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SB 656 – Consideration of Climate and Labor

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 656 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. Specifically, SB 656 requires the PSC to consider the effect of granting a CPCN on “the effect of climate change on the generating station, overhead transmission line, or qualified generator lead line based on the best available scientific information recognized by the Intergovernmental Panel on Climate Change.” The bill also requires the Secretary to consider those items when preparing a recommendation regarding notice of a CPCN from the PSC. In addition the bill also calls on the PSC, in its supervision and regulation over public service companies, to consider the maintenance of fair and stable labor standards for affected workers, the preservation of environmental quality including protection of the global climate from continued short-term and long-term warming based on best available science and the achievement of the state’s climate commitments for reducing GHG emissions. The CPCN process already mandates “an environmental evaluation of electric power plant sites proposed for future development

and expansion and their relationship to the waters and air of the State” and is “designed to minimize environmental effects.” Because the CPCN process already calls for consideration of air and water quality impacts, as applicable, SB 656 is arguably redundant. Furthermore, it is not within the PSC’s expertise to oversee “labor standards.”

In order to avoid these negatives, Potomac Edison respectfully requests an **unfavorable report** on SB 656.