

Written Testimony

Barron Shaw, in support of
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HB 1014 - Electricity – Considerations for Certificate of Public Convenience and Necessity and Overhead Transmission Lines

Favorable

I, Barron Shaw, owner of Shaw Orchards and Protestant in the current application by Transource Maryland, LLC for a Certificate of Public Convenience (CPCN) to build the power line known as the IEC, requests a favorable report on HB1014 for the following reasons:

1) Contrary to statements by the incumbent utilities, the current PSC statute does not require an applicant for a CPCN (hereafter “applicant”) to consider the use of existing power lines. The language in the current statute is found in §7-209 which states:

“(a) The *Commission shall examine* alternatives to the construction of a new transmission line in a service area, including the use of an existing transmission line of another company, if:

(1) the existing transmission line is convenient to the service area; or

(2) the use of the transmission line will best promote economic and efficient service to the public.

(b) In considering the use of an existing transmission line under subsection (a) of this section, the Commission need not consider whether the company that owns the line has a franchise in a service area.”

The current language states that the “Commission shall examine.” In the current case before the PSC, the applicant stated during proceedings that it was not the responsibility of the applicant to consider alternatives lines; in fact, they claimed it was only the responsibility of the PSC. The PSC does not have access to the models nor the data to determine whether alternatives exist. Only PJM together with the utility can make this analysis.

2) In the current case before the commission, Transource did not determine whether existing power line towers could be upgraded or strung with more conductors until they were forced to answer interrogatories from PPRP nearly 18 months into the process. In fact, when asked during MD State House hearings in 2018 by committee chair Sally Jameson whether existing lines could carry the load of the proposed IEC, they responded flatly that “they cannot.” This statement was made without the benefit of analysis. We now know that in fact the existing 230kV lines running parallel to the IEC can carry the load, because this is now the alternative proposed by Transource and approved by PJM.

3) The problem of “existing architecture” was not a problem before the deregulation of the transmission line industry in Maryland. Until recently, Maryland utilities were incentivized to maximize the capacity of their lines, because they owned the lines and it was to their benefit to see them fully used. However with the recent ability of non-incumbent (out-of-state) utilities to enter the PJM bidding process, it is not always in the best interest of applicants to leverage existing infrastructure. As long as these utilities win the PJM bidding process, it is in their best interest to spend as much money as possible and maintain as much control over the project as possible. This is exactly what happened in the case of the IEC.

4) The PJM process to design solutions does not ensure that existing infrastructure is fully utilized before Greenfield projects are approved. In fact, PJM does not even track whether power lines have room for more conductors. PJM says that such optimization is not their job, and they leave it to the utilities to design solutions using the infrastructure.

Those of us involved with the IEC are happy that the Power Plant Resource Program (PPRP) worked hard to determine that existing infrastructure could be used instead of a new line. But the question in front of this committee is NOT whether we ended up in the right place, but rather whether we reached this spot because of the process or in spite of the process. PPRP spent a great deal of money (likely in the hundreds of thousands of dollars or more) on outside experts as well as hundreds of hours investigating the details of this project. Their efforts could not be duplicated by private citizens, and it is unclear whether the PSC would have made the effort if the PPRP had not.

The better approach for the future is to have the applicant understand that it is their responsibility to look for solutions in existing architecture first, and only then to propose Greenfield projects.

As to the portion of the proposed bill dealing with conservation easements, please be aware that during testimony in front of the PSC, the DNR stated that it was their opinion that Greenfield high voltage lines were not an acceptable use for conserved properties. I agree with this perspective. Our family certainly never believed that the state would allow such structures to be constructed on our property when the easement was executed. It would be prudent for the legislature to codify this in order to avoid future expensive litigation in a court.

For the reasons above, I urge your support of HB1014.

Respectfully,

Barron Shaw, Shaw Orchards