

SB0083-FAV-DTMG-1-26-21.pdf

Uploaded by: Bartlett, Olivia

Position: FAV



Committee: Finance

Testimony on: SB0083 Utility Regulation – Consideration of Climate and Labor

Position: Favorable

Hearing Date: January 21, 2021

Bill Contact: Senator Kramer

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 2000 members who live in a wide range of communities in Montgomery and Frederick Counties, from Bethesda near the DC line north to Frederick and from Potomac east to Silver Spring and Olney. DTMG supports legislation and activities that keep its members healthy and safe in a clean environment and which promote equity across all of our diverse communities. DTMG strongly supports SB0083 because it will make sure that the Public Service Commission (PSC) explicitly addresses the existential threat of climate change in its future decision-making.

Greenhouse gas (GHG) emissions are a driving factor in global warming and climate change. The Greenhouse Gas Reduction Act (GGRA) of 2016 requires that Maryland work to reduce GHGs significantly over the coming years. The PSC is the regulatory agency that oversees Maryland's gas and electric utilities and approves energy generation facilities. According to the most recent GHG Inventory published by the Maryland Department of the Environment (MDE), gas utilities and generation of electricity together account for almost a third of the GHG emissions, including CO₂, methane, and nitrous oxides, in Maryland. Therefore, the PSC plays a major role in regulating industries and facilities that make major contributions to the state's GHG emissions and climate change.

However, there is a gap between the GGRA and current statutes relating to the PSC. The PSC has interpreted its governing statute not to allow consideration of GHG emission or impacts of new electricity generation facilities on climate change in its decisions. This gap in requirements allows the PSC to make decisions that are contrary to what Maryland needs to do to meet its GHG reduction goals and mitigate climate change.

SB0083 will close this gap and require the PSC to use the best available science to consider GHG emissions and near- and longer-term climate impacts in all of its decisions regarding Maryland electricity generation and Maryland electricity and gas service companies. This will make sure that PSC decisions are consistent with Maryland's important commitments to reducing GHGs and mitigating the effects of climate change for all of its residents.

In addition, SB0083 will also require the PSC to promote fair labor standards by collecting information about the wages and benefits provided by contractors and subcontractors in the energy sector in Maryland.

Including these considerations in the regulatory process is crucial as we work toward building a new, just, green economy. Therefore, DTMG strongly supports SB0083 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

Olivia Bartlett
Co-lead, DoTheMostGood Maryland Team
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240-751-5599

Rick Binetti (LiUNA BWLDC) testimony sb83 support

Uploaded by: binetti, rick

Position: FAV



Chair Delores Kelley
Vice-Chair Brian Feldman
Members
Senate Finance Committee
3 East Miller Ofc Bldg
Annapolis, MD 21401

January 26, 2021

SB 83 – Utility Regulation - Consideration of Climate and Labor Testimony
Position – Favorable

Good afternoon Chairwoman Kelley and members of the Senate Finance Committee. My name is Rick Binetti, here on behalf of LiUNA's Baltimore Washington District Council. Thank you for the opportunity to provide testimony in support of SB 83.

The committee heard a very similar form of this bill during the 2020 session. The committee voted favorably, and it ultimately passed the Senate. The difference in this year's bill would simply add utility reporting requirements provided to the MD Public Service Commission about the trade classification, wage and benefits information paid to the contracted-out construction workers that are used on utility infrastructure projects.

In Maryland, BWLDC has about 800 members who work on these projects for contractors employed by Washington Gas, BGE and Pepco. Just as they are on many Maryland public infrastructure projects, our members provide a highly skilled and safe workforce for contractors doing utility work.

In 2019 and 2020, LiUNA participated in the MD Public Service Commission's (PSC) Workgroup on Alternative Rates (Case PS51). Throughout the discussion of what MD's multiyear ratemaking should look like, it became abundantly clear that the PSC does not consider information about labor standards - like wage rates, health care coverage and benefits, worker classification – for the state's contracted-out utility workforce.

Because the regulated utilities are such an important part of the state's economy, and its contracted-out construction workforce is so large, it is in Maryland's best interest that our regulated utilities use contractors that prioritize worker safety and skills training, pay family sustaining wages, and provide them access to meaningful healthcare.

Other states, like Colorado, have already recognized that a procurement model that prioritizes a price per kilowatt hour or price per therm above all other factors is flawed. "Best Value Employment Metrics" are now used by the Colorado Public Utilities Commission to evaluate new resource acquisitions. When utility proposals are brought to the Colorado Commission for review,

the Commission considers the availability of training programs, employment of Colorado workers, competitive wages, and benefits offered to workers on those projects.

By considering labor standards as part of its duties, the Commission can ensure state's ratepayers are getting the safest and best-skilled utility construction workforce possible by reducing turnover, improving workplace safety, and increasing the productivity of the contractor workforce.

As Maryland enters into an era of multi-year ratemaking, utilities are likely to experience reduced regulatory lag and lower borrowing costs. 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.

I have attached with this testimony, LIUNA's Final Comments on PSC Case PC51 which make the case that Maryland should leverage new forms of ratemaking to fortify and expand opportunities for more construction workers to work their way into our state's middle class.

We urge for a favorable report on SB 83. Thank you.

SB83_IndivisibleHoCoMD_FAV_RichardDeutschmann.pdf

Uploaded by: Deutschmann, Richard

Position: FAV



SB83 – Utility Regulation – Consideration of Climate and Labor

Testimony before Senate Finance Committee

January 26, 2021

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 support of SB83, to require the Public Service Commission to consider labor standards and climate change in their deliberations. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members).

