

BWLDC Final Comments PC51 5-21-19

Uploaded by: Binetti, Rick

Position: FAV

BEFORE THE MARYLAND PUBLIC SERVICE COMMISSION

EXPLORING THE USE OF ALTERNATIVE RATE PLANS
OR METHODOLOGIES TO ESTABLISH NEW BASE
RATES FOR AN ELECTRIC COMPANY
OR GAS COMPANY

Administrative Docket PC51

FINAL COMMENTS OF THE BALTIMORE WASHINGTON LABORERS' DISTRICT
COUNCIL, AN AFFILIATE OF THE LABORERS' INTERNATIONAL UNION OF NORTH
AMERICA ("LIUNA")

Dated: May 21, 2019

Introduction

The Baltimore Washington Laborers' District Council ("BWLDC"), an affiliate of the Laborers' International Union of North America ("LIUNA"), submits these final comments on Administrative Docket PC51.

Comments

As stated in our comments on March 29, 2019, and at the Technical Conference on April 29, 2019, BWLDC supports alternative forms of ratemaking that further utility capital investment to improve safety and reliability, align ratemaking with broader state public policy and energy goals, and promote greater economic prosperity for workers and local communities. Specifically, it's our position that Maryland should adopt alternative forms of ratemaking that reflect the state's progressive energy and labor policies, as well as best practices from other states to ensure quality job creation and meaningful economic opportunity for Maryland workers. In order to accomplish these goals, alternative rate plans or methodologies should only be implemented after careful consideration by and with direction from the Maryland General Assembly. Maryland legislators passed the Strategic Infrastructure Development and Enhancement (STRIDE) Program in 2013 which accelerated the modernization of the state's natural gas distribution system. Other states, such as Illinois, carefully crafted their alternative rate methods through statute eight years ago, and legislators are currently considering whether to extend formula rates for another ten years. It is through legislation that Maryland should embark upon transforming ratemaking for regulated utilities.

Should the Commission decide to act on implementing alternative forms of ratemaking without legislative input, it must demonstrate how alternative rates are a better vehicle for accomplishing the mission of the Commission as well as the state's broader public policy goals compared to historical forms of rate design. The Commission must detail how alternative rate plans provide greater transparency of utility capital investments and costs; improve safety and reliability outcomes; promote greater economic prosperity for workers and local communities; enhance environmental protections; and accomplish the state's progressive energy agenda. At a minimum, should the Commission move forward, it should follow the experience of other states such as Hawaii, Rhode Island, and Pennsylvania which used a thorough and transparent stakeholder-led process to inform its alternative rate design framework.

Furthermore, should the Commission act to reform ratemaking in Maryland, it should be guided by the following principles:

1. Alternative forms of ratemaking should be performance-based in order to align with Maryland's social, environmental, and economic justice goals, and support the state's progressive energy agenda and labor policies;
2. Alternative rates should be designed to spur responsible capital investment to modernize the grid, and enhance safety and reliability of the distribution network while also creating family supporting jobs;

3. Maryland should look to best practices in other states to ensure alternative rates deliver quality job impacts, and utilities are held to account for employment targets;
4. Alternative forms of ratemaking should provide for transparency of a utility's labor practices to assure compliance with state and federal employment laws, and worker safety and health regulations;
5. Alternate rate methods such as Earnings Sharing Mechanisms that incent utilities to cut costs should not be approved without strong labor protections to ensure workers' wages, benefits, working conditions, and safety are not compromised in the interest of profits; and
6. Alternative rates should be designed in a deliberate and transparent manner that includes community stakeholders, labor unions, consumer advocates, utilities, local governments, and legislators. The Commission should oppose any fast tracking of alternate forms of ratemaking.

In summary, properly designed alternative rate plans could provide tangible benefits if the correct performance incentives and safeguards are put in place. Utilities could experience reduced regulatory lag and lower borrowing costs, customers could see better service, and Maryland residents could have a pathway into the middle class through the creation of family supporting jobs. Maryland has the opportunity to be a leader and join other states that have adopted strong labor protections that promote quality job creation and workplace safety in their utility reform efforts. These efforts have not only spurred significant capital spending to modernize energy infrastructure, but the projects have helped raise the standard of living for thousands of workers, and spur economic growth in local communities. It would be a grave error to ignore the plight of thousands of low-paid utility contract workers across Maryland. The inclusion of Project Labor Agreements, local hiring targets, and Best Value Contracting would provide real benefits to ratepayers by reducing turnover, improving workplace safety, and increasing the productivity of the contractor workforce. The BWLDC urges the Commission to incorporate strong labor protections in its implementation of any alternative rate design plan. The BWLDC appreciates the Commission's consideration of these comments.

BWLDC testimony sb656 support 2020

Uploaded by: Binetti, Rick

Position: FAV



Chairwoman Delores G. Kelley
Vice-Chair Brian Feldman
Members
Senate Finance Cmt
3 East
Miller Senate Ofc Bldg
Annapolis, MD 21401

February 26, 2020

SB 656 – Utility Regulation - Consideration of Climate and Labor

Testimony Position – Favorable

Good afternoon Madam Chair and members of the Senate Finance Committee. My name is Rick Binetti. Thank you for the opportunity to provide testimony in support of SB 656.

LiUNA's 80 Maryland-based contractors who keep 4,000 of our members who live in Maryland employed in a meaningful way, are in support of the labor provisions within SB 656.

Last year, LiUNA participated in the MD Public Service Commission's (PSC) Workgroup on Alternative Rates, Case PS51. Throughout the three-month discussion of what MD's Multi-Year Ratemaking should look like, it became abundantly clear that the PSC does not consider information about labor standards such as wage rates, health care coverage and pension benefits that are paid to the Utilities' contracted out workforce, as information that should be taken into account as a part of any rate case before the Commission.

Simply put, because the regulated utilities are such a large part of the state's economy, and because their contracted-out construction workforce is so large, it is in MD's interest that wage and healthcare benefits paid to their contracted-out workforce should be a consideration in any rate case before the Commission.

To help make the case, I have attached with this testimony, LIUNA's Final Comments on Case PC51 which say that MD should leverage alternative ratemaking so that our state

becomes a leader joining other states that have adopted strong labor protections that promote quality job creation and workplace safety in their utility reform efforts.

These efforts have not only spurred significant capital spending to modernize energy infrastructure, but the projects have helped raise the standard of living for thousands of workers, and spur economic growth in local communities in other states where labor standards are considered by utility regulators.

We urge for a favorable report on SB 656.

Thank you.

Bristow_FAV_SB656

Uploaded by: Bristow, Ann

Position: FAV

Committee: Finance

Testimony on: SB0656 – “Utility Regulation - Consideration of Climate and Labor”

Position: Support

Hearing Date: February 25, 2020

I strongly support Senate Bill #656 which would require the Public Service Commission (PSC) to include climate change as one of the several environmental and public policy factors considered in regulating electricity generation in Maryland.

