

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 584 (Senator Jennings, *et al.*)
Education, Energy, and the Environment

**Certificates of Public Convenience and Necessity and Transmission Lines -
Notice to Landowners**

This bill establishes additional notification requirements under the Certificate of Public Convenience and Necessity (CPCN) application process for the construction of a transmission line. When submitting a CPCN application for the construction of a transmission line, a person must concurrently provide notice, by certified mail, of their intent to run a line or similar transmission device over, on, or under the land to specified landowners. The bill retains the existing requirement that a public service company provide written notice to specified landowners at least 30 days before a hearing on a proposed transmission line or similar device. However, for both the existing notice requirement and the bill's new notice requirement, the notice must inform each recipient of any applicable right to intervene in the proceeding. The bill also repeals existing statutory language regarding a public service company's failure to provide notice before a hearing. Instead, failure to provide notice under § 7-204 of the Public Utilities Article (which includes both the new and existing notice requirements) either (1) invalidates the public hearing and requires another hearing or (2) if the required notice is regarding a CPCN application, voids the application (though a person whose application is voided may reapply).

Fiscal Summary

State Effect: The Public Service Commission (PSC) can implement the bill's changes with existing budgeted resources. State finances and operations are not otherwise materially affected, as discussed below.

Local Effect: The bill is not anticipated to materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: The written notice that is required of a CPCN applicant under the bill must be sent to (1) each owner of land that abuts the property where the construction is planned and (2) for construction of an overhead transmission line specifically, each owner of land and each owner of adjacent land.

The existing provision repealed by the bill, under § 7-204 of the Public Utilities Article, specifies that the failure of a public service company to provide notice at least 30 days before a hearing regarding a proposed line or similar transmission device does not invalidate a public hearing or require that another hearing take place, unless the failure is willful or deliberate.

Current Law:

Certificate of Public Convenience and Necessity Process – Generally

Under § 7-207 of the Public Utilities Article, 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. However, a person that has received a CPCN from PSC for the construction of an overhead transmission line 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.

PSC must take final action on a CPCN application only after due consideration of the recommendations of the governing body of each county or municipality in which any portion of the project is proposed to be located and the effect of the project on various aspects of the State infrastructure, economy, and environment.

For additional information on the CPCN process, please see the **Appendix – Certificate of Public Convenience and Necessity**.

Notice Provisions under § 7-207 of the Public Utilities Article

Upon receipt of a CPCN application, PSC – or the CPCN applicant, if required by PSC – must immediately provide notice to specified recipients, including the executive and governing body of affected local governments, affected members of the General Assembly, and other interested persons. For a proposed overhead transmission line specifically, PSC (or the CPCN applicant) must also provide notice to each owner of land and owner of adjacent land.

Notice Provisions under § 7-204 of the Public Utilities Article

At least 30 days before a hearing, a public service company must provide written notice to each owner of land and each owner of adjacent land, by certified mail, of its 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. The failure of a public service company to provide such notice does not invalidate a public hearing or require that another hearing take place, unless the failure is willful or deliberate.

Intervening in a Proceeding under § 3-106 of the Public Utilities Article

If a person files timely, the person may apply to intervene in a proceeding before PSC. PSC must grant leave to intervene unless PSC concludes that (1) the parties to the proceeding adequately represent the interest of the person seeking to intervene or (2) the issue that the person seeks to raise are irrelevant or immaterial. An intervenor has all the rights of a party to a proceeding, and in a proceeding, an intervenor may represent themselves.

Eminent Domain

The power to take, or condemn, private property for public use is one of the inherent powers of state government and, through the state, its political subdivisions. Courts have long held that this power, known as “eminent domain,” is derived from the sovereignty of the state. Both the federal and State constitutions limit the condemnation authority. Both constitutions establish two requirements for taking property through the power of eminent domain: (1) the property taken must be for a “public use”; and (2) the party whose property is taken must receive “just compensation,” which may not be less than the fair market value of the real property. In either event, the party whose property is being taken is generally entitled to a judicial proceeding prior to the taking of the property. However, the Maryland Constitution does authorize “quick-take” condemnations in limited circumstances prior to a court proceeding.