The world's leading climate scientists warn that we have 10 short years to dramatically reduce our climate-disrupting emissions. In order for our state to do this effectively, we must move forward by coordinating our commissions, agencies and other governmental bodies to this critical goal. Currently, our Public Service Commission (PSC) is making decisions on future, long term energy resources without having to consider the crucial climate goals of the state. This is simply unconscionable and must be changed. This bill fixes this glaring hole in our public discourse and decision-making, by requiring the PSC and other state agencies to consider climate change in all of its deliberations. Passage of this legislation will improve public health and air quality, increase jobs and economic development in green energy, and help to guide Maryland into the clean energy economy of the future that we all want.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Richard Deutschmann
Columbia, MD 21045

SB 83 - PSC Consideration of Climate and Labor.pdf

Uploaded by: Edwards, Donna

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 83 – Utility Regulation – Consideration of Climate and Labor Senate Finance Committee January 26, 2021

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of SB 83 – Utility Regulation – Consideration of Climate and Labor. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

The Public Service Commission (PSC) has tremendous power and authority to determine the future of energy generation in Maryland. As such, and with all organization with that level of power, accountability, transparency, and the consideration of the livelihoods of Marylanders needs to be in the forefront.

SB 83 requires that energy generating companies submit information about their contracted workers on an annual basis, and, in turn, the PSC will then submit that information to the General Assembly. And the information collected will be granular in details: Trade classification, Apprentices working on projects, hourly wages for each contracted-out construction worker, health care benefits for each worker, Fringe benefits paid per worker, and total number of full-time and part-time workers on a project. This information is critical for policy makers in determining future energy needs and balancing that with the needs of workers and their families.

SB 83 also instructs the PSC to add to their considerations, when supervising and regulating public service companies the maintenance of fair and stable labor standards for affected workers. This consideration can only be done with the complete, accurate, and timely information provided by the energy companies. With an accurate picture of which energy companies and, more importantly, energy sectors are honoring the labor of the workers, the PSC can more easily use that information in considering future projects by these companies.

For our energy construction workers and their families, **we urge a favorable report on SB 83.**

SB0083_CCAN AF_Field_FAV.pdf

Uploaded by: Field, Anthony

Position: FAV

**Testimony in Support of
Utility Regulation - Consideration of Climate and Labor (SB 0083)
Senate Finance Committee | January 26, 2021**

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 climate crisis by enacting strong climate policies. Since the first piece of legislation that CCAN supported in 2004, which mandated that 7.5 percent of the state's electricity come from renewable sources, the General Assembly has increased our clean-energy goals to 50 percent by 2030. Legislators also passed a bill 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.

These are important steps, but 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. If the state is to meet its climate goals, then this key agency must factor climate into its decision-making and keep labor standards and equity front and center.

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. In response, the PSC Commissioners essentially said their hands were tied. The PSC stated that its governing statute "does not specifically or generally require considerations regarding climate change." The PSC staff agreed: "the Commission has never required that any consideration of climate change and its effects be included in a . . . proceeding."

Similarly, in testimony submitted to the Senate Finance Committee in 2020, the PSC stated that, "...the Commission is not mandated to make decisions about labor standards...". We need a PSC that is able to fully consider these proposals' climate change and labor impacts.

This bill is a commonsense solution that 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, Senate Bill 0083 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



begins to consider climate change. The bill would also require the Commission to consider the maintenance of fair and stable labor standards for affected workers by supervising and regulating certain public service companies and requiring energy companies applying to the PSC to disclose the benefits they will give to workers on specific energy projects.

Maryland legislators, at the urging of their constituents, have committed in law to specific targets for reducing greenhouse gas emissions. Senate Bill 0083 would provide a necessary solution to the PSC's current limitations on considering climate change and labor impacts. It creates an effective and straightforward process to bring the PSC in line with the rest of the state's climate commitments and allows for labor standards and equity to receive fair consideration.

CCAN Action Fund urges a favorable report on Senate Bill 0083.

CONTACT

Anthony Field, Maryland Campaign Coordinator
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SB0083_CCAN AF_Org Sign-on_FAV.pdf

Uploaded by: Field, Anthony

Position: FAV

TO:

Delores G. Kelley, Chair
Brian J. Feldman, Vice-Chair
and the members of the Maryland Senate Finance Committee
Miller Senate Office Building
11 Bladen St., Annapolis, Maryland 21411

FROM:

Coalition of Maryland Grassroots, Climate, and Labor organizations

SUBJECT: 2021 Consideration of Climate and Labor (HB0298 / SB0083) Organizational Sign-on Letter

January 22, 2021

Dear Maryland General Assembly:

We, the undersigned groups, urge you to support legislation to require the Public Service Commission (PSC) to implement a climate and labor "test" during its decision-making processes (HB0298 / SB0083).

The world's leading climate scientists warn that we have 10 short years to dramatically reduce our climate-disrupting emissions. This means we need to consider climate when making decisions about how we power our homes, industries, and cars, and keep labor standards and equity front and center while we build this new economy. We need a Public Service Commission that is able to fully consider these proposals' climate change and labor impacts.

Maryland has committed, legislatively, to specific targets for reducing our greenhouse gas emissions. Maryland's electricity-generating coal and gas plants are the State's second highest emitter of greenhouse gases and the State oversees the electricity sector and approves all new power plants through the PSC, a unit within the Executive Branch of State government.

Notwithstanding Maryland's climate commitments and the significant role that the State's electricity generation plays in heating the climate, the PSC does not consider climate in its decision-making processes for guiding the State's electricity future. This was confirmed by the PSC staff in 2019 when the PSC approved the repowering of the retired coal-fired CP Crane facility in Baltimore to gas. The PSC staff advised 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."