The State of Maryland has existing expertise to provide climate-related analyses required in SB 656 / HB 531 as demonstrated in the Department of Natural Resources’ (DNR) launch of their Climate Leadership Academy.

Maryland recently celebrated the graduation of the first class of climate change officers. The DNR administers the Maryland Climate Leadership Academy, a state program developed in partnership with the Association of Climate Change Officers (ACCO).

“Our goal is to equip leaders and Maryland’s workforce with the skills and knowledge needed to meet the challenges of climate change, flooding and severe weather,” said DNR Secretary Jeannie Haddaway-Riccio.

“The Academy was established to specifically offer training and continuing education for state and local government officials on the matter of climate change.”

<https://www.thebaynet.com/articles/0220/department-of-natural-resources-honors-marylands-first-classof-climate-change-professionals.html>

Graduates know how to access existing toolkits utilizing all the federal information available to state and local officials to develop projections for sea-level rise, rainfall, and temperature changes that would affect local resources, for example.

Graduates learned about IPCC **Representative Concentration Pathways**, which are trajectories of greenhouse gas (GHG) concentrations, not emissions, used in climate modeling and research to describe climate futures that are possible but differ depending on the volume of GHG emissions in selected time periods. These are used in the IPCC’s Fifth Assessment Report in 2014.

Graduates were introduced to the basics of GHG accounting, risk assessments, setting and management of GHG reduction goals, economic and legal implications of climate policies, reporting requirements, health implications, and the food/water/energy nexus. These concepts are applicable to both business and government operations, and should inform regulatory approaches.

Examples of relevant curriculum from the ACCO catalog:

GHG-101: [Basics of GHG Accounting, Reporting & Disclosing GHG Emissions](#)

GHG-102: [Fundamentals of the Energy, Water & Food Nexus](#)

GHG-201: [Establishing GHG Reduction Goals & Management Structures](https://climateofficers.org/coursecatalog)
<https://climateofficers.org/coursecatalog>

Additionally, planning for land use and potential adverse outcomes was addressed from the perspective of potential liability for uses contraindicated by available analyses of climate impacts (e.g., planners of buildings and roads; realtors).

Conclusion

Because of the State of Maryland's considerable expertise in evaluating climate change and the commitment to reducing GHG emissions, I urge a favorable report on this legislation to require the PSC to consider climate change in discharging its regulatory duties.

Ann Bristow, Ph. D
Commissioner, Marcellus Shale Safe Drilling Initiative, 2013-2016

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IndivisibleHoCoMD_FAV_SB656

Uploaded by: Deutchmann, Richard

Position: FAV



SB0656 – Utility Regulation – Consideration of Climate and Labor

Testimony before Senate Finance Committee

Feb 25, 2020

Position: Favorable

Madame Chair, Mr. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 700+ members of Indivisible Howard County. We are providing written testimony today in **strong support of SB0656**, to bring consideration of climate change into decision making at the Public Service Commission. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members) and this bill is a high priority of the MLC.

Global climate change is real and playing out every week as we watch in horror the fires in Australia, historic flooding in Midwest, coastal migration due to inhabitable islands, and 65F temperatures *in Antarctica* causing accelerated ice melt. The question is no longer a matter of opinion or politics. Countries and corporations around the globe are legislating and innovating. The United Nations Framework on Climate Change concluded that the long-term temperature goal is to keep the increase in global average temperature to well below 2 degrees Centigrade (3.6 degrees Fahrenheit) above pre-industrial levels. In November 2019 over 11,000 scientists from 153 countries warned the planet “clearly and unequivocally faces a **climate emergency**”.

SB0565 will require the Maryland Public Service Commission strongly consider our state greenhouse gas emissions goals when evaluating new power plant or transmission infrastructure. This is a prudent step to ensure that we as a state are coordinating our climate strategy across our electrical and power generation sectors. This bill, along with the Clean Energy Jobs Act which became law in 2019, will continue the boom in renewable energy development on the utility, commercial & industrial, and residential scales. And, will focus billions of dollars of economic investment and job creation in the technologies of the future.

The time for debate is over. Now is the time for solutions. We must act with boldness and clear direction. There is no time for delay or complacency. **IndivisibleHoCoMD supports legislation requiring the PSC to consider climate change in its deliberations**, to ensure that new fossil fuel infrastructure is vetted consistent with our goals as a state.

State governments, municipalities, businesses and industry are responding. States such as California, New York, Colorado, and Virginia are acting boldly, pledging deep cuts in carbon emissions, and a pathway to 100% clean energy. More than 300 coal fired power plants in the U.S. have now closed or committed to closing in the near future. BP, one of the world's oldest

(110 years) and biggest oil and gas companies has said it will cut carbon content of its products by 50% by 2050, an amount roughly equivalent to the emissions of Great Britain. BlackRock, the world's largest investment management company, will phase out their fossil fuel investments in the coming years. The list goes on and on.

This legislation will not only protect the people and resources of our state but will place us at the forefront of innovation and technology. The green energy revolution is a multi-\$trillion opportunity for our business community. Maryland is in a great position to capture a good share of this commerce with our innovation economy and superb university systems. We will be aligning with newer economic realities. Frontline communities face a disproportionate percentage of the effects of climate change. This legislation helps to level the playing field for our most vulnerable citizens. Citizens will be better protected from illnesses related to climate, hardships of weather disasters, destruction of property and loss of income. Our children and grandchildren will have a brighter future without the clear and present danger of climate change to darken that future. It is simply unconscionable to continue to develop the very fossil fuel system that are the direct cause of global climate change.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Dodge_FAV_SB656

Uploaded by: Dodge, Nina

Position: FAV

STATE OF MARYLAND

SENATE BILL 656

PUBLIC BILL HEARING

February 25, 2020

Written Testimony of Nina Dodge
In Support of
Senate Bill 656

I am Nina Dodge, here to testify in support of Senate Bill 656 (“SB 656”), based upon my years of experience before the Public Service Commission of the District of Columbia (“DC Commission”), bringing climate-related issues into energy utility regulation proceedings.¹ My testimony focuses on the climate-related provisions of SB 656 which I believe to be both substantively critical, and well-formulated.

1. Simply put, the State of Maryland cannot achieve its climate commitments without giving its energy utility regulators the statutory authority to factor climate change and the reduction of greenhouse gas emissions into their decision making. The Maryland Public Service Commission (“MD Commission”) is a key implementor of State energy policy by virtue of its role in regulating energy utilities, so its mandate must be clearly aligned with State climate policy if such policy is to succeed.

