

Johns_Corey_FAV_SB 538

Uploaded by: Johns, Corey

Position: FAV

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

Corey Johns

Support

Members of the Finance Committee:

My name is Corey Johns and I live in District 6, in Eastern Baltimore County. I am testifying in support of SB 538.

Maryland is a beautiful state. With mountains in the West, oceans and beaches in the east and a true natural treasure, the Chesapeake Bay, in the middle, Maryland is an amazing place when it comes to our environment. Maryland is also home to one of the most geologically rare ecosystems in the world, the Serpentine Barrens, filled with flora and fauna that can only be found here in Maryland.

It only makes sense to me that Maryland really should be a nation-wide leader in environmental preservation, quality and in combating climate change. That is why it does not make sense to me that right now, today, the Public Service Commission does not consider climate impacts when reviewing applications for new electricity generating facilities, and when it approves the sites for the new facilities.

While I'm not entirely supportive of fracking gas power plants and much prefer renewable energy sources such as wind and solar, these plants are much better than coal-fire plants, but we still have to make sure they are not unnecessarily hurting the planet simply because there is no consideration of climate impacts.

And as we tackle the climate crisis that science overwhelmingly says is happening right now, the government needs to lead the fight against it. It is very difficult to get people to buy in and be more conscious of their environmental impact when the government is not even considering environmental impact. This is an opportunity to help the government lead the charge.

Please, support SB 538.

Corey Johns

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CBF_DougMyers_FAV_SB0538

Uploaded by: Myers, Doug

Position: FAV



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 538

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

DATE: FEBRUARY 25, 2020

POSITION: SUPPORT

POSITION

Chesapeake Bay Foundation SUPPORTS SB 538. This bill would expand the list of considerations for review of an Application for Certificate of Public Convenience and Necessity to include the preservation of environmental quality and the climate.

COMMENTS

While current law requires the consideration of air and water quality generally, SB 538 acknowledges that a changing climate presents significant additional challenges when siting energy facilities, transmitting fuel or electricity, and burning fossil fuels. These new challenges are broader than current considerations.

Climate change and sea level rise will also demand consideration beyond the immediate footprint and timeframe of their project to appropriately scope threats and impacts. For example, current reviews of natural gas pipelines may not adequately consider the lifecycle greenhouse gas emissions from methane leakage along the length of the pipeline or at compressor stations. Sea level rise and extreme weather events expected in the coming decades may stress energy facilities in ways that would not be considered under a narrower review of projects for air or water quality.

CONCLUSION

For these reasons, CBF urges a favorable report on SB 538 from the Finance Committee. If you have any questions, feel free to contact Doug Myers, Maryland Senior Scientist, at 443.482.2168 or dmyers@cbf.org.

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The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 300,000 members and e-subscribers, including over 107,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.

SenKelley_FAV_SB538

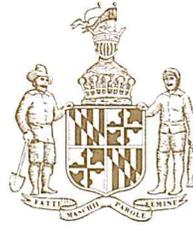
Uploaded by: Senator Kelley, Senator Kelley

Position: FAV

SENATOR DELORES G. KELLEY
Legislative District 10
Baltimore County

—
Chair
Finance Committee

—
Executive Nominations Committee
Rules Committee
Legislative Policy Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR DELORES G. KELLEY

**REGARDING SENATE BILL 538 - PUBLIC SERVICE COMMISSION - APPLICATION
FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY - PRESERVATION OF
ENVIRONMENTAL QUALITY AND THE CLIMATE**

BEFORE THE SENATE FINANCE COMMITTEE

ON FEBRUARY 25, 2020

Mr. Vice Chairman and Members:

**Senate Bill 538 adds one more consideration to the list of standards under
review before the Public Service Commission takes a final action on an
application for a certificate of public convenience and necessity for a generating
station, an overhead transmission line, or for a qualified generator lead line.**

Currently the Public Service Commission must consider the impact upon:

- 1. The stability and reliability of the electric system**
- 2. Economics**
- 3. Aesthetics**
- 4. Historic sites**
- 5. Aviation safety as determined by the Maryland Aviation Administration
and by the Federal Aviation Administration, and**
- 6. Air quality and water pollution, when applicable.**

Senate Bill 538 adds “Preservation of environmental quality and the climate,” as a variable that shall also be considered before the Public Service Commission takes final action on an application for a certificate of Public Convenience and Necessity. Without such consideration we inadvertently undermine much of our work to have both a clean and renewable energy portfolio. I therefore urge your favorable report of Senate Bill 538.