Under Title 12, Chapter 200, of the Maryland Rules, which governs court actions for acquisition of property by condemnation under the power of eminent domain, a complaint filed in an action for condemnation must contain, among other things:

- the names of all persons whose interest in the property is sought to be condemned;
- a description of the property;
- a statement of the nature of the interest the plaintiff seeks to acquire by the proposed condemnation;
- a statement that there is a public necessity for the proposed condemnation; and
- a statement that the parties are unable to agree or that a defendant is unable to agree because the defendant is unknown or under legal disability.

State Fiscal Effect: PSC advises that it can implement the bill using existing budgeted resources. However, the Department of Natural Resources (DNR) advises that its Power Plant Research Program (PPRP) needs additional resources to ensure CPCN applicants comply with the bill's notice provisions.

Under current practice, PSC requires CPCN applicants for proposed overhead transmission lines to provide notice to specified landowners. According to PSC, the applicant must file a certificate of service along with their application, attesting that they have met the statutory notice requirements. If the certification is not submitted, the public utility law judge (or other adjudicating body) overseeing the CPCN proceedings will request the certification and may require the applicant to present a list of notified landowners and a copy of the notice provided.

DNR advises that the bill increases the time required for PPRP to review CPCN applications for transmission lines. DNR assumes that PPRP needs to confirm that each affected landowner received adequate notice, resulting in additional staff and consultant costs. DNR estimates consultant costs increase by approximately \$25,000 per transmission case, or \$100,000 annually, based on PPRP's assumption of four transmission cases per year.

The Department of Legislative Services (DLS) disagrees. Under current practice, PPRP does not participate in administering or verifying landowner notice requirements, and the bill does not assign such responsibilities to PPRP. Existing practice already requires CPCN applicants to certify compliance with statutory notice provisions during CPCN proceedings, which appears sufficient to ensure adherence to the bill's requirements. Accordingly, DLS assumes that the bill does not materially affect DNR's finances or operations. Should actual experience under the bill prove otherwise, DNR may request additional resources through the annual budget process.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1210 (Delegate Tomlinson, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of the Environment; Department of Natural Resources; Office of People's Counsel; Public Service Commission; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2026
jg/lgc

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Appendix – Certificate of Public Convenience and Necessity

General Overview

The Public Service Commission (PSC) is the lead agency for licensing the siting, construction, and operation of power plants and related facilities in the State through Certificates of Public Convenience and Necessity (CPCNs). The CPCN process is comprehensive and involves several other State agencies, including the Department of Natural Resources (and its Power Plant Research Program), and the Maryland Department of the Environment. Subject to limited exemptions described below, a person may not begin construction in the State of a generating station, qualified generator lead line, overhead transmission line designed to carry more than 69,000 volts, or certain energy storage devices unless a CPCN is first obtained from PSC.

State law provides that a “generating station” excludes:

- a facility used for electricity production with a capacity of up to 2 megawatts that is installed with equipment that prevents the flow of electricity to the electric grid during time periods when the grid is out of service;
- a combination of two or more co-located or adjacent facilities used for electricity production from solar photovoltaic systems or specified eligible customer-generators that have a maximum cumulative capacity of 14 megawatts, including maximum individual capacities of 2 megawatts (subject to satisfying other requirements); and
- a facility, or a combination of two or more facilities, used for electricity production for the purpose of onsite emergency backup for critical infrastructure when service from the electric company is interrupted and conducting necessary test and maintenance operations (subject to satisfying other requirements).

The CPCN process, detailed further below, involves the notification of specified stakeholders, the holding of public hearings, the consideration of recommendations by State and local government entities, and the consideration of the project’s effects on various aspects of the State infrastructure, economy, and environment.