¹For eight years I have intervened in Formal Cases and other proceedings of the Public Service Commission of the District of Columbia (“DC PSC”) as an authorized representative of DC Climate Action, bringing climate-related issues to the regulation of both electricity and natural gas, in rate cases, infrastructure cases, rate design and energy systems modernization cases.

DC Climate Action (“DCCA”) is a civic association that advocates for policies in the District of Columbia (“D.C.”) that promote clean, affordable, and reliable energy for all of D.C., and that mitigate climate global warming by reducing greenhouse gas emissions. I have represented DCCA in DC PSC proceedings including Formal Case (“FC”) 1114, FC1115, FC1116, FC1123, FC 1130, FC1137, FC1150, FC1154. DCCA’s work was cited by the DC PSC in their Order launching their proceeding Modernizing the Energy Delivery System for Increased Sustainability, known as “MEDSIS”, now, “PowerPath DC”. In addition, I represented DCCA on two DC PSC-ordered, follow-up Task Forces/Working Groups and a Community Advisory Group relating to the implementation of aforementioned FC1116 and FC1123. For five years, through 2015, I represented DCCA on the DC PSC’s Advanced Metering Infrastructure Task Force. I was a member of the Grid2.0/Sierra Club DC’s intervention team in FC1103. Currently, I represent the environmental sector on the District of Columbia’s Sustainable Energy Utility Advisory Board, a Mayoral appointment.

2. The experience in the District of Columbia would indicate that the MD Commission's existing environmental mandate is not sufficient to support the State's public climate commitments, being limited to "conservation of natural resources" and the vague statement "the preservation of environmental quality".

Until last year, the District of Columbia Public Service Commission ("DC Commission") had a similarly-worded environmental mandate, which provided Commissioners neither sufficient authority nor guidance to factor climate change and the reduction of emissions needed to exercise regulation that could align with District climate goals. A recent chair of the DC Commission pointed to the difference in regulatory implications between "conservation" and "emissions reduction" and how taking on the latter would involve a new way of doing business.

3. In December 2018, the District enacted the Clean Energy DC Omnibus Act, which broadened the DC Commission's mandate to include, among its statutory responsibilities, the consideration of climate change and the District of Columbia's public greenhouse gas reduction commitments.²

The District's new mandates have already had a tangible impact on aligning the Commission's utility regulation with the District's climate goals. In the ten months since it was given its broadened authority, its new climate mandate regularly informs the DC Commission's framing of its Orders and Notices in electricity and natural gas utility cases and how it approaches issues. The following are two examples of how the new legal provisions are enabling DC regulators to advance the District's policy goals.

(a) In a December 2019 ruling, the DC Commission declined a request by Washington Gas Light ("WGL") to extend a natural gas subsidy pilot, citing the new mandate requiring the Commission to consider the request "in light of its effects on global climate change and the District's public climate commitments."³

² <https://dcpsec.org/PSCDC/media/Images/Clean-Energy-DC-Omnibus-Amendment-Act-of-2018.pdf>

³ See DC PSC Formal Case 1137, Order No. 20263 of December 5, 2019 <https://edocket.dcpsec.org/apis/api/filing/download?attachId=88933&guidFileName=cf7a0ebc-d182-401e-9271-810cb9c7e073.pdf>

(b) In September 2019, the DC Commission issued a public Notice of Inquiry in order to establish a carbon footprint assessment framework for considering the effects of a utility proposal on global climate change and emissions reductions⁴.

4. As a final note, based on District of Columbia experience before and after its Commission's mandates were expanded, I recommend that as in the District of Columbia⁵, the State of Maryland consider applying proposed provisions in SB 656 to both its regulatory bodies, i.e., the Maryland Office of the People's Counsel ("MD OPC") as well as the Commission. This would allow the MD OPC a more informed basis for balancing current cost effectiveness and affordability of power for ratepayers against the future harm of global warming to the health, economy and welfare of generations to come.

In sum, the Public Service Commission being a central implementing body on energy policy by virtue of regulating the energy utilities, it is critical that Maryland align the authority and mandates of the Commission with the State's climate commitments if the State is to meet its goals. The current mandate of the Commission is insufficient. The provisions proposed in SB 656 for Maryland's Commission and potentially for its Office of the People's Counsel, will remove a major barrier to meeting Maryland's climate commitments, to the significant benefit of its ratepayers and its people now and in the future.

Respectfully submitted,

s/ _____

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⁴ *GD2019-04-M, In the Matter of the Implementation of the 2019 CleanEnergy DC Omnibus Act Compliance Requirements ("GD2019-04-M")*, Notice of Inquiry, rel. September 26, 2019.

<https://edocket.dcpsec.org/public/search/casenumbr/gd-2019-04>

Updated: <https://edocket.dcpsec.org/apis/api/filing/download?attachId=100935>

⁵ <https://dcpsec.org/PSCDC/media/Images/Clean-Energy-DC-Omnibus-Amendment-Act-of-2018.pdf>
Sec. 102, p.5. (DC OPC provision), Sec. 103, p.5 (DC PSC provision)

CCAN Action Fund_FAV_SB656

Uploaded by: Field, Anthony

Position: FAV

**Testimony in Support of
Utility Regulation - Consideration of Climate and Labor (SB 656)
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."

This bill would require applicants to submit information to the PSC on greenhouse gas emissions and vulnerabilities to impacts such as sea-level rise, which the PSC would consider among the other factors it examines. Importantly, SB 656 would also require the Power Plant Research Program (PPRP) in the Department of Natural Resources (DNR) to include an evaluation of the impact of electric power plants on

climate change as part of its ongoing research. Further, the bill would require the Maryland Department of the Environment (MDE), which has an existing Climate Change Program and is already required to advise the PSC on pending applications, to include climate change in its report to the Commission. 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.

Maryland legislators, at the urging of their constituents, have committed in law to specific targets for reducing greenhouse gas emissions. Senate Bill 656 would provide a necessary solution to the PSC's current limitations on considering climate change. By requiring input from agencies with expertise in long-term planning and evaluating climate change, it creates an effective and straightforward process to bring the PSC in line with the rest of the state's climate commitments.

CCAN Action Fund urges a favorable report on Senate Bill 656.

CONTACT

Anthony Field, Maryland Campaign Coordinator
anthony@chesapeakeclimate.org or (301) 664-4068

Sign On_FAV_SB656

Uploaded by: Hershkowitz, Steven

Position: FAV

**Written Testimony in Support of
Utility Regulation - Consideration of Climate and Labor (SB 656)
Senate Finance Committee | February 25, 2020**

We, the undersigned groups, write in support of legislation requiring the Public Service Commission (PSC) to implement a “climate test” during its decision-making processes.

