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Committee: Finance

Testimony on: SB538 – “Public Service Commission - Application for Certificate of Public Convenience and Necessity - Preservation of Environmental Quality and the Climate”

Position: Support with Amendments

Hearing Date: February 25, 2020

The Maryland Sierra Club supports SB538 with amendments.

The bill – *which is cosponsored by ten of the 11 members of this Committee* – would require the Public Service Commission (PSC) to include climate change as one of the several factors it considers when deciding whether to approve a new electricity generating facility. The PSC currently is interpreting its governing statute as not allowing it to consider climate change as an independent factor in its decisionmaking. Thus, the PSC is effectively ignoring the climate commitments enacted by the General Assembly in the Greenhouse Gas Reduction Act, notwithstanding that the PSC plays a major role in regulating the state’s greenhouse gas emissions. The General Assembly should amend the PSC’s governing statute to correct this significant gap in the implementation of the state’s climate change commitments.

We are pleased that SB538 has the overwhelming support of Finance Committee members. We urge that the bill be amended only because it is very similar to SB656, introduced by Senator Kramer, and which addresses the PSC/climate issue in a more comprehensive manner. We therefore urge the Committee to report the Kramer bill favorably or, alternatively, amend SB538 to include the additional provisions set forth in Senator Kramer’s bill.

The provisions which are in Senator Kramer’s bill, and not in SB538, are as follows:

- Senator Kramer’s bill would require the PSC to consider the effects that climate change may have on a proposed facility, in addition to the effects that a proposed facility would have on the state’s greenhouse gas emissions. Both are important. SB538 would require the PSC to address the latter issue but not the former issue.
- Senator Kramer’s bill clarifies that the PSC’s overall statutory obligation to “consider . . . the preservation of environmental quality” includes the “protection of the global climate from continued short-term and long-term warming.” SB538 does not do this. This provision is important since it addresses the PSC’s overall responsibilities, and thus would make clear that the PSC should consider climate change in all its regulatory activities (e.g., its administration of EmPOWER Maryland). SB538 focuses solely on requiring the PSC to consider climate change when it determines whether to approve a new electricity generating facility or power line.
- Senator Kramer’s bill provides that the Department of the Environment (MDE) and the Department of Natural Resources (DNR) – which currently are tasked with submitting environmental analyses to the PSC regarding PSC reviews of applications for new electricity generating facilities and power lines – would need to now include climate change in these

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has approximately 800,000 members.

analyses. SB538 does not include this provision. This provision is important since the PSC relies, in part, on MDE and DNR environmental analyses in making its decisions.

- Senator Kramer’s bill specifies that the PSC’s consideration of climate change should be guided by the state’s climate mitigation commitments in the Greenhouse Gas Reduction Act, and should be “based on the best available scientific information recognized by the Intergovernmental Panel on Climate Change.” SB538 does not include this guidance. These provisions are important because they provide concrete direction to the PSC regarding its consideration of climate change.
- Lastly, Senator Kramer’s bill includes one provision not related to climate change. That provision would require the PSC, as a general matter, to consider “the maintenance of fair and stable labor standards for affected workers” in its regulatory activities. This requirement is similar to and would augment the current requirement that the PSC consider “the economy of the State.”

For these reasons, we urge the Committee to act favorably on this issue by moving Senator Kramer’s bill forward or, alternatively, by reporting the instant bill with amendments.

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