Similarly, in testimony submitted to the Senate Finance Committee in 2020, the PSC stated that, "...the Commission is not mandated to make decisions about labor standards...". It is important that the PSC keep labor standards and equity front and center. We need a PSC that is able to fully consider these proposals' climate change and labor impacts.

In a world that is both literally and metaphorically on fire, there is no room for state agencies to ignore climate change and it stands to reason that the PSC – a core part of state government and the principal regulator of electricity in Maryland – should take into consideration the State's own climate commitments.

Under this legislation, the PSC would be required to:

- Consider climate change in its regulation of the electricity sector, based upon the best available scientific information recognized by the IPCC and achieving our state climate goals.
- Consider climate impacts when reviewing applications for new electricity generating facilities, and when it approves the sites for new facilities.
- Ensure that state agencies have also considered climate when providing input to the PSC regarding applications for new facilities.
- Require energy companies applying to the PSC to disclose the benefits they will give to workers on specific energy projects.

The bill also would require state agencies to 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 and labor "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 ask you to support legislation that would institute a climate test at the PSC.

Signed:

350 Montgomery County (350MoCo)

Advocacy and Training Center

Calvert Citizens for a Healthy Community

Cedar Lane Unitarian Universalist Church

Central Maryland Beekeepers Association

Chesapeake Climate Action Network Action Fund (CCAN AF)

Clean Air Prince George's

Climate Law & Policy Project

Climate Steward of Greater Annapolis

Climate XChange

Creation Care Action & Advocacy of the Baltimore-Washington Conference of UMC

Eastern Panhandle Green Coalition

Emmanuel United Methodist Church, Laurel

Food & Water Watch

Frack Free Frostburg

Greenbelt Climate Action Network

Howard County Climate Action

Indivisible Howard County

Interfaith Power & Light (DC.MD.NoVA)

LiUNA, Balt/Wash Laborers District Council

Maryland League of Conservation Voters

Maryland Legislative Coalition

MD Campaign for Environmental Human Rights

MOM's Organic Market

Mountain Maryland Movement - Frostburg

Our Revolution Howard County

Safe Skies Maryland

Strong Future Maryland

Sunrise Movement Baltimore

Takoma Park Mobilization Environment Committee

The Climate Mobilization Montgomery County Chapter

Unitarian Universalist Legislative Ministry of Maryland

Women Indivisible Strong Effective (WISE)

SB0083 - Testimony - Climate Parents of PG.pdf

Uploaded by: Jakuta, Joseph

Position: FAV

Committee: Finance Committee

Testimony on: SB0083 - *"Utility Regulation - Consideration of Climate and Labor"*

Organization: Climate Parents of Prince George's

Person Submitting: Joseph Jakuta, Lead Volunteer

Position: Favorable

Hearing Date: January 26, 2021

Climate Parents of Prince George's County, supports SB 83, Utility Regulation - Consideration of Climate and Labor.

To frame this we want to point to a 2019 report titled "Clear, Present and Underpriced: The Physical Risks of Climate Change" by the Rhodium Group, a leading nonpartisan consulting firm. The report states "Climate change is here and exposing individual assets, industries, and entire regional economies to new risks. Heat waves, hurricanes, high tide flooding, and other extreme weather events have become more severe—and more costly. Investors have been slow to understand and respond to these physical climate risks and their economic and market implications. With new data and tools, better risk management is possible."

When it comes to this consideration of these risks, one of the most important decision makers in Maryland is the Public Service Commission (PSC). They evaluate projects that can both have an effect on exacerbating climate change and can become stranded financial assets if the proper evaluation of the future is not conducted. The PSC must consider the climate risks associated with expanding the natural gas pipeline network, of building and maintaining fossil-fuel power plants, and of limiting renewable development. And it isn't just about evaluating how energy is produced either. If climate is not considered, major projects could be built in areas prone to flooding or face other consequences from natural phenomena that are worsening under climate change.

As parents of children that are growing up in this time we know that the PSC will need to be directed by the Maryland General Assembly through its legislation how to properly evaluate its decision making in light of their future. Do we want Maryland children to have skyrocketing energy costs because they have to pay off natural gas infrastructure that could only be used for ten years? Do we want Maryland children to have to pay to replace a five year old solar facility because the siting did not include an evaluation of the risks of climate induced flooding? More importantly do we want Maryland children to live in a world where the PSC did not consider whether their future planet would be livable in favor of short term interests? We need the MDGA to act and direct the PSC to make these considerations when examining projects.

We encourage a FAVORABLE report for this important legislation.

SB83 Kopp Testimony (FAV).pdf

Uploaded by: Kopp, Nancy

Position: FAV



MARYLAND STATE TREASURER
Nancy K. Kopp

Written Testimony of State Treasurer Nancy K. Kopp

SB 83 – Utility Regulation – Consideration of Climate and Labor

**Before the
Finance Committee**

January 26, 2021

Thank you for the opportunity to express my appreciation and support for SB 83, which clarifies the responsibility and authority of the Public Service Commission (PSC). I write both as State Treasurer, and as a member of the Maryland Commission on Climate Change.

As you know, Maryland is dedicated to achieving the clear goals in our Greenhouse Gas Reduction Act (GGRA) and Renewable Portfolio Standards (RPS) provisions. In order to meet these commitments to reduce emissions and move to renewable power, the PSC must play a vital role and incorporate achievement of the state goals as it regulates public service companies. Indeed, as a co-author of the 1976 law enlarging and empowering the PSC, I believe that this consideration is an inherent obligation of the Commission.