The world’s leading climate scientists warn that we have 10 short years to dramatically reduce our climate-disrupting emissions. The State of Maryland has made commitments to reducing climate change, starting with a commitment to reduce greenhouse gas emissions by 40 percent by 2030--a target the General Assembly is considering increasing this year. To reach these goals, Maryland’s administrative agencies must also factor climate into their decision-making process. This consideration is especially important for Maryland’s Public Service Commission, which approves all large facilities that generate electricity and oversees gas utility companies.

Notwithstanding Maryland’s climate commitments and the significant amount of greenhouse gases the State’s electricity generators emit, the PSC currently does not consider climate in its decision-making process. This was confirmed last year when the PSC approved a former coal plant repowering to gas. In dismissing an appeal of the PSC’s decision to approve the repowered facility, brought in part on climate grounds, the PSC stated that its governing statute “does not specifically or generally require considerations regarding climate change.” The PSC staff agreed, writing in its brief that “the Commission has never required that any consideration of climate change and its effects be included in a Proposed Order or CPCN proceeding Staff is bound by Commission precedent.”

In a world that is both literally and metaphorically on fire, state agencies should climate change and it makes no sense for the PSC – a core part of state government and the principal regulator of electricity in Maryland – to not take into consideration the State’s own climate commitments.

In order to ensure proper consideration of Maryland’s climate commitments, the PSC must:

- Consider climate change in its regulation of the electricity sector, based upon the best available scientific information recognized by the Intergovernmental Panel on Climate Change (IPCC) and achieving our state climate goals.
- Consider climate impacts when reviewing applications for electricity generating facilities, and when it approves the sites for new facilities.

Additionally, state agencies must address the climate impacts of proposed power plants (based upon the best available scientific information recognized by the IPCC) when providing input to the PSC regarding applications for new facilities.

This “climate test” provides a necessary and straightforward solution to the current significant flaw in Maryland’s climate efforts due to the PSC not considering climate change when making energy-related decisions.

For these reasons we, the undersigned organizations, urge the committee to issue a favorable report on Senate Bill 656

Signed:

350 Baltimore
350 Montgomery County
Allegany County Women’s Action Coalition
Baltimore-Washington Conference of The
United Methodist Church
Bay Hundred Citizens for a Just Society
Calvert Citizens for a Healthy Community
CCAN Action Fund
Cedar Haven Civic Association on the Patuxent
River, Inc.
Cedar Lane Unitarian Universalist Church
Chapman Forest Foundation
Chesapeake Physicians for Social Responsibility
Citizens Advancing Renewable Energy Sources
Clean Air Prince George's
Climate Law & Policy Project
Earth Forum of Howard county
Eastern Panhandle Green Coalition
Emmanuel United Methodist Church, Laurel
Environmental Justice Ministry
Food & Water Action
Frack-Free Frostburg
Friends Meeting of Washington Committee on
Peace & Social Concerns
Greenbelt Climate Action Network
Harford County Climate Action
Howard County Climate Action
Indivisible Howard County
Institute for Energy and Environmental Research
Interfaith Power & Light DC
Interfaith Power & Light NoVA
Interfaith Power & Lights MD
Jefferson County Vision
League of Women Voters of Maryland

Maryland League of Conservation Voters
Maryland Legislative Coalition
Mattawoman Watershed Society
Montgomery County Faith Alliance for Climate
Solutions
Mountainside Education and Enrichment, Inc.
Neighborhood Sun
New Baltimore Green Forum
Nuclear Information and Resource Service
Our Revolution Baltimore
Patuxent Riverkeeper
River Road Unitarian Universalist Congregation
Safe Skies Maryland
Sierra Club Maryland
St. Matthew Catholic Church and Blessed
Sacrament Catholic Church
Sunrise Movement Baltimore
Sunrise Movement Howard County
Takoma Park Mobilization Environment
Committee
The Climate Mobilization, Montgomery County
The Episcopal Diocese of Maryland
The Maryland Episcopal Public Policy network
Transition Howard County
Unitarian Universalist Legislative Ministry of
Maryland
Western Maryland Green New Deal
WISE

sb656, PSC environment consideration 2-25-20

Uploaded by: Hudson, Lee

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony prepared for the
Finance Committee
on
Senate Bill 656
February 25, 2020
Position: **Favorable**

Madam Chair and members of the Committee, thank you for the opportunity to testify on behalf of wise care of the blessings of the living environment. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America. We are a faith community of congregations in three ELCA synods, located in every part of the State.

Our community began its journey in care of creation in 1993 (“Caring for Creation,” ELCA) when we identified greenhouse gas emissions as an environmental threat.

We’ve supported expansion of renewables in Maryland’s energy portfolio since its deregulation experiment. Our intent was to advance our commitment to reducing greenhouse gas emissions and the resulting environmental threat.

One consequence of dereg was pressure on older generation sources and, therefore, greater greenhouse gas emissions from those sources to meet demand growth.

Maryland subsequently addressed demand management by expansion of renewables in its portfolio. Nevertheless, current and future demand is needed to finance new and different generation sources.

Senate Bill 656 attends supply/demand calculations with a requirement that the Department of Natural Resources research greenhouse gas emissions and climate effects from generation sources, following the State’s GHG goals. That analysis can then inform Public Service Commission considerations of public utility service and capacity.

It is our position that this is essential for appropriate cost-benefit considerations, in the interest of consumers and suppliers. Including environmental effects in PSC regulatory study and action may account for the cost of generation effects now simply elided onto public functions such as disaster relief, planning, charity, and the like. We support this expansion of energy market regulation, a creature after all, of public policy and investment.

Our faith community also supports fair labor practice and living wages for workers and we support that intent of SB 656 as well.

We urge a favorable report.

Thank you for your hearing.

Lee Hudson

Johns_Corey_FAV_SB 656

Uploaded by: Johns, Corey

Position: FAV

SB 656 - Utility Regulation - Consideration of Climate and Labor

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 SB 656.

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 656.

Corey Johns

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KwassMason_FAV_SB656

Uploaded by: Kwass Mason, Isabel

Position: FAV

**Written Testimony in Support of Utility Regulation -
Consideration of Climate and Labor (SB 656) Senate Finance
Committee | February 25, 2020**

My name is Isabel Kwass-Mason. I'm a senior in high school and I'm testifying in favor of legislation that requires the Public Service Commission (PSC) to implement a "climate test" during its decision-making processes.

I'm here today because I wake up every morning with an overwhelming sense of the climate crisis. I wake up with worry and anger looming over me. It's like a fog that pulls at my chest and clouds my mind. At times sitting in school feels worthless because the world I'm preparing for is so quickly disappearing.

I think about the climate constantly throughout my day because I see the unsustainable ways that we're living. I think about it every time I turn on the tap, every time I turn on a light, every time I eat a meal or get in a vehicle. Everytime I think about my own future.

