**
- 25                   6.   **JOB DEVELOPMENT.**

26                   **(B) TO MEET THE STATE ENERGY POLICY GOALS STATED IN**  
27 **SUBSECTION (A) OF THIS SECTION, IT IS THE POLICY OF THE STATE THAT**

1 ACTIONS TO ADDRESS THE STATE'S ENERGY NEEDS SHOULD BE PRIORITIZED AS  
2 FOLLOWS:

3 (1) STRATEGIES FOR INCREASING ENERGY CONSERVATION,  
4 ENERGY EFFICIENCY, AND DEMAND RESPONSE ARE THE STATE'S PREFERRED  
5 MEANS OF MEETING GROWING ENERGY NEEDS;

6 (2) RENEWABLE ENERGY RESOURCES;

7 (3) NEW DISTRIBUTION AND TRANSMISSION INFRASTRUCTURE;  
8 AND

9 (4) TO THE EXTENT THAT ENERGY CONSERVATION, ENERGY  
10 EFFICIENCY, DEMAND RESPONSE, DISTRIBUTED AND RENEWABLE ENERGY  
11 RESOURCES, AND TRANSMISSION AND DISTRIBUTION UPGRADES AND  
12 EXPANSIONS ARE UNABLE TO SATISFY NEW ENERGY AND CAPACITY NEEDS,  
13 THOSE NEEDS SHOULD BE MET BY CLEAN AND EFFICIENT FOSSIL-FIRED OR  
14 NUCLEAR ELECTRICITY GENERATION.

15 (C) WHEN SUBMITTING AN APPLICATION FOR A CERTIFICATE OF  
16 PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-208 OF THIS  
17 SUBTITLE OR AN APPLICATION FOR APPROVAL FROM THE COMMISSION FOR  
18 THE CONSTRUCTION OF A GENERATING STATION UNDER § 7-207.1 OF THIS  
19 SUBTITLE, A PERSON ALSO SHALL SUBMIT A WRITTEN STATEMENT THAT  
20 DEMONSTRATES HOW THE PROJECT COMPLIES WITH OR FURTHERS THE GOALS  
21 AND PRIORITIES STATED IN SUBSECTIONS (A) AND (B) OF THIS SECTION.

22 (D) THE COMMISSION SHALL PUBLISH EACH STATEMENT IT RECEIVES  
23 UNDER SUBSECTION (C) OF THIS SECTION ON THE COMMISSION'S WEBSITE.

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