HOUSE BILL 829

C5 5lr1782

By: **Delegate Charkoudian**
Introduced and read first time: January 29, 2025
Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Public Utilities – Transmission Lines – Advanced Transmission Technologies

FOR the purpose of altering the definition of "qualified generator lead line" for purposes of provisions of law regarding certificates of public convenience and necessity; requiring an applicant for a certificate of public convenience and necessity for the construction of an overhead transmission line to include certain analyses; requiring the Public Service Commission to consider certain alternatives before taking final action on an application for a certificate of public convenience and necessity for the construction of an overhead transmission line; requiring each owner or operator of an overhead transmission line to submit certain reports to the Commission; and generally relating to overhead transmission lines and advanced transmission technologies.

BY repealing and reenacting, with amendments,
Article – Public Utilities
Section 7–207(a), (b), and (f)
Annotated Code of Maryland
(2020 Replacement Volume and 2024 Supplement)

BY adding to
Article – Public Utilities
Section 7–207.4
Annotated Code of Maryland
(2020 Replacement Volume and 2024 Supplement)

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

Article – Public Utilities

7–207.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

(a) (1) In this section the following words have the meanings indicated.

(2) **(I) "ADVANCED TRANSMISSION TECHNOLOGIES" MEANS INFRASTRUCTURE, HARDWARE, OR SOFTWARE THAT INCREASES THE CAPACITY, EFFICIENCY, RELIABILITY, OR RESILIENCE OF A NEW OR EXISTING TRANSMISSION LINE.**

(II) "ADVANCED TRANSMISSION TECHNOLOGIES" INCLUDES:

1. GRID–ENHANCING TECHNOLOGIES;

2. HIGH–PERFORMANCE CONDUCTORS; AND

3. STORAGE USED AS TRANSMISSION.

(3) "Brownfields site" means:

(i) a former industrial or commercial site identified by federal or State laws or regulation as contaminated or polluted;

(ii) a closed landfill regulated by the Department of the Environment; or

(iii) mined land.

[(3)**] (4)** (i) "Construction" means:

1. any physical change at a site, including fabrication, erection, installation, or demolition; or

2. the entry into a binding agreement or contractual obligation to purchase equipment exclusively for use in construction in the State or to undertake a program of actual construction in the State which cannot be canceled or modified without substantial loss to the owner or operator of the proposed generating station.

(ii) "Construction" does not include a change that is needed for the temporary use of a site or route for nonutility purposes or for use in securing geological data, including any boring that is necessary to ascertain foundation conditions.

[(4)**] (5)** "Generating station" does not include:

(i) a generating unit or facility that:

1. is used for the production of electricity;

2. has the capacity to produce not more than 2 megawatts of alternating current; and

3. is installed with equipment that prevents the flow of electricity to the electric grid during time periods when the electric grid is out of service;

(ii) a combination of two or more generating units or facilities that:

1. are used for the production of electricity from a solar photovoltaic system or an eligible customer–generator that is subject to the provisions of § 7–306 of this title;

2. are located on the same property or adjacent properties;

3. have the capacity to produce, when calculated cumulatively for all generating units or facilities on the property or adjacent property, more than 2 megawatts but not more than 14 megawatts of alternating current; and

4. for each individual generating unit or facility:

A. has the capacity to produce not more than 2 megawatts of alternating current;

B. is separately metered by the electric company; and

C. does not export electricity for sale on the wholesale market under an agreement with PJM Interconnection, LLC;

(iii) a generating unit or facility that:

1. is used for the production of electricity for the purpose of:

A. onsite emergency backup at a facility when service from the electric company is interrupted due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located; and

B. test and maintenance operations necessary to ensure functionality of the generating unit or facility in the event of a service interruption from the electric company due to electric distribution or transmission system failure or when there is equipment failure at a site where critical infrastructure is located;

2. is installed with equipment that prevents the flow of electricity to the electric grid;

3. is subject to a permit to construct issued by the Department of the Environment; and

4. is installed at a facility that is part of critical infrastructure if the facility complies with all applicable regulations regarding noise level and testing hours; or

(iv) a combination of two or more generating units or facilities that satisfy item (iii) of this paragraph.

[(5)**] (6)** (i) "Mined land" means the surface or subsurface of an area in which surface mining operations will be, are being, or have been conducted.

(ii) "Mined land" includes:

1. private ways and roads used for mining appurtenant to any surface mining area;

2. land excavations;

3. workings; and

4. overburden.