I've sat with a group of friends as the weather began to warm and we've talked about how we don't think we'll be able to have children, even if that's something we really want. I've sat by the shore of Gunpowder Falls State Park and known that it will probably fall away to rising waters.

I go through my day knowing that my actions are contributing to the problem. And I can try to form better habits, change my consumption, and use fewer resources, but I don't have control over the ultimate sources that add carbon to the atmosphere.

A persistent dread is part of my daily life, and I'm not even on the frontlines of the climate crisis. If waters rise in Baltimore, I'll be able to move away from the place I love when others won't. Climate change is not an isolated issue. It is embedded in structures of oppression and inequality. It is a human rights crisis. And many of the people who have done practically nothing to cause or contribute to the crisis are already facing its worst effects.

To take on a crisis of these proportions, we need more than a general commitment of the state government. We need the climate to be an urgent priority for every branch and every agency of the government. Especially the Public Service Commission (PSC), an agency that determines our energy sources.

As legislators, you have the option to take action on the climate at a scale that the million young people in the state and the hundreds of millions in the world cannot. I sincerely hope you take that responsibility seriously.

I ask that you support this bill and require the Public Service Commission (PSC) to take the climate into account.

CBF_DougMyers_FAV_SB0656

Uploaded by: Myers, Doug

Position: FAV



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 656

Utility Regulation - Consideration of Climate and Labor

DATE: FEBRUARY 25, 2020

POSITION: SUPPORT

POSITION

Chesapeake Bay Foundation SUPPORTS SB 656. This bill requires the Power Plant Research Program in the Department of Natural Resources to evaluate the impact of electric power plants on climate change. It also requires the Public Service Commission to consider the maintenance of fair and stable labor standards for affected workers and climate effects and the State's greenhouse gas emissions reduction goals. It prevents the PSC from taking final action on a Certificate of Public Convenience and Necessity without considering the effect of climate change on the project and, for a generating station, the impact of the project on GHG emissions and its consistency with the State's GHG emissions reduction goals.

COMMENTS

While current law requires the consideration of air and water quality generally, SB 656 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 656 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.

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403
Phone (410) 268-8816 • Fax (410) 280-3513

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.

SB 656_MoCo_Samman_SUPPORT

Uploaded by: Samman, Amy

Position: FAV



Montgomery County

Office of Intergovernmental Relations

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SB 656

DATE: February 25, 2020

SPONSOR: Senator Kramer, *et al.*

ASSIGNED TO: Finance

CONTACT PERSON: Amy Samman (amy.samman@montgomerycountymd.gov)

POSITION: SUPPORT

Utility Regulation – Consideration of Climate and Labor

Senate Bill 656 requires that climate impacts be included in the list of items that must be considered by State agencies, including the Department of Environment and Department of Natural Resources, when making a recommendation to the Public Service Commission (PSC) regarding applications to build a new power plant. The bill also requires that the PSC consider climate issues when regulating public utilities and considering applications for new power plants or transmission lines. Furthermore, it requires the PSC to consider the maintenance of fair and stable labor standards for works when supervising and regulating public service companies.

Montgomery County supports Senate Bill 656. It is critical that climate impacts be part of the conversation as the State considers construction of new power plants. Collecting data on climate impacts and incorporating it into the decision-making process will assist the State and County in meeting greenhouse gas reduction goals.

For the foregoing reasons, Montgomery County respectfully requests a favorable Committee report on Senate Bill 656.

MD Sierra Club_FAV_SB656

Uploaded by: Tulkin, Josh

Position: FAV



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Finance
Testimony on: SB656 – “Utility Regulation - Consideration of Climate and Labor”
Position: Support
Hearing Date: February 25, 2020

The Maryland Sierra Club strongly supports this legislation, one of our priority bills for this session.

The bill would require the Public Service Commission (PSC) to include climate change as one of the several factors it considers in regulating Maryland electricity generation, and Maryland electricity and gas service companies. The PSC is interpreting its governing statute to not allow for consideration of climate change as an independent factor. 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 state’s implementation of its climate change commitments.

What This Legislation Would Do

1. The bill would require the PSC to include climate change as a consideration in all its regulatory activities. The bill does this by clarifying current law which specifies that the PSC has an overall statutory duty to “consider . . . the preservation of environmental quality.” The bill adds that this duty includes “protection of the global climate from continued short-term and long-term warming.”
2. In particular, the PSC would be required to consider climate change in deciding whether to approve new electricity generating facilities and power lines (by granting a certificate of public convenience and necessity (CPCN)). The PSC would be required to both consider the impact of a new power plant on greenhouse gas emissions, and the impact of climate change on a proposed power plant or power line.
3. The bill would provide guidance and assistance to the PSC in two ways with regard to its consideration of climate change. Currently, the Department of the Environment (MDE) and the Department of Natural Resources (DNR) provide environmental analyses to the PSC when the PSC is ruling on CPCN applications; the bill accordingly provides that these analyses should address climate change insofar as that is relevant to the CPCN application at issue. Second, the bill specifies that the PSC’s consideration of climate change (and the input from MDE and DNR) should be guided by the state’s climate change commitments (set forth in the Greenhouse Gas Reduction Act), and should be “based on the best available scientific information recognized by the Intergovernmental Panel on Climate Change [IPCC].”
4. The bill 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 is similar to and augments the current requirement that the PSC consider “the economy of the State.”

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.



7338 Baltimore Ave
Suite 102
College Park, MD 20740

The Climate Crisis and the PSC's Role

Globally, nationwide, and in Maryland we are facing and must confront a growing climate crisis. The signs are everywhere: unprecedented fires raging across Australia; record superstorms hitting Great Britain; a new analysis showing that the Colorado River has lost over a billion tons of water; spring arriving a month early in Maryland; and many, many more.

In 2018, the IPCC – the world's leading scientific authority on climate disruption – cited the devastating impacts of global warming above 1.5 degrees Celsius. The IPCC addressed the emissions reduction pathway to limit warming to no more than 1.5 degrees Celsius, and explained that wealthy nations like the United States must reduce climate-disrupting pollution by 60% by 2030.

