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## PUBLIC SERVICE COMMISSION

February 25, 2020

Chair Delores G. Kelley  
Finance Committee  
3 East Miller Senate Building  
Annapolis, MD 21401

**RE: INFORMATION - SB 538 – Public Service Commission – Application for Certificate of Public Convenience and Necessity – Preservation of Environmental Quality and the Climate**

Dear Chair Kelley and Committee Members:

SB 538 would require the Maryland Public Service Commission to give additional due consideration to the impacts of a proposed generating station or high voltage transmission line on the preservation of environmental quality and the climate, prior to taking final action on an application for a Certificate of Public Convenience and Necessity (CPCN).

Section 7-207 of the Public Utilities Article provides that a person may not begin construction of a generating station, overhead transmission line, or qualified generator lead line, without first obtaining a CPCN from the Commission. While there are limited exceptions to this requirement that depend on certain criteria, such as the capacity “size” of the facility and whether a certain amount of the electricity generated will be consumed on site, the general premise is that the Commission has final approval authority over the siting of these facilities.

PUA § 7-207(e) establishes specific factors that the Commission must consider—that is, give “due consideration”—before taking final action on an application for a CPCN. These factors include:

- (1) the recommendation of the governing body of each county or municipal corporation [...];
- (2) the effect of the generating station, overhead transmission line, or qualified generator lead line on:
  - (i) the stability and reliability of the electric system;
  - (ii) economics;
  - (iii) esthetics;

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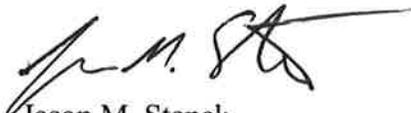
- (iv) historic sites;
- (v) aviation safety, as determined by the Maryland Aviation Administration and the administrator of the Federal Aviation Administration;
- (vi) when applicable, air and water pollution; and
- (vii) the availability of means for the required timely disposal of wastes produced by any generating station.

For each CPCN application, the Commission considers the recommendations of other state agencies, such as the Maryland Department of the Environment (MDE) and the Maryland Department of Natural Resources' Power Plant Research Program (PPRP). The reviewing agencies play an indispensable role as subject matter experts on behalf of the State in CPCN proceedings. The Commission, as the deciding body, must rely on the evidence and recommendations presented by the state agencies and all other parties to evaluate each due consideration factor enumerated under § 7-207(e). The same would be true for the additional factor proposed in SB 538.

In conclusion, SB 538 would require the reviewing state agencies, particularly MDE and/or PPRP, to make recommendations on the impacts of a proposed generating station or transmission line on the preservation of environmental quality and the climate, to be considered by the PSC as part of its CPCN review process.

Thank you for your consideration of this information. Please contact Lisa Smith, Director of Legislative Affairs, at 410-336-6288 if you have any questions.

Sincerely,



Jason M. Stanek  
Chairman