CCAN Action Fund_FWA_SB538

Uploaded by: Field, Anthony

Position: FWA



**Testimony in Support with Amendments of
Public Service Commission - Application for Certificate of Public Convenience and
Necessity - Preservation of Environmental Quality and the Climate (SB 538)
Senate Finance Committee | February 25, 2020**

Anthony Field, Maryland Campaign Coordinator, CCAN Action Fund

The Chesapeake Climate Action Network and our lobbying arm CCAN Action Fund have spent the past 15 years urging Maryland to take the lead on addressing the emerging climate crisis by enacting strong climate policies. The first piece of legislation CCAN ever supported was the 2004 Renewable Portfolio Standard, mandating that 7.5 percent of the state's electricity come from renewable sources.

Since then, Maryland has made significant progress in combating climate change. Last year the State upped its clean-energy goals to 50 percent by 2030. The General Assembly in 2016 committed to reducing greenhouse gas emissions 40 percent below 2006 levels by 2030--a goal that legislators are considering increasing this year to line up with current science.

All parts of the State government should be marching in the same direction on climate. Right now, however, the Maryland Public Service Commission (PSC) does not have a specific mandate to consider climate change when it makes decisions. The PSC is a core part of the state government and the principal regulator of electricity in Maryland. This key agency must factor climate into its decision-making if the state is to meet the climate goals laid out by the world's leading scientists and the State of Maryland itself.

The climate issue came squarely before the PSC last year. Several environmental and community groups appealed the PSC's decision to approve a former coal plant's repowering to gas in part because the agency did not consider how climate change would impact the project itself. Groups were concerned about how sea level rise, storm surges, and extreme weather events could impact the facility and argued that the PSC erred in not considering climate change.

In response, the PSC Commissioners essentially said their hands were tied. "[Our governing statute] requires due consideration of "air and water pollution" issues "when applicable," the PSC said in [its Order denying the appeal](#), "[but t]he statute does not specifically or generally require considerations regarding climate change."

Likewise, the PSC staff argued in [its brief in the case](#) that "the Commission has never required that any consideration of climate change and its effects be included in a Proposed Order or C[ertificate of] P[ublic] C[onvenience and] N[ecessity] proceeding. As Staff is bound by Commission precedent, Staff recommends that the Commission reject this argument of the . . . Appeal."

Senate Bill 538 requires the PSC to consider the effect of a proposed generating station, overhead transmission line, or qualified generator lead line on the preservation of environmental quality and climate before taking final action on an application for a certificate of public convenience and necessity (CPCN).

We support the intention of SB 538 as it helps to ensure that the PSC is taking the state's climate commitments into account. We believe, however, that other state agencies -- namely the Department of Natural Resources (DNR) and the Maryland Department of the Environment (MDE) -- have valuable expertise that could help guide the PSC's evaluation of climate change.

The Department of Natural Resources (DNR) is home to the the Power Plant Research Program (PPRP), which is required to undertake a continuing research program for electric power plant site evaluation and related environmental and land use considerations. Expanding the scope of PPRP's analysis to include climate change would provide valuable information to aid in the PSC's decision-making. The Maryland Department of the Environment (MDE) has an existing Climate Change Program that manages the inventory of statewide greenhouse gas emissions and leads the state's greenhouse gas reduction planning process. These two agencies--DNR with its PPRP unit and MDE with its Climate Change Program--could provide valuable expertise and information to the Commission as it considers the new factor of climate change.