The PSC plays a major role in managing Maryland's greenhouse gas emissions:

- The PSC is responsible for approving all large electricity generating facilities,¹ and in-state electricity generation is one of our largest sources of greenhouse gas emissions.² Future PSC decisions, therefore, will have a substantial impact on greenhouse gas emissions in Maryland. It is crucial that the state move to 100% clean electricity, from sources like solar and wind.
- The PSC manages the state's energy efficiency program, EmPOWER Maryland.³ Increasing energy efficiency, and thus reducing energy demand, is an essential part of the state's climate mitigation efforts.
- The PSC also impacts Maryland's largest source of greenhouse gas emissions, the transportation sector.⁴ There is broad agreement that the transportation sector must be transitioned to rely on clean electricity. This underscores the importance of the PSC's future decisions regarding new electricity generating facilities. In addition, the PSC is playing a role in establishing the infrastructure needed to support a vast increase in plug-in electric vehicles (EVs); in 2019, it issued an order approving a five-year EV charging infrastructure pilot program proposed by four of the state's largest electric utilities.⁵

The PSC Does Not Currently Consider Climate Change as an Independent Factor in its Decisionmaking

The PSC's governing statute does not mention climate change, and last year, the PSC confirmed that it does not treat climate change as an independent factor in its decisionmaking. In a July 24, 2019 CPCN order,⁶ the PSC emphasized that its governing statute "does not specifically or generally require considerations regarding climate change," and, instead, "requires due consideration of 'air and water

¹ Pub. Util. Art. sec. 2-207. Certain smaller generating stations are exempted from the CPCN requirement (certain generating stations that have a capacity of 70 megawatts or less, and certain other generating stations that have a capacity of 25 megawatts or less). Pub. Util. Art. sec. 2-207.1.

² State of Maryland 2017 Greenhouse Gas Emission Inventory Documentation, at 3-8, *available at* <https://mde.maryland.gov/programs/Air/ClimateChange/Documents/2019GGRAPlan/Appendices/Appendix%20D%20-%202017%20Greenhouse%20Gas%20Emission%20Inventory%20Documentation.pdf>.

³ Pub. Util. Art. sec. 7-211.

⁴ State of Maryland 2017 Greenhouse Gas Emission Inventory Documentation, at 3-8.

⁵ Order No. 88997, Case No. 9478.

⁶ Order No. 89211, Case No. 9482 (granting a CPCN to the former CP Crane coal plant to repower as a gas plant).

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pollution’ issues ‘when applicable.’”⁷ The PSC further noted that, according to the PSC staff, the PSC “has never required any consideration of climate change in a Proposed Order or CPCN proceeding.”⁸ The PSC concluded, therefore, that the CPCN opponents were not correct when they asserted that “[c]limate change and its impacts” must be “‘front and center’ in all CPCN and other permitting decisions.”⁹

The PSC did suggest that climate change may be considered insofar as it relates to a proposed facility’s impact on “air quality and water pollution.” But that is not a review of a facility’s impact on the climate.

The PSC’s Current Approach Cannot Be Reconciled with the State’s Climate Change Commitments

Maryland is committed to significantly reducing its greenhouse gas emissions. The Greenhouse Gas Reduction Act (GGRA) declares, unequivocally, that “[t]he State shall reduce statewide greenhouse gas emissions by 40% from 2006 levels by 2030.”¹⁰

The GGRA places responsibility for achieving this goal on the entire state government: “The State shall develop plans, adopt regulations, and implement programs that reduce statewide greenhouse gas emissions in accordance with this subtitle.”¹¹ MDE is responsible for developing the necessary plan.¹²

Given the key role that the PSC plays in managing the state’s greenhouse gas emissions, it is imperative that the PSC factor into its decisionmaking the state’s climate change commitments. Indeed, this necessity is implicit in current law, since it is the “State” as a whole that has the duty to “reduce statewide greenhouse gas emissions.”

Requiring the PSC to consider climate change also is fully in accord with current statutory provisions requiring the PSC to consider environmental impacts. The PSC’s overall obligations include “the preservation of environmental quality,”¹³ which clearly must embrace mitigating climate change. Though current law identifies “air quality and water pollution” as CPCN factors but not climate change, this aspect of the PSC’s governing statute was adopted more than 20 years ago, prior to the state adopting climate commitments, and it is plainly nonsensical to require that the PSC consider certain environmental impacts but not consider climate change.

For these reasons, we urge a favorable report on this legislation.

Mark Posner, Legislative Chair
Mark.Posner@MDSierra.org

Josh Tulkin, Chapter Director
Josh.Tulkin@MDSierra.org

⁷ Order at 13-14.

⁸ Order at 6-7.

⁹ Order at 14 n.55.

¹⁰ Envir. Art. sec. 2-1204. Legislation introduced this session (SB926; HB1425) would update this target to 60% by 2030, to reflect recent analyses by the IPCC, and would further specify that the state shall achieve net-zero statewide emissions by 2045. The Maryland Sierra Club supports these changes. Current law also states that the state should seek to achieve the “greenhouse gas emissions reductions needed by 2050 in order to avoid dangerous anthropogenic changes to the Earth’s climate system.” Envir. Art. sec. 2-1211.

¹¹ Envir. Art. sec. 2-1205(a).

¹² Envir. Art. sec. 2-1204(c).

¹³ Pub. Util. Art. sec. 2-113.

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White_FAV_SB656

Uploaded by: White, Ruth Alice

Position: FAV

Committee: Finance Testimony on: SB0656 – “Utility Regulation - Consideration of Climate and Labor” Position: Support Hearing Date: February 25, 2020

I am here to support SB 656, for the Public Service Commission (PSC) to consider climate change. I am an average retired mother and grandmother who has lived in Maryland all my life. I had been a bit of an activist in college but that changed after I graduated, married and had a child.

My daughter was born in 1970, the year of the first Earth Day. I had friends I admired who were excited and involved in Earth Day, but I was pregnant and working. After maternity leave I was a working mom. I didn't get involved.

I didn't get involved in public issues again until I retired. I got started getting concerned about climate change around the time of Al Gore's Inconvenient Truth movie which tried to convince the public of the reality of human caused climate change, and the fact that there are many things we can do about it.

I was one of the founders of a local group, Howard County Climate Action, www.hococlimatechange.org. At first we focused on the individual actions people should take: buy hybrid cars, recycle, turn down the thermostat in winter and up in summer and more. I did all these things.

In a few years, I became a grandmother. This really focused my attention on the future for my daughter and now my grandson. And I kept hearing that the number of greenhouse gases in the atmosphere was rising, and that people, especially we in the developed world who are the bigger emitters, were not taking action fast enough.

The year my daughter was born, the year of the first earth day 50 years, the atmosphere was well below 350 ppm and the focus was on industrial water and air pollution, and beautification efforts. Although we know now many scientists were concerned, I didn't hear about climate change then.

But when Al Gore's movie, the Inconvenient Truth was released, global greenhouse gases (GHGo ppm were already well over 350. Al Gore was sounding an alarm for something that had already happened, although society did not yet connect the science to the daily weather and news

The year my grandson was born, atmospheric greenhouses were well over 350 ppm, and my local group, HoCoClimateAction, had already become a local group in a new international movement, 350.org, dedicated to reducing greenhouse gases to a "safe" level.

