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**OPPOSE – SB 538**

**Senate Bill 538 Public Service Commission – Application for Certificate of Public Convenience and Necessity – Preservation of Environmental Quality and the Climate**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **Senate Bill 538 Public Service Commission – Application for Certificate of Public Convenience and Necessity – Preservation of Environmental Quality and the Climate**. Senate Bill 538 would require the PSC to give due consideration to the effect of a generating station, overhead transmission line or qualified generator lead line on the preservation of environmental quality and the climate before taking the final action on an application for a certificate of public convenience and necessity. It would also require the Commission to consider the recommendation of the governing body of each county or municipal corporation in which any portion of the construction of the generation station, overhead line, or qualified generator lead line is proposed to be located.

Senate Bill 538 is unnecessary. The current CPCN process already ensures that all environmental, historical, ratepayer impacts and other considerations are addressed by the applicant. The process involves notifying specific 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. The very purpose of the CPCN permitting process is to determine whether the applicant has met the standards for receiving a permit, including the location of projects.

A CPCN process is a comprehensive regulatory process, requiring input from various State agencies such as the Power Plant Research Program, the Department of Natural Resources, and the Maryland Department of the Environment as well as input from impacted local governing body or bodies, landowners, and the public. Under Maryland law, Pepco and Delmarva power must obtain a CPCN for any transmission line project 100kV and above—by way of example, two prior transmission projects undertaken for reliability that required CPCNs include the Burtonsville to Takoma project and the Piney Grove to Wattsville project. It is the Commission's statutory obligation to determine whether a CPCN is in the best interests of Maryland and the reliability of the electric system. Specifically, the Commission must consider, among other items the effect of the project on the stability and reliability of the electric system; economics; esthetics; historic sites; aviation safety; air and water pollution; and the need to meet existing and future demand for electric service.

The Department of Natural Resources (DNR) input to the CPCN process is particularly important. DNR reviews air and water impacts, and in reviewing both it considers the health impacts on persons affected by proposed infrastructure. Specifically, DNR's air pollution review assesses air emissions compliance with federal national ambient air quality standards, which are determined based on human health risk assessments. The existing CPCN process sufficiently assesses the impact of a particular project and as such Senate Bill 538 is unnecessary.

For the above reasons, Pepco and Delmarva Power respectfully request an unfavorable vote on Senate Bill 538.

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