[(6)**] (7)** "Qualified generator lead line" means an overhead transmission line **[**that is**]** designed to carry**, OR AN ADVANCED TRANSMISSION TECHNOLOGY THAT SUPPORTS THE CARRYING OF,** a voltage in excess of 69,000 volts and would allow an out–of–state Tier 1 or Tier 2 renewable source to interconnect with a portion of the electric system in Maryland that is owned by an electric company.

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

1. a generating station; or

2. a qualified generator lead line.

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

(iii) Notwithstanding subparagraph (i) of this paragraph, a person may not apply to obtain a certificate of public convenience and necessity for construction of a qualified generator lead line unless:

1. at least 90 days before the filing of an application for a certificate of public convenience and necessity, the person had in good faith offered the electric company that owns that portion of the electric grid in Maryland to which the

qualified generator lead line would interconnect a full and fair opportunity for the electric company to construct the qualified generator lead line; and

2. at any time at least 10 days before the filing of an application for a certificate of public convenience and necessity, the electric company:

A. did not accept from the person a proposal or a negotiated version of the proposal under which the electric company would construct the qualified generator lead line; or

B. stated in writing that the electric company did not intend to construct the qualified generator lead line.

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

(3) (i) Except as provided in paragraph (4) of this subsection, unless a certificate of public convenience and necessity for the construction is first obtained from the Commission, 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.

(ii) For construction related to an existing overhead transmission line, the Commission may waive the requirement in subparagraph (i) of this paragraph for good cause.

(iii) Notwithstanding subparagraph (i) of this paragraph and subject to subparagraph **[**(iv)**]** **(V)** of this paragraph, the Commission may issue a certificate of public convenience and necessity for the construction of an overhead transmission line only if the applicant for the certificate of public convenience and necessity:

1. is an electric company; or

2. is or, on the start of commercial operation of the overhead transmission line, will be subject to regulation as a public utility by an officer or an agency of the United States.

(iv) **AN APPLICANT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE SHALL INCLUDE IN ITS APPLICATION:**

1. AN ANALYSIS OF ALTERNATIVES TO THE PROPOSED TRANSMISSION LINE, INCLUDING:

A. THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES;

B. ALTERNATIVE ROUTINGS;

C. TECHNOLOGIES OR MODIFICATIONS TO ONE OR MORE ELECTRIC DISTRIBUTION SYSTEMS IN THE STATE THAT COULD AVOID THE NEED FOR THE TRANSMISSION LINE;

D. THE COSTS TO RATEPAYERS;

E. RESOURCE ADEQUACY;

F. ENERGY EFFICIENCY AND DEMAND RESPONSE;

G. THE IMPACT OF THE PROJECT ON THE ENVIRONMENT;

H. A REVIEW OF AN INTEGRATED ELECTRIC TRANSMISSION–DISTRIBUTION SYSTEM TO ADDRESS THE NEED FOR THE TRANSMISSION LINE; AND

I. ANY OTHER INFORMATION THE COMMISSION CONSIDERS APPROPRIATE;

2. AN ANALYSIS OF THE TRANSMISSION LINE ROUTE SELECTION, INCLUDING;

A. RISKS ASSOCIATED WITH THE COST ESTIMATES;

B. COST CONTAINMENT EFFORTS;

C. CONSTRUCTION SCHEDULE;

D. ACQUISITION OF LAND AND RIGHTS–OF–WAY;

E. OUTAGE COORDINATION; AND

F. THE APPLICANT'S EXPERIENCE WORKING WITH COMMUNITIES AND STAKEHOLDERS ON ROUTE CONSIDERATION; AND

3. AN ANALYSIS OF THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES AND WHETHER THE USE WILL DELAY OR AVOID FUTURE TRANSMISSION OR GENERATION UPGRADES.

(V) The Commission may not issue a certificate of public convenience and necessity for the construction of an overhead transmission line in the electric distribution service territory of an electric company to an applicant other than an electric company if:

1. the overhead transmission line is to be located solely within the electric distribution service territory of that electric company; and

2. the cost of the overhead transmission line is to be paid solely by that electric company and its ratepayers.

[(v)**] (VI)** 1. This subparagraph applies to the construction of an overhead transmission line for which a certificate of public convenience and necessity is required under this section.