350.org takes seriously the statement by former NASA scientist, James Hansen: "If humanity wishes to preserve a planet similar to that on which civilization developed and to which life on Earth is adapted... CO2 will need to be reduced... to at most 350 ppm,"

I am thrilled that Maryland has been one of the more progressive states in passing clean energy legislation and leading the ways for states around us. I collected petitions for the Clean Cars Act and the Offshore Wind Act, and the Maryland Fracking Ban and more.

But my little group in Howard Co, and the international group 350.org have not been able to reduce the rise in greenhouse gases. Between 2013 and 2016 we were sad and horrified to see the atmospheric GHG parts per million exceeded 400. And we are on our way to 500 ppm in coming decades if we don't take dramatic action.

The last time the planet had a concentration of 300 to 400 ppm of CO2 equivalent in the atmosphere was during the mid-Pliocene, 3 million years ago, long before early humans walked the earth. Our species, Homo Sapiens showed up 400,000 years ago at the earliest.

The increase in GHG emissions in the atmosphere is the cause of global warming and we have now increased average temperatures by almost 1-degree celsius (1.71°F). Responding to the UN IPCC report, the Paris Climate Accords emphasized the urgency of keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. But to do this, global emissions will need to reach net-zero around mid-century.

Now that we are well over 400 ppm, we are seeing catastrophic climate change and with the rapid warming it will get worse fast. I live Howard County where Ellicott City saw two "hundred-year" floods in 2 years. But we read and hear about worse floods, and about droughts and migrations because of hunger and wars every day in the news.

Just as a member of the general public, I have attended some of the meetings of the Maryland Commission on Climate Change and have heard briefings on Governor Hogan's plans to move Maryland into further action. Governor Hogan joined the "We are still in" movement to support the Paris Climate Accords. The two parties in Maryland may disagree on exactly how to solve the problem, but we don't deny the problem of climate change, nor the urgency.

Maryland is planning on large reductions in emissions from all sectors. See The Greenhouse Gas Emissions Reduction Act: 2019 GGRA Draft Plan [https://mde.maryland.gov/programs/Air/ClimateChange/Pages/Greenhouse-Gas-Emissions-Reduction-Act-\(GGRA\)--Draft-Plan.aspx](https://mde.maryland.gov/programs/Air/ClimateChange/Pages/Greenhouse-Gas-Emissions-Reduction-Act-(GGRA)--Draft-Plan.aspx) This plan includes the Governor's "CARES" plan for the electrical sector. "CARES would build off the existing Renewable Portfolio Standard (RPS), and require that 100% of Maryland's electricity come from clean sources by 2040, which is among the most ambitious goals in the nation."

I think it is critical that the Public Service Commission, which approves electrical infrastructure, is instructed to view its mission and its decisions in the context of Maryland's plan to transition to clean energy.

I urge passage of SB656/HR531. This is one step we can all take for our children and grandchildren.

Ruth Alice White
8984 Footed Ridge
Columbia MD 21045

FirstEnergy_UNF_SB656

Uploaded by: Grealy, Anne

Position: UNF



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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.

PHI_UNF_SB656

Uploaded by: Lanier, Ivan

Position: UNF



An Exelon Company



An Exelon Company

February 25, 2020

112 West Street
Annapolis, MD 21401
410-269-7115

OPPOSE– SB 656

Senate Bill 656 – Utility Regulation—Consideration of Climate and Labor

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **Senate Bill 656 Utility Regulation – Consideration of Climate and Labor**. Senate Bill 656 would require the Power Plant Research Program to evaluate the impact of electric power plants on climate change from an emissions perspective and in the context of whether Maryland can achieve its greenhouse gas reduction goals. Senate Bill 656 also requires the Public Service Commission (PSC), in its supervision and regulation of public service companies, to consider the maintenance of fair and stable labor standards for affected workers, protection of the global climate from warming and the achievement of the State’s greenhouse gas reduction goals.

Senate Bill 656 is a laudable attempt to amplify the consideration of climate change in Maryland. Maryland has very aggressive greenhouse gas reduction goals and the energy and transportation sector will play a significant role in helping the State to achieve those goals. While the regulating body of public utilities in Maryland, the PSC, arguably has broad authority to consider impact to the environment in its oversight of public utilities, the language of Senate Bill 656 specifies that the PSC must consider scientific information relating to global warming.

However, Pepco and Delmarva Power urge careful consideration of two things: first, whether an undefined standard for the maintenance of “fair and stable labor standards” for affected workers should be included within the purview of the PSC and second, whether the CPCN standards in Maryland should be changed. The Maryland Department Labor is generally responsible for protecting employee wages and rights. For those policies that have been implemented by the states requiring certain wage rates, the Department of Labor is responsible for enforcing those policies. Pepco and Delmarva Power believe the requirement for the PSC to consider “fair and stable labor standards” is not appropriate in the public utilities code since the Department of Labor is responsible for the implementation of those policies.

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 PSC's statutory obligation to determine whether a CPCN is in the best interests of Maryland and the reliability of the electric system. Specifically, the PSC 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 the language in Senate Bill 656 that alters the CPCN process is unnecessary.

For the above reasons, Pepco and Delmarva Power respectfully oppose Senate Bill 656.

Contact:

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BGE_UNF_SB 656

Uploaded by: Washington, Charles

Position: UNF



An Exelon Company

Position Statement

Oppose
Finance Committee
02/25/2020

SB 656 Utility Regulation - Consideration of Climate and Labor

Baltimore Gas and Electric Company (BGE) opposes *Senate Bill Utility Regulation – Consideration of Climate and Labor*, which would require the Power Plant Research Program (PPRP) in the Department of Natural Resources (DNR) to include an evaluation of the impact of electric power plants on climate change as part of its ongoing research, including whether the related emissions and climate effects are consistent with the State’s greenhouse gas (GHG) emissions reduction goals. Additionally, the bill would prohibit the Public Service Commission (Commission) from taking final action on a Certificate of Public Convenience and Necessity (CPCN) without considering the effect of climate change on the project and, for a generating station, the impact of the project on GHG emissions and its consistency with the State’s GHG emissions reduction goals.

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.

MDE_LOI_sb656

Uploaded by: Abbott, Tyler

Position: INFO



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Crumbles, Secretary
Horacio Tablada, Deputy Secretary

February 25, 2020

The Honorable Delores G. Kelley, Chair
Finance Committee
Miller Senate Office Building, 3E
Annapolis, MD 21401

Re: Senate Bill 656- Utility Regulation - Consideration of Climate and Labor

Dear Chair Kelley and Members of the Committee:

The Maryland Department of the Environment (MDE or the Department) has reviewed *SB 656 - Utility Regulation - Consideration of Climate and Labor*. The concept of assessing how new sources of greenhouse gas (GHG) emissions affect the State's overall GHG reduction goals is an important step towards continuing to reduce GHGs in the State. With that in mind, the Department would like to provide some information on the impacts of that assessment under SB 656.