In December 2020, PSC initiated a rulemaking (RM 72) to revise regulations governing CPCNs for generating stations. Updated regulations became effective in September 2021. Among other changes, the regulations contain additional information requirements – to assist in project evaluation – and allow for electronic submission and distribution of application materials.

Notification Process

Upon receipt of a CPCN application, PSC – or the CPCN applicant, if required by PSC – must immediately provide notice to specified recipients, including the executive and governing body of affected local governments, affected members of the General Assembly, and other interested persons. When providing the notice, PSC must also forward the CPCN application to each appropriate unit of State and local government for review, evaluation, and comment and to each member of the General Assembly who requests a copy.

Public Hearing and Comment

PSC must provide an opportunity for public comment and hold a public hearing on a CPCN application in each county and municipality in which any portion of the construction of a generating station, overhead transmission line, or qualified generator lead line is proposed to be located. PSC must hold the hearing jointly with the governing body of the county or municipality and must provide weekly notice during the four weeks prior to the hearing, both in a newspaper and online, and must further coordinate with each local government to identify additional hearing notification options. PSC must ensure presentation and recommendations from each interested State unit and must allow representatives of each State unit to sit during the hearing of all parties. PSC must then allow each State unit 15 days after the conclusion of the hearing to modify the unit's initial recommendations.

Public Service Commission Considerations

PSC must take final action on a CPCN application only after due consideration of (1) recommendations of the governing body of each county or municipality in which any portion of the project is proposed to be located; (2) various aspects of the State infrastructure, economy, and environment; and (3) the effect of climate change on the project. For example, PSC must consider the effect of the project on the stability and reliability of the electric system and, when applicable, air and water pollution. There are additional considerations specifically for a generating station or an overhead transmission line. For example, PSC must consider the impact of a generating station on the quantity of annual and long-term statewide greenhouse gas emissions and must consider alternative routes and related costs for the construction of a new overhead transmission line.

Exemptions Under § 7-207.1 of the Public Utilities Article

Section 7-207.1 of the Public Utilities Article specifies three conditions under which a person constructing a generating station may apply to PSC for an exemption from the CPCN requirement:

- the facility is designed to provide onsite generated electricity, the capacity is up to 70 megawatts, and the excess electricity can be sold only on the wholesale market pursuant to a specified agreement with the local electric company;
- at least 10% of the electricity generated is consumed onsite, the capacity is up to 25 megawatts, and the excess electricity is sold on the wholesale market pursuant to a specified agreement with the local electric company; or
- the facility is wind-powered and land-based, the capacity is up to 70 megawatts, and the facility is no closer than a PSC-determined distance from the Patuxent River Naval Air Station, among other requirements.

However, PSC must require a person who is exempted from the CPCN requirement to obtain approval from the commission before the person may construct a generating station as described above. The application must contain specified information that PSC requires, including proof of compliance with all applicable requirements of the independent system operator.

Exemptions Under § 7-207.4 of the Public Utilities Article

The Renewable Energy Certainty Act of 2025 (Chapters 623 and 624) establishes the Distributed Generation Certificate of Public Convenience and Necessity (DGCPCN), a certificate that PSC may issue – in lieu of a CPCN – to a person seeking to construct and operate community solar projects that have a generating capacity of 2 megawatts to 5 megawatts and meet other specified requirements. A DGCPCN carries the same force and effect as a CPCN while offering applicants a streamlined review process; however, until PSC begins accepting applications for DGCPCNs (likely in 2027), a CPCN will still be required to construct a community solar project.

As with the CPCN process, PSC must provide an opportunity for public comment and hold a public hearing on a DGCPCN application in each county where any portion of the project is proposed to be located.

Additional Information

For a more thorough discussion of the above topics, along with legislative history and recent data trends, see [The Maryland Certificate of Public Convenience and Necessity](#) on the Department of Legislative Services' website.