



Maryland Chapter

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**Committee: Economic Matters**

**Testimony on: HB777 - “Power Plant Research Program – Review of Application for Certificate of Public Convenience and Necessity – Alterations”**

**Position: Favorable**

**Hearing Date: February 18, 2021**

The Maryland Sierra Club submits this testimony in support of HB777, a bill making necessary improvements to the Public Service Commission’s process for review and decision regarding Certificates of Public Convenience and Necessity (CPCNs) associated with power plant construction.

#### **Why HB777 is needed:**

- In order for the Public Service Commission (PSC) to complete its review of a CPCN application, the Power Plant Research Program (PPRP) – located in the Department of Natural Resources (DNR) – is required to provide a “Project Assessment Report” (PAR) and “Licensing Conditions.” Currently, however, there is a lack of clarity regarding these PPRP submissions which, in turn, is delaying completion of some CPCN application reviews by the PSC.
- Recently, the average time for CPCN reviews has increased from nine months to about 18 months. This prolonged process has contributed to a decrease in the number of CPCNs being granted from eight in 2018 to two in 2019 and three in 2020.
- With the reality that “time is money,” this delay is hampering, and in some cases precluding, the effective development of the clean renewable energy projects Maryland urgently needs to put in place.
  - To meet the in-state solar energy target of 14.5 percent of energy mandated by the Clean Energy Jobs Act, Maryland needs for developers to build, in this decade, an average of 625 megawatts of solar each year.
  - The slow rate of utility scale project approval resulting from the prolonged and less than optimally productive CPCN review process is one major barrier to accomplishing this.

#### **What HB777 does:**

- This bill provides clarification and definition to elements of the CPCN review process that require legislative action to be modified. The bill complements additional modifications to the CPCN process being considered through administrative action by the PSC under a rulemaking procedure (RM72).
- The bill requires PPRP to submit its PAR and Licensing Conditions to the PSC regardless of whether PPRP’s recommendation is to approve or deny a CPCN application, and specifies a reasonable (six month) timeline for submission of these inputs, without which the CPCN review cannot advance.
- The bill also ensures that Licensing Conditions proposed by the PPRP and DNR that relate to wetlands, stormwater management, or erosion and sediment control are consistent with state law requirements on these issues. This element of the bill will eliminate variability in application or interpretation of such environmental requirements in PPRP/DNR assessments of CPCN applications.

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has approximately 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

## **Conclusion**

This bill provides clarity and transparency now lacking in the CPCN review process. It will increase the efficiency and productivity of that process and, in so doing, support Maryland in achieving its clean energy development goals.

We urge a favorable report by this Committee.

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