SB 656 would amend section 7-207 of the public utilities article by adding climate change considerations to the certificate for public convenience and necessity (CPCN) process. The bill would require the PSC, before taking final action on a CPCN application, to consider the impact of a specific generating station on the annual and long-term statewide GHG emissions and the consistency of the application with the state's climate commitments for reducing statewide GHG emissions. As this requirement would fall under section 7-207(e), the PSC would likely be relying on MDE to complete this assessment.

If the intent of this language is to require a full quantitative assessment of the statewide emissions impact of a generating station, the most thorough analysis would entail targeted electricity dispatch modeling to evaluate how the state's electricity system would operate both with and without the facility in question over the relevant time period for CPCN assessments. That would estimate not only the emissions from the facility, but also the accompanying change in emissions from all of the other relevant electricity sources in Maryland and in regions from which Maryland imports power, consistent with the cited definition for statewide emissions under section 2-1202 of the Environment Article. An assessment of statewide emissions would also include relevant upstream emissions, including leakage of methane from the transmission system supplying a generating station running on natural gas, to the extent that leakage occurs within Maryland. The references to greenhouse gas emissions in other parts of the bill are worded more broadly, and would cover upstream emissions outside of Maryland, including leakage of methane from the extraction, processing, and transmission systems in the states and regions that produce the natural gas that would be consumed in a Maryland generating station.

Chair Kelley
Page 2

MDE is working on obtaining the capability to perform such analysis using a simplified electricity dispatch model in-house. Such analysis would affect the Department operationally as it would require several weeks' work from an MDE engineer. If this bill's intent is to require an assessment using a more sophisticated electricity dispatch model, such as ones used by EPA and states to develop air pollution regulations, then MDE would need to award a contract for that work, which could cost as much as \$15,000 to \$20,000 per assessment.

Thank you for your consideration. We will continue to monitor *SB 656 - Utility Regulation - Consideration of Climate and Labor* during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at tyler.abbott@maryland.gov.

Sincerely,



Tyler Abbott

cc: George "Tad" Aburn, Director, Air and Radiation Administration

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JASON M. STANEK
CHAIRMAN

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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: SB 656 – INFORMATION – Utility Regulation – Consideration of Climate and Labor

Dear Chair Kelley and Committee Members:

Senate Bill 656 requires the Commission to consider the maintenance of fair and stable labor standards for affected workers and the protection of the global climate—i.e., climate change—in the general supervision and regulation of public service companies. SB 656 further requires, before the Commission can take final action on a CPCN application, that the Commission must consider the effects of the project on climate change. For generating stations, the Commission would be required to consider the impacts of a project on greenhouse gas (“GHG”) emissions and the State’s GHG emissions reduction goals.

Climate Change Requirements

SB 656 expands on the PSC’s existing supervisory and regulatory power over public service companies by specifically adding “protection of the global climate” to the PSC’s consideration of the preservation of environmental quality. Currently, the Commission’s consideration of environmental quality alongside other enumerated goals arises in the context of energy conservation and efficiency programs (e.g., EmPOWER Maryland), renewable energy matters, CPCN applications, and grid modernization. Where applicable, the Commission considers the State’s established climate *goals*, as demonstrated in the Commission’s January 2019 Order approving the implementation of a statewide electric vehicle charging program.

The Maryland Department of the Environment (“MDE”) has a dedicated climate change program, which manages Maryland’s mitigation planning efforts and the administration of GHG Programs like Maryland’s participation in the Regional Greenhouse Gas Initiative (“RGGI”). For each CPCN application, the Commission looks to the recommendations made by 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 state agencies play indispensable roles as subject matter experts on behalf of the State in the CPCN proceeding. The Commission, as the deciding body, evaluates the evidence and recommendations presented by the state agencies and the other parties in order to decide whether or not to issue a CPCN in the public interest. The Commission gives “due consideration” to each factor listed under § 7-207(e), and the same would be true with the addition of climate change under SB 656. MDE would be considered the State’s expert authority on environmental and global climate issues, and it is appropriate that MDE and/or PPRP be the agencies to evaluate the impacts of a proposed CPCN facility on climate change and make appropriate recommendations.

To the extent that the addition of climate change to § 2-113 necessitates additional evidence in other docketed cases, beyond CPCNs, input from state agencies with the relevant expertise could complete the record and allow the Commission to make an informed decision. However, the Commission handles a variety of other case types including supplier licenses, rate cases and mergers where other State agencies do routinely participate. For these types of cases, Technical Staff would require additional resources to evaluate impacts on the State’s GHG emissions reduction goals and specifically, “the best available scientific information recognized by the Intergovernmental Panel on Climate Change” in cases involving ratemaking, mergers, enforcement, and more. Technical Staff would need to acquire specialized knowledge and expertise in climate change in order to provide the level of analysis needed to inform the Commission’s decision-making pursuant to SB 656.

Fair and Stable Labor Standard Requirements

SB 656 also adds the consideration of labor standards to the Commission’s general supervisory and regulatory power over public service companies, requiring the Commission to assess utility compliance with “fair and stable labor standards” in all regulated activities to include ratemaking, CPCNs, mergers, enforcement, and other matters. Currently, the Commission is not mandated to make decisions about labor standards, which may only arise tangentially in a rate case, as related to utility costs and service quality.

On the other hand, the Maryland Department of Labor (“DOL”) handles an array of employment issues, including enforcement of laws concerning wages and time off. SB 656 may require clarifying amendments to delineate jurisdictional responsibilities between the Commission and DOL. Furthermore, DOL is not a regular party to Commission proceedings; therefore, SB 656 would require additional resources at the PSC with expertise in labor standards to evaluate labor impacts in the course of the Commission’s regulatory oversight of public service companies.

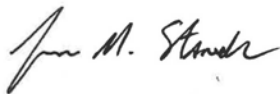
In the limited instance of a utility-filed CPCN application for the construction or modification of a transmission line, it is anticipated that PPRP would coordinate DOL’s review and recommendations concerning the CPCN application.

Conclusion

Currently, the Commission lacks the necessary technical and scientific expertise to implement the labor standards and climate change consideration requirements in the ordinary course of its supervision and regulation of public service companies. To implement SB 656, the Commission would have to rely on the analyses and recommendations of other state agency experts, such as the Departments of Labor, the Environment, and Natural Resources on a routine basis. Absent this assistance, the Commission will need to hire additional resources with the requisite specialized knowledge and/or expertise.

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,

A handwritten signature in black ink, appearing to read "Jason M. Stanek". The signature is fluid and cursive, with the first name "Jason" and last name "Stanek" clearly legible.

Jason M. Stanek
Chairman