Recognizing, however, that the PSC had indicated doubt regarding its charge and authority, and that our present knowledge and understanding of the impact of global climate change lends urgency to this critical issue, I urge enactment of SB 83 and its House counterpart. SB 83 provides clarity and an explicit linkage to the most recent and best scientific information incorporated in the latest reports from the Intergovernmental Panel on Climate Change.

SB 83 also codifies the requirement to consider fair labor standards for all affected workers; a necessity for a just transition into this new energy era. Additionally, a recently added provision requiring annual public reports on contractor wages and benefits further promotes transparency and assures that these vital concerns remain a powerful part of any discussion.

I respectfully urge a favorable report on SB 83.

IPL SB 83 Testimony - Consideration of Climate and

Uploaded by: Lacock-Nisly, Jonathan

Position: FAV

Jonathan Lacock-Nisly, Director of Faithful Advocacy

January 22, 2021

**Testimony on SB83 –
Consideration of Climate and Labor
Finance Committee**

Position: Favorable

Interfaith Power & Light (DC.MD.NoVA) supports SB83.

In houses of worship across Maryland, congregations are setting their own “climate tests” when deciding how to power their sacred spaces. These congregations understand the science of climate change, and recognize that we must act immediately to avoid the worst effects of the climate crisis.

After weighing the effects of fossil fuels on our damaged climate, about two dozen congregations across Maryland have installed solar panels to capture clean energy from above. Many more congregations have purchased clean solar or wind power from an energy provider.

Our Public Service Commission must have that same ability. We need a PSC that is empowered to fully consider the effects of our energy choices on our climate and our workers, and to act accordingly.

We encourage a favorable report on SB83.



Solar congregations in our region, with Maryland congregations shown in green. See the names of these congregations and learn more at <https://ipldmv.org/go-green/solar/>

TESTIMONY FOR SB0083 Utility Regulation - Consider

Uploaded by: Plante, Cecilia

Position: FAV



TESTIMONY FOR SB0083
UTILITY REGULATION – CONSIDERATION OF CLIMATE AND LABOR

Bill Sponsor: Senator Kramer

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0083 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

The Public Service Commission is failing us. In a time where the world is literally burning up, they are continuing to approve fossil fuel infrastructure. They have said that their remit does not require them to consider the impact on climate of building more fossil fuel infrastructure when there are clear (and clean) alternatives that would not affect the environment in such a devastating way. They don't even have to consider fair labor standards when evaluating projects, so they don't.

We have to fix this. If we can't depend on our own public servants to make good decisions, we at least have to change their remit to ensure that they are forced to consider what they should. It is madness that we have to do this, but it seems that we must.

We support this bill and recommend a **FAVORABLE** report in committee.

SB83 - Utility Regulation-Consideration of Climate

Uploaded by: Tulkin, Josh

Position: FAV



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Economic Matters

Testimony on: HB298 – “Utility Regulation - Consideration of Climate and Labor”

Position: Support

Hearing Date: January 21, 2021

The Maryland Sierra Club strongly supports SB83, one of the most important bills before the General Assembly this session. This bill not only would provide for a significant advance in Maryland’s climate mitigation efforts, it also advances labor protections, and is supported by both environmental and labor groups.

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 electricity and gas service companies generally. Currently, the PSC interprets its governing statute to not allow for consideration of climate change as an independent factor. As a result, the PSC places no importance on, and is essentially ignoring, the climate and clean energy 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. The bill further provides for the PSC to take into account the interests of utility workers in its regulatory actions.

What This Legislation Specifically 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 a statutory duty to “consider . . . the preservation of environmental quality.” The bill clarifies 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 (which it does 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 specifies that the PSC’s consideration of climate change should be guided by the state’s climate change commitments, and should be “based on the best available scientific information recognized by the Intergovernmental Panel on Climate Change [IPCC].”
4. The bill provides for the PSC to receive guidance and assistance 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 considering a CPCN application. The bill specifies that these analyses would now also address climate change insofar as climate change is relevant to the CPCN application at issue.
5. The bill would require the PSC 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 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.



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 and existential climate crisis. The signs are everywhere: unprecedented fires raging in California; record superstorms; analysis showing that the Colorado River has lost over a billion tons of water; huge decreases in winter snow 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 regulating and managing Maryland's greenhouse gas emissions:

- In-state electricity generation is one of Maryland's largest sources of greenhouse gas emissions,¹ and the PSC is responsible for approving all large electricity generating facilities.² Future PSC decisions, accordingly, 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 in 2019, 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

¹ 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>.

² 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.

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).

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



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College Park, MD 20740

considerations regarding climate change,” and, instead, “requires due consideration of ‘air and water 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 parties who were opposing that particular CPCN application 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 might be considered in a CPCN proceeding if and when it relates to a proposed facility’s impact on “air quality and water pollution.” But doing that is far from the PSC conducting a review of a proposed generating plant’s future 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 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, as a substantive matter, clearly must embrace mitigating climate change. Current law specifically 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. It is now plainly nonsensical to require that the PSC consider certain environmental impacts but not consider climate change, and this error and omission must be corrected.

⁷ Order at 13-14.

⁸ Order at 6-7.

⁹ Order at 14 n.55.

¹⁰ Envir. Art. sec. 2-1204. Legislation being introduced this session (SB414/HB583) 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.

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



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College Park, MD 20740

The Bill Also, Importantly, Advances Worker Protections

The Sierra Club, nationally and in Maryland, is committed to the principles of equity, justice, and inclusion, and supports placing these principles at the center of environmental initiatives. These principles include respecting and supporting the rights of workers, including their ability to have good jobs, earn a decent living, and enjoy occupational health and safety protections.

