



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Office of People's Counsel Environmental Reform Act (HB 30) – As Amended – Fact Sheet

Overview

The Office People's Counsel Environmental Reform Act requires Maryland's Office of People's Counsel (OPC) to pursue an environmental mandate as part of its mission to represent residential ratepayers before the state's utilities regulator, the Public Service Commission (PSC).

The bill:

- 1. Clarifies that in determining whether the interests of residential ratepayers are affected, the OPC shall consider the public safety economic welfare; and environmental interests of the state and its residents including the state's progress toward meeting greenhouse gas emissions reduction goals.**
- 2. Requires OPC to hire one Assistant People's Counsel to focus on environmental issues.**
- 3. Allows OPC to hire scientific and technical experts on climate change and other environmental disciplines.**
- 4. Adds the OPC to the Commission on Climate Change and the Zero Emission Electric Vehicle Infrastructure Council.**
- 5. Increases OPC funding by a percentage commensurate with the increase received by the PSC in 2020.**

The Maryland Commission on Climate Change estimates that Maryland is the 4th most vulnerable state in terms of sea-level rise.¹ Additionally, the Maryland Department of Environment estimates that electricity use accounts for 31% of the state's Greenhouse Gas emissions.² Given the integral role the PSC plays in regulating electricity use and the electric industry in Maryland, Marylanders deserve to have their advocate with the PSC look out for the state's environmental interests.

¹ "Sea-Level Rise Projections for Maryland 2018," Maryland Department of Environment (Maryland Commission on Climate Change, n.d.), <https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Pages/index.aspx>.

² "State of Maryland 2017 Greenhouse Gas Emission Inventory Documentation," Maryland Department of Environment, n.d., <https://mde.maryland.gov/programs/Air/ClimateChange/Documents/MD%202017%20Periodic%20GHG%20Emissions%20Inventory%20Documentation.pdf>.

The OPC was founded in 1924 as the first independent utility consumer advocacy office in the United States. Currently, the OPC focuses most of its analysis on residential ratepayer impacts and often does not analyze environmental impacts. The legislation would follow the model of other jurisdictions in specifying that as part of the OPC's representation of residential ratepayer interests, it should take into account concerns related to public safety, economic welfare, and environmental interests.

Powers

The legislation empowers the OPC to represent the environmental interests of Maryland and its residents on all matters before the PSC. Several recent proceedings before the PSC highlight the need for a dedicated climate advocate within OPC. In the PSC ruling "PC 44 Electric Grid", the PSC launched a target review of electric distribution systems in Maryland with the goal of ensuring that Maryland's electric grid is customer-centered, affordable, reliable, and environmentally sustainable. However, OPC's public comments focused mainly on ratepayer impacts in terms of cost and did not analyze how the proposal would impact Maryland's emissions. Similarly, OPC's comments on case #9628 regarding U.S. Wind focused strictly on ratepayer impacts and did not specifically mention environmental issues. The legislation would empower OPC to analyze these types of proceedings to ensure Maryland's environmental interests are being properly evaluated.

As the OPC deems necessary, they will be able to conduct investigations and recommend the PSC make decisions which will protect the environmental interests of the state.

The OPC will also be able to recommend legislation to the General Assembly on any matter related to the PSC's jurisdiction. Additionally, the OPC is entitled to appear before any federal or state jurisdiction to protect Maryland's environmental interests. The OPC's assistant counsel on environmental issues would be added to the Maryland Commission on Climate Change, which is charged with developing an action plan to combat the negative impacts of climate change, as well as the Maryland Zero Emission Vehicle Infrastructure Council.

Staffing

The OPC will be required to hire at least one assistant people's counsel who will focus on environmental issues. Additionally, the OPC is permitted to consult or hire experts in the fields of utility regulation and climate change. These experts include, but are not limited to; cost of capital experts, rate design experts, accountants, economists, engineers, transportation specialists, lawyers, meteorologists, oceanographers, ecologists, foresters, geologists, seismologists and botanists.

Commissions

The bill adds OPC to the Commission on Climate Change and Zero Emission Electric Vehicle Infrastructure Council.

Funding

To fund the new position of assistant counsel for environmental issues, the OPC will also receive 0.074% of the PSC's gross operating revenues derived from intrastate utility and electricity supplier operations in the preceding calendar year, which represents an increase from the 0.05% currently used to fund OPC. Last year, the PSC received an equivalent increase in its funding.

Conclusion

For nearly a century, the OPC has provided valuable advocacy on behalf of Maryland's residents on ratepayer issues. Office People's Counsel Environmental Reform Act simply extends that advocacy to environmental issues to ensure that the environmental interests of the state are not only addressed and evaluated, but also advocated for.