

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 794

(Delegate Szeliga, *et al.*)

Economic Matters

Public Service Commission - Construction of Overhead Transmission Lines -
Location

This bill prohibits the Public Service Commission (PSC) from issuing a Certificate of Public Convenience and Necessity (CPCN) for the construction of an overhead transmission line except for in specified locations, provided that the locations are not at full capacity. The bill must be construed to apply only prospectively to CPCNs issued by PSC on or after the effective date of the bill and may not be applied or interpreted to have any effect on CPCNs issued before that date. **The bill takes effect June 1, 2018.**

Fiscal Summary

State Effect: PSC can handle the bill's requirements with existing budgeted resources. Under the assumptions discussed below, the bill does not otherwise materially affect State finances or operations.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: PSC may not issue a CPCN for the construction of an overhead transmission line that is designed to carry a voltage in excess of 69,000 volts unless it will be located on (1) an existing brownfields site, as defined in the bill; (2) property that is subject to an existing easement; or (3) a site where a tower structure or components of a tower structure used to support an overhead transmission line exist. PSC may issue a

CPCN for this purpose at another location if these locations are at full capacity, as verified by an independent authority.

Current Law: Generally, a person may not begin construction in the State of a generating station, overhead transmission line, or a qualified generator lead line (project) unless a CPCN is first obtained from PSC. The application process involves notifying specified stakeholders, public hearings, and the consideration of recommendations by State and local government entities and the project's effect on various aspects of the State infrastructure, economy, and environment. There are conditions under which a person constructing a generating station may apply to PSC for an exemption from the CPCN requirement.

Overhead Transmission Lines

Generally, unless a CPCN for the construction is first obtained from PSC, a person may not begin construction of an overhead transmission line that is designed to carry a voltage in excess of 69,000 volts or exercise a right of condemnation with the construction. Such a CPCN may only be issued to an electric company or a person that will be subject to regulation as a public utility by an officer or an agency of the United States at the start of commercial operation.

A person that has received a CPCN from PSC for the construction of an overhead transmission line may acquire any property or right necessary for the construction or maintenance of the transmission line, in accordance with eminent domain provisions in the Real Property Article. There is no further approval needed from PSC beyond the CPCN.

As noted above, the CPCN application process involves public hearings. At least 30 days before a hearing, a public service company must provide written notice to each owner of land, by certified mail, of intent to run a line or similar transmission device over, on, or under the land. The public service company must determine the property owners from current tax assessment records. Unless willful or deliberate, the failure of a public service company to provide notice does not invalidate a public hearing or require that another hearing take place.

Background: The Maryland Department of the Environment maintains a list of brownfields sites on its [website](#).

State Fiscal Effect: PSC can implement the modified CPCN process with existing budgeted resources. However, the bill requires verification by an "independent authority" that certain sites are at full capacity before PSC may issue a CPCN for the construction of an overhead transmission line located outside one of those areas. The bill does not further specify the nature of the independent authority, or who is responsible for payment. This analysis assumes that the CPCN applicant must select and pay for the independent

authority, subject to review and approval by PSC. Under this assumption, State finances and operations are not materially affected. However, if the bill requires PSC or another State agency to hire a consultant or make the verification, State expenditures increase, potentially significantly, beginning as early as fiscal 2018.

Additional Information

Prior Introductions: None.

Cross File: SB 692 (Senator Jennings, *et al.*) - Finance.

Information Source(s): Public Service Commission; Maryland Department of the Environment; Department of Legislative Services

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Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510