The bill would require the PSC to consider “the maintenance of fair and stable labor standards for affected workers” in its regulatory activities. Specifically, the PSC would be required to obtain yearly wage and benefit information from gas and electric companies for certain contracted-out construction workers.

Conclusion

For these reasons, the Maryland Sierra Club strongly urges a favorable report on this legislation.

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

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

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

SB83_StrongFutureMaryland_FAV.pdf

Uploaded by: Wilkerson, Alice

Position: FAV



**Testimony in Support of Senate Bill 83 (Senator Kramer)
Utility Regulation - Consideration of Climate and Labor**

January 26, 2021

Dear Chairman Kelley and Members of the Finance Committee:

On behalf of Strong Future Maryland, we write in strong support of Senate Bill 83. Strong Future Maryland works to advance bold, progressive policy changes to address systemic inequality and promote a sustainable, just and prosperous economic future for all Marylanders. We urge you to support this legislation as part of the forward-thinking mandate for climate consideration and climate action favored by the people of Maryland.

SB 83 requires the Public Service Commission (PSC) to consider issues related to climate change and fair labor standards in its deliberations. Current statute does not, in the words of the PSC, “specifically or generally require considerations regarding climate change,” and the Commission “is not mandated to make decisions about labor standards.” Strong Future Maryland believes the PSC should consider climate actions in its regulation of the utility sector, using the best available scientific information, as well as require energy companies to disclose the benefits they will provide to workers on specific energy projects.

Just last week, an international group of scientists released a paper stating the planet is facing a “ghastly future of mass extinction, declining health and climate-disruption upheavals” that threaten human survival because of ignorance and inaction. The 17 experts say the planet is in a much worse state than most people – even scientists – understood.

“The scale of the threats to the biosphere and all its lifeforms – including humanity – is in fact so great that it is difficult to grasp for even well-informed experts,” they write in a report in [Frontiers in Conservation Science](#) which references more than 150 studies detailing the world’s major environmental challenges.

Notably, the impacts of our slowly warming planet are inextricably intertwined with all our other challenges. Climate change impacts the likelihood of future pandemics, climate-induced mass migrations, and battles over resources. It affects Maryland’s agricultural economy, the ability of our biodiversity to thrive, and the health of the Chesapeake and Coastal Bays. As Maryland already faces severe air quality issues, climate change further compromises the health of our residents.

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@FutureMaryland @StrongFutureMD

As a country, we are in the midst of a new racial reckoning, and we must not ignore the disproportionate environmental burdens faced by communities of color and low-income communities. According to a [2015 report](#) from the Environmental Law Clinic of the University of Maryland Francis King Carey School of Law, socioeconomically disadvantaged and African American communities in Maryland bear a disproportionate burden of cancer risk from air toxics exposure and are also more likely to live in close proximity to toxic releasing facilities like incinerators. The American Lung Association 2020 [“Road to Clean Air” report](#) gives Maryland abysmal grades for smog or ozone pollution, including F's for both Baltimore and Prince George's County. Across Baltimore, the hottest areas tend to be the poorest and that pattern is not unusual. In dozens of major U.S. cities, low-income neighborhoods are more likely to be hotter than their wealthier counterparts.

Maryland must do more for climate action — in the name of environmental justice, for the health of our communities, and for the future of our families. This committee can make a commitment to that work by ensuring climate and labor considerations are key factors in decisions by our state government regarding the energy sector.

For all of these reasons, we urge a favorable report on Senate Bill 83.

John B. King Jr.
Founder and Board Chair

Alice Wilkerson
Executive Director

SB083_2021_GRID-Alternatives-Mid-Atlantic-Alexandr

Uploaded by: Wyatt, Alexandra

Position: FAV



Maryland General Assembly

Senate Finance Committee

January 26, 2021

Testimony of Alexandra Wyatt

Policy Director and Legal Counsel

GRID Alternatives

SB83, an Act Concerning Utility Regulation – Consideration of Climate and Labor

Sponsor: Senator Kramer

Position: FAVORABLE

Thank you for the opportunity to provide testimony on SB 83, Utility Regulation – Consideration of Climate and Labor. My name is Alexandra Wyatt and I am Policy Director and Legal Counsel for GRID Alternatives, the nation's largest nonprofit solar installer. Our affiliate GRID Alternatives Mid-Atlantic (GRID Mid-Atlantic) operates in Maryland, Virginia, and the District of Columbia, providing solar job training and no-cost solar installations to underserved and low-income customers. GRID Mid-Atlantic offers these comments in support of SB 83 and requests a **favorable** report in committee. We also suggest amendments that could make the legislation even stronger and more equity-focused.

GRID Mid-Atlantic's mission is to build community-powered solutions to advance economic, environmental, and climate justice through renewable energy. We envision a rapid, equitable transition to a world powered by renewable energy that benefits everyone. For this transition to be achieved, it is essential that Maryland's energy regulators be empowered and required to engage in reality-based analysis that (1) accounts for the true costs of climate change, especially for vulnerable populations, and (2) acknowledges the full impact of Maryland's changing energy system on the state's current and future workers. SB 83's direction to the Maryland Public Service Commission (PSC) to consider climate and labor standards in its power plant approval decisions, research programs, and utility oversight and regulation would do much to promote this necessary future and better align the PSC with modern science and regulatory practice.

GRID Mid-Atlantic suggests that an even more holistic, and realistic, mandate would also expressly incorporate environmental and climate justice considerations. Greenhouse gas (GHG) emissions are not the only aspects of our fossil fuel-based extractive economy that harm Maryland's economy and disproportionately harm Maryland's most vulnerable communities and households. Other air and water contaminants affect Maryland residents' health as well. GHGs, toxic pollutants, land use, high energy burdens, and other consequences of our energy system all contribute to racial and economic injustice that is just as urgent a problem for the families facing it as climate change. Fully accounting for these equity "co-benefits" of shifting away from fossil fuels can further strengthen the case for clean energy.



Maryland's neighbor, the District of Columbia, recently added mandatory considerations for its own Public Service Commission (and Office of People's Counsel) that more broadly reference "the District's public climate commitments," which are multifaceted and include building capacity to plan for equity in all energy actions and programs.¹ New York's Climate Leadership and Community Protection Act also contains strong equity and justice provisions for the state's State agencies, authorities and entities, including consideration of input from the state's environmental justice working group.² Maryland could build on these and other models to ensure that the factors that its PSC considers are appropriately comprehensive and equitable.³ Without additional language along these lines, PSC analysis will still have gaps, and vulnerable communities may not receive a fair benefit from the state's climate efforts.

Equity and justice can only be achieved with deliberate work, but they are essential to the success of Maryland's climate ambitions. Designation and consideration of disadvantaged communities, in a way that incorporates the input and expertise of those communities, could enable Maryland's climate and clean energy efforts to be more accountable on equity and justice. Meaningful consultation with those communities is also indispensable; being at the front lines of climate and energy crises means not only that these communities face their harms first and worst, but also that they have unique expertise around the solutions to these crises. Incorporating clear procedural and substantive equity standards among the PSC's mandatory considerations in its utility oversight and regulation would strengthen Maryland's climate action framework while building support and durability for the necessary policies.

GRID Mid-Atlantic is very pleased to see Maryland's leaders prioritizing climate ambition. We thank you for your consideration of SB 83, and we hope that you will advance it.

¹ D.C. Law 22-257. Clean Energy DC Omnibus Amendment Act of 2018; Clean Energy DC, the District of Columbia Climate and Energy Action Plan (2018), https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page_content/attachments/Clean%20Energy%20DC%20-%20Full%20Report_0.pdf.

² See, e.g., N.Y. Consol. Laws, Envtl. Cons. L. § 75-0117.

³ Maryland's PSC considerations could, for example, cross reference Md. Code Ann., Envir. § 1-701 on Environmental Justice, or other provisions of law and/or official reports.

SB0083-Fav-TPMEC-PSCClimateBill (1).pdf

Uploaded by: Younts, Diana

Position: FAV



Environment Committee

Committee: Finance
Testimony on: SB0083 - "Utility Regulation-Consideration of Climate and Labor
Organization: Takoma Park Mobilization Environment Committee
Person
Submitting: Diana Younts, co-chair
Position: Favorable
Hearing Date: January 26, 2021

Dear M. Chairman and Committee Members,

We are testifying today to urge you to vote favorably for SB0083. 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.

Climate & Labor Benefits: 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." Additionally, 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.

Maryland legislators, at the urging of their constituents, have committed in law to specific targets for reducing greenhouse gas emissions. Senate Bill 83 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.

For these reasons we urge you to vote favorably for SB0083.

SB0083-Fav-TPMEC-PSCClimateBill (2).pdf

Uploaded by: Younts, Diana

Position: FAV



Environment Committee

Committee: Finance
Testimony on: SB0083 - "Utility Regulation-Consideration of Climate and Labor
Organization: Takoma Park Mobilization Environment Committee
Person
Submitting: Diana Younts, co-chair
Position: Favorable
Hearing Date: January 26, 2021

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For these reasons we urge you to vote favorably for SB0083.

SB083-FAV-PSCClimateBill (2).pdf

Uploaded by: Younts, Diana

Position: FAV



Committee: Finance

Testimony on: SB0083 - "Utility Regulation-Consideration of Climate and Labor

Organization: MLC Climate Justice Wing

Person

Submitting: Diana Younts, co-chair

Position: Favorable

Hearing Date: January 26, 2021

Dear M. Chair and Committee Members,

Thank you for allowing our testimony today in support of SB0083. MLC's Climate Justice Wing is a statewide coalition of over 50 grassroots and grasstops organizations focused on getting State level climate justice legislation passed. Each bill for which we advocate is evaluated through an equity lens, with a particular focus on how disadvantaged communities are affected by the bill and the bill's climate impact.

We are testifying today to urge you to vote favorably for SB0083. 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.

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PSC, as a general matter, to consider “the maintenance of fair and stable labor standards for affected workers” in its regulatory activities.

Maryland legislators, at the urging of their constituents, have committed in law to specific targets for reducing greenhouse gas emissions. Senate Bill 83 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.

For these reasons we urge you to vote favorably for SB0083.

SB 83 - Testimony of CUC (01-26-21).pdf

Uploaded by: Baccino, Steve

Position: UNF



January 26, 2021

SENATE FINANCE COMMITTEE
SB 83 – Utility Regulation – Consideration of Climate and Labor

Statement in Opposition

Chesapeake Utilities Corporation (“Chesapeake Utilities”) respectfully OPPOSES SB 83 which, among other things, would require the Maryland Public Service Commission (“Commission”) to consider “climate change” and “fair and stable labor standards” in all decisions when supervising and regulating public service companies. In addition, SB 83 would require all gas and electric companies (but not other public service companies) to file an annual report with the Commission that provides detailed worker wage and benefit information for all capital projects from the preceding calendar year (and requires that report to be filed with the General Assembly). Finally, SB 83 would specifically require the Commission to consider the effect of climate change in the context of a proceeding for a certificate of public convenience and necessity (CPCN) for an electric overhead transmission line or electric generation station.

First, SB 83 is predicated on an inaccurate narrative. Last year, the proponents asserted that this legislation was necessary because - in a prior CPCN proceeding concerning the CP Crane power plant in Baltimore County (Case No. 9482) - the Commission ruled that climate change was not “explicitly part of the decision making process.” This argument is misleading. In Case No. 9482 (Order No. 89211), an intervenor environmental group *failed* to present *any evidence* of “climate change” during the evidentiary phase of the case before the Public Utility Law Judge. Instead, the environmental group waited until the Law Judge issued her proposed order; and then filed an appeal with the full Commission arguing that the proposed order failed to consider climate change. On appeal, the Commission rightly rejected that argument and noted that the environmental group (as a party) had a duty to present evidence during the evidentiary phase of a case or risk the consequences (“The Commission finds that by failing to adequately participate in the proceedings before the... Law Judge in this matter and by failing to introduce evidence in the record or challenge the evidence introduced by the Applicant and Staff, Intervenors waived their right now to raise these issues in their Appeal.”). In the CP Crane case, the Commission correctly chastised an environmental group for failing to meaningfully participate in a case in which it was a party. Importantly, the Commission did not rule that it could not consider environmental issues in a CPCN case (the Commission further explained, “although the Intervenors did not formally introduce evidence in support of their positions in this case, the Proposed Order did fully address the Intervenors’ public comments regarding environmental concerns ...”).

SB 83 is a solution in search of a problem. SB 83 would require the Commission to consider “fair and stable labor standards” (an undefined term) and climate change in *all* proceedings and decisions – including cases in which those considerations may be completely extraneous (*e.g.*,



tariff changes by a telephone company, corporate transaction approvals, bay pilot proceedings, *etc.*). This would lead to increased costs and unnecessary delays. Under current law, Commission staff is required to complete the record in all proceedings. If no party in a particular case presents any evidence related to climate change or fair labor standards, the Commission's technical staff would be required to acquire specialized knowledge or hire an expert on those topics in order to comply with SB 83.

Chesapeake Utilities is unaware of wide-spread examples of the Commission failing to consider environmental issues when appropriate. The Commission is an independent state agency that is appropriately focused on regulating public utilities. Other agencies such as MDE, DNR, the Department of Labor and the National Labor Relations Board are better equipped to implement policies related to climate change and fair labor standards. Also, the significant costs incurred by all gas and electric companies to prepare and file the extensive capital project wage and benefit annual reports would be an additional expense recovered from utility ratepayers. The Commission is funded by all utility customers in the State. Respectfully, its limited resources and efforts are best spent accomplishing its core mission.

SB 83 is unnecessary for CPCN purposes. The Power Plant Research Program (within DNR) is a mandatory participant in all CPCN proceedings before the Commission. The PPRP coordinates the participation/comments by all other relevant State agencies (MDE, DNR, Agriculture, *etc.*) when formulating a position and presenting evidence during the case. This current process operates well, ensures that a robust record is developed and allows the Commission Staff to focus its work during a CPCN proceeding.

For the reasons stated above, Chesapeake Utilities respectfully requests that your Committee give SB 83 an unfavorable report.

SB 83 BGE_CPCN - Consideration of Climate and Labo

Uploaded by: Black, Allyson

Position: UNF



An Exelon Company

Position Statement

OPPOSE
Senate Finance
01/26/2021

SB 83 Utility Regulation - Consideration of Climate and Labor

Baltimore Gas and Electric Company (BGE) opposes *Senate Bill 83 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. Finally, each gas company and electric company must annually report specified project wage and benefit information to the Commission, which must in turn provide the information to the General Assembly.

While this legislation is well intentioned, it attempts to add an unnecessary layer onto an already robust and comprehensive CPCN process that considers the physical, environmental, aesthetic and noise impacts for the siting of transmission lines and generating stations. It would also unnecessarily require wage and benefit information that would put utility suppliers and contractors at a competitive disadvantage, particularly for affected contractors that may also work in neighboring states.

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 PPRP, the Department of Planning, other departments within DNR 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 an applicant 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 of 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.

SB 83 Columbia Gas Testimony OPPOSEpdf.pdf

Uploaded by: Collins, Carville

Position: UNF

**OPPOSE - Senate Bill 83
Utility Regulation – Consideration of Climate and Labor
Senate Finance Committee**

Columbia Gas of Maryland, Inc. opposes Senate Bill 83, which would, among other requirements, mandate that the Commission collect confidential and proprietary labor data and report that data to the General Assembly.

While it is understandable for the General Assembly to be interested in labor standards and general wage and benefit information for Maryland citizens, it is unreasonable to ask companies to publish specific confidential and proprietary data for all the world to see. Doing so would: 1) greatly reduce our ability to negotiate competitive contracts when they are put out to bid, 2) prove detrimental to our contractors having their salaries and benefits made public and 3) be extremely burdensome on the contractors themselves as they would be required to assemble and disclose this very specific information, which they too may consider confidential or proprietary. Such a bill may seem innocuous, but carries enormous risk to the labor market in Western Maryland where substantial movement between contractors could increase our unit costs and decrease our available contractor resources. Any cost increases arising under this bill would be passed along to our customers in the normal ratemaking process conducted by the Public Service Commission.

Senate Bill 83 is also unnecessary. Existing Maryland law not only authorizes but expressly mandates that the Public Service Commission consider climate and labor issues in all of its decision making. Section 2-113 (a)(2) of the Public Utilities Article provides: "In supervising and regulating public service companies, the Commission shall consider the public safety, ***the economy of the State, the conservation of natural resources, and the preservation of environmental quality.*** (emphasis added).

For the reasons set forth above, Columbia Gas opposes Senate Bill 83, and urges an unfavorable report.

January 26, 2021

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2021 Testimony on SB83- Consideration of Climate a

Uploaded by: OBrien, Rhea

Position: UNF



An Exelon Company



An Exelon Company

January 26, 2021

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OPPOSE– SB83

Senate Bill 83 – Utility Regulation—Consideration of Climate and Labor

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **Senate Bill 83 Utility Regulation – Consideration of Climate and Labor**. Senate Bill 83 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 83 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 83 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 83 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 83 that alters the CPCN process is unnecessary.

For the above reasons, Pepco and Delmarva Power respectfully oppose Senate Bill 83.

Contact:

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SB83_MDE_LOI.pdf

Uploaded by: abbott, tyler

Position: INFO



Maryland

Department of the Environment

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

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

January 26, 2021

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

Re: SB83- 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 *SB83- Utility Regulation - Consideration of Climate and Labor*. The Department would like to provide some information related to this bill.

Under the amendments to §2-405(a) of the Environment Article, when a certificate of public convenience and necessity (CPCN) application is received, the Department would be required to prepare a recommendation for the Public Service Commission (PSC) on climate change issues under § 7-207 of the Public Utilities Article.

Specifically, the bill would amend § 7-207 of the Public Utilities Article to require the Department to analyze the effect of climate change on the generating station; the impact of the generating station on the quantity of annual and long-term statewide greenhouse gas emissions; and the consistency of the application with the State's climate commitments for reducing statewide greenhouse gas emissions. This would be in addition to the other issues for which the Department already prepares a recommendation under § 7-207 on the effect of the generating station on air quality and water pollution.

MDE is interpreting the bill's amendments to § 7-207 of the Public Utilities Article to require a 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 (§ 2-1202 of the Environment Article).

MDE does not currently have the capability to perform such an analysis in-house. Given the inconsistent flow of applications for new or expanded electric generating stations, it would not

Chair Kelley

Page 2

be practical to hire an engineer for the sole purpose of performing the required analysis as the need for such arises. Instead, MDE would contract with an entity to use a sophisticated electricity dispatch model, such as the ones used by EPA and states to develop air pollution regulations. This work would cost as much as \$15,000 to \$20,000 per assessment. The number of CPCN applications submitted each year varies, but on average MDE's experience has been that one or two CPCN applications for new or modified electric generating stations can be expected to be received each year. MDE does not currently have a means to charge an applicant to recoup this cost.

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.

Thank you for your consideration. We will continue to monitor, *SB83- Utility Regulation - Consideration of Climate and Labor* 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,

A handwritten signature in black ink, appearing to read "Tyler Abbott", with a horizontal line extending to the left.

Tyler Abbott

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

SB0083 - LOI (1).pdf

Uploaded by: Fahrig, Landon

Position: INFO



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, Senate Finance Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB0083 – Utility Regulation - Consideration of Climate and Labor
DATE: January 26, 2021

MEA POSITION: Letter of Information

The intent of this bill, while well-meaning, will duplicate a process already in motion. Senate Bill 83 would, among other things, alter the Certificate of Public Convenience and Necessity (CPCN) process by requiring that the Public Service Commission (PSC) consider certain environmental impacts during that process.

There is already a PSC Rulemaking in process that is meant to address changes to the CPCN process, “RM72”. The following are excerpts from that PSC docket.

With limited exception, all utility-scale solar projects must first obtain a Certificate of Public Convenience and Necessity (“CPCN”) from the Commission prior to beginning construction. The CPCN application process is governed under the Public Utilities Article, Annotated Code of Maryland, §§ 7-207 through 7-208, and the Code of Maryland Regulations (“COMAR”) 20.79. Each CPCN application is subject to a comprehensive review by the Commission based on evidence submitted by the parties to the proceeding, which includes an independent project evaluation by seven reviewing State agencies. Nevertheless, the Commission is committed to exploring ways to enhance this process for the benefit of all parties and the public.¹

On December 18, 2020, the Commission’s Technical Staff (“Staff”) submitted a Petition for a Rulemaking for the purpose of revising the COMAR provisions governing applications for a Certificate of Public Convenience and Necessity to include certain application requirements, including the establishment of a new pre-application process, for the construction of large-scale generating stations.²

As a result of RM72, several parties have already weighed in on potential changes to the CPCN process, and that public, inclusive forum may be the most appropriate venue to elicit any desired changes.

¹https://webapp.psc.state.md.us/newIntranet/AdminDocket/NewIndex3_VOpenFile.cfm?FilePath=//Coldfusion/AdminDocket/RuleMaking/RM72//1.pdf

²https://webapp.psc.state.md.us/newIntranet/AdminDocket/NewIndex3_VOpenFile.cfm?FilePath=//Coldfusion/AdminDocket/RuleMaking/RM72//11.pdf

SB0083_LOI_DNR_FIN 1-26-21.pdf

Uploaded by: McKittrick, James

Position: INFO



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

January 26, 2021

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

The Honorable Brian Feldman
Vice Chair, Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Information – Senate Bill 83 – Utility Regulation – Consideration of Climate and Labor

Dear Chair, Vice Chair, and Committee Members,

The Maryland Department of Natural Resources respectfully provides the following information on Senate Bill 83. This bill seeks to require the Public Service Commission (PSC) to consider climate impacts for an application for a Certificate of Public Convenience and Necessity (CPCN), in addition to requiring