2. On issuance of a certificate of public convenience and necessity for the construction of an overhead transmission line, a person may acquire by condemnation, in accordance with Title 12 of the Real Property Article, any property or right necessary for the construction or maintenance of the transmission line.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, for construction related to an existing overhead transmission line designed to carry a voltage in excess of 69,000 volts, the Commission shall waive the requirement to obtain a certificate of public convenience and necessity if the Commission finds that the construction does not:

1. require the person to obtain new real property or additional rights–of–way through eminent domain; or

2. require larger or higher structures to accommodate:

A. increased voltage; or

B. larger conductors.

(ii) 1. For construction related to an existing overhead transmission line, including repairs, that is necessary to avoid an imminent safety hazard or reliability risk, a person may undertake the necessary construction.

2. Within 30 days after construction is completed under subsubparagraph 1 of this subparagraph, a person shall file a report with the Commission describing the work that was completed.

(f) For the construction of an overhead transmission line, in addition to the considerations listed in subsection (e) of this section, the Commission shall:

(1) take final action on an application for a certificate of public convenience and necessity only after due consideration of:

(i) the need to meet existing and future demand for electric service; **[**and**]**

(II) ANY ALTERNATIVES CONSIDERED BY PJM INTERCONNECTION, LLC;

(III) THE ANALYSIS OF ALTERNATIVES CONDUCTED BY THE APPLICANT UNDER SUBSECTION (B)(3)(IV) OF THIS SECTION;

(IV) ANY ALTERNATIVES SUBMITTED BY OTHER PARTIES TO THE TRANSMISSION PROCEEDINGS; AND

[(ii)**] (V)** for construction related to a new overhead transmission line, the alternative routes that the applicant considered, including the estimated capital and operating costs of each alternative route and a statement of the reason why the alternative route was rejected;

(2) require as an ongoing condition of the certificate of public convenience and necessity that an applicant comply with:

(i) all relevant agreements with PJM Interconnection, L.L.C., or its successors, related to the ongoing operation and maintenance of the overhead transmission line; and

(ii) all obligations imposed by the North America Electric Reliability Council and the Federal Energy Regulatory Commission related to the ongoing operation and maintenance of the overhead transmission line; and

(3) require the applicant to identify whether the overhead transmission line is proposed to be constructed on:

(i) an existing brownfields site;

(ii) property that is subject to an existing easement; or

(iii) a site where a tower structure or components of a tower structure used to support an overhead transmission line exist.

7–207.4.

(A) IN THIS SECTION, "ADVANCED TRANSMISSION TECHNOLOGIES" HAS THE MEANING STATED IN § 7–207 OF THIS SUBTITLE.

(B) ON OR BEFORE DECEMBER 1, 2025, AND EVERY 2 YEARS THEREAFTER, EACH OWNER OR OPERATOR OF AN OVERHEAD TRANSMISSION LINE SHALL SUBMIT TO THE COMMISSION A REPORT THAT:

(1) IDENTIFIES AREAS OF TRANSMISSION CONGESTION FOR THE IMMEDIATELY PRECEDING 3 YEARS AND ANY REASONABLY FORESEEABLE TRANSMISSION CONGESTION ISSUES FOR THE 5 YEARS IMMEDIATELY FOLLOWING THE DATE OF THE REPORT;

(2) IDENTIFIES THE PROJECTED OR ACTUAL COST TO RATEPAYERS AS A RESULT OF PAST AND PROJECTED FUTURE TRANSMISSION CONGESTION;

(3) IDENTIFIES THE FEASIBILITY AND COST OF USING ALTERNATIVE MEANS OF ADDRESSING TRANSMISSION CONGESTION, INCLUDING THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES;

(4) IDENTIFIES THE ECONOMIC, ENVIRONMENTAL, AND SOCIAL ISSUES POSED BY THE USE OF EACH ALTERNATIVE MEANS IDENTIFIED UNDER ITEM (3) OF THIS SUBSECTION; AND

(5) IF FEASIBLE, PROPOSES AN ADVANCED TRANSMISSION TECHNOLOGY IMPLEMENTATION PLAN TO ADDRESS AREAS OF TRANSMISSION CONGESTION IDENTIFIED UNDER ITEM (1) OF THIS SUBSECTION.

(C) AN OWNER OR OPERATOR OF AN OVERHEAD TRANSMISSION LINE MAY USE ANY AVAILABLE DATA FROM PJM INTERCONNECTION, LLC, OR OTHER SOURCES IN COMPLETING THE REPORT REQUIRED UNDER THIS SECTION.

(D) IF THE COMMISSION AUTHORIZES THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES AS A RESULT OF INFORMATION RECEIVED IN A REPORT UNDER THIS SECTION, THE COMMISSION MAY AUTHORIZE REASONABLE COST RECOVERY FOR THE USE OF ADVANCED TRANSMISSION TECHNOLOGIES UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.