CCAN Action Funds requests the bill be amended to require the PPRP unit within DNR to include an evaluation of the impact of electric power plants on climate change as part of its ongoing research and that it be further amended to require that MDE report to the PSC on climate change before the PSC makes a final decision. These amendments would mirror the requirements in SB 656, which CCAN Action Fund fully supports. With these amendments noted, CCAN Action Fund urges a favorable report.

CONTACT

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MD Sierra Club_FWA_SB538

Uploaded by: Tulkin, Josh

Position: FWA



7338 Baltimore Ave
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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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FirstEnergy_UNF_SB538

Uploaded by: Greal, Anne

Position: UNF



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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.

PHI_UNF_SB538

Uploaded by: Lanier, Ivan

Position: UNF



An Exelon Company



An Exelon Company

February 25, 2020

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Annapolis, MD 21401
410-269-7115

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.

Contact:

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BGE_UNF_SB538

Uploaded by: Washington, Charles

Position: UNF



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Position Statement

Oppose
Finance Committee
02/25/2020

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

Baltimore Gas and Electric Company (BGE) opposes *Senate Bill 538 Public Service Commission – Application for Certificate of Public Convenience and Necessity – Preservation of Environmental Quality and the Climate*, which would require the Public Service Commission (Commission) to consider the effect of a proposed generating station, overhead transmission line, or qualified generator lead line on the preservation of environmental quality and climate before taking final action on an application for a certificate of public convenience and necessity (CPCN).

While this legislation is well intentioned, it attempts to add an unnecessary layer onto an already robust and comprehensive Certificate of Public Convenience and Necessity process that considers the physical, environmental, aesthetic and noise impacts for the siting of transmission lines and generating stations.

The electric transmission system is analogous to the interstate highway system. Its purpose is to move electricity efficiently, to eliminate congestion or traffic jams and ensure electricity is delivered to where customers need it. BGE's transmission system consists of more than 6,000 structures that move high-voltage electricity from power sources to BGE substations where the voltage is managed and then moved along the distribution system until ultimately it is safely delivered to homes and businesses. Transmission of electricity is required to keep the lights on in Maryland.

Currently, state agencies already have the obligation to examine the impacts of CPCN projects. The CPCN regulatory process is designed to consider the physical, environmental, aesthetic and noise impacts of a transmission line project. These construction impacts are currently considered by the Commission as part of the thorough process for reviewing an application for a CPCN. The Commission has an opportunity to require an applicant to mitigate and properly manage any adverse construction impacts through the issuance of licensing conditions that attach to a grant of a CPCN. A CPCN process is a comprehensive regulatory process, involving many state agencies, including the Power Plant Research Program, the Department of Planning, the Department of Natural Resource and the Maryland Department of the Environment, as well as input from the impacted local governing body or bodies, landowners, and the public.

Additionally, construction environmental and health impacts are largely mitigated through the regulatory permitting requirements for a project. Permit conditions require the company to manage:

particulate matter from construction activity and air pollution, such as dusting from construction activity. It restricts any cause of discharge into the atmosphere any odors or vapors that may be a nuisance.

Because it is a truly comprehensive information gathering process, the CPCN process typically takes roughly 18 months to complete.

It is the Commission's statutory obligation to determine whether a CPCN is in the best interest of Maryland and the reliability of the electric system. Specifically, the Commission must consider, among other items:

1. The recommendation of the governing body of each county or municipal corporation in which any portion of the construction of the overhead transmission line is proposed to be built; and
2. The effect of the overhead transmission line on:
 - a. the stability and reliability of the electric system;
 - b. economics;
 - c. esthetics;
 - d. historic sites;
 - e. aviation safety;
 - f. air and water pollution; and
 - g. the need to meet existing and future demand for electric service

BGE believes that the current scope of environmental considerations sufficiently provides guidance to the Commission, state agencies and local governments when considering CPCN applications. For these reasons, BGE respectfully request that the Committee vote unfavorable on this legislation.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider.

PSC_INFO_SB0538

Uploaded by: Stanek, Jason

Position: INFO

JASON M. STANEK
CHAIRMAN

MICHAEL T. RICHARD
ANTHONY J. O'DONNELL
ODOGWU OBI LINTON
MINDY L. HERMAN



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