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

Unfavorable

Potomac Edison, a subsidiary of FirstEnergy Corp., serves about 270,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington Counties). FirstEnergy is dedicated to safety, reliability and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York.

Potomac Edison requests an Unfavorable report on SB 538 for the following reasons.

Potomac Edison is obligated to ensure reliable service to our customers, which includes responding to changes in conditions that affect reliability with solutions that provide maximum benefit, minimize impact to property owners, and avoids unnecessary economic burden to our customers. Load centers and generation sources are changing. These dynamic forces can and do result in a critical need for upgrades to the transmission system, including the construction of new infrastructure. The proposed legislation unnecessarily encumbers the existing regulatory process, the Certificate of Public Convenience and Necessity (CPCN), directed by the Maryland Public Service Commission and could add a significant economic burden to customers, and risks compromising the ability of utilities to appropriately upgrade the electric system. SB 538 requires the PSC to consider the effect of granting a CPCN on “the preservation of environmental quality and the climate.” The term “preservation of environmental quality and the climate” is undefined, and therefore it could be used to thwart necessary transmission project. The existing CPCN process already calls for consideration of air and water quality impacts, as applicable – making SB 538 arguably redundant as well.

In order to avoid these negatives, Potomac Edison respectfully requests an **unfavorable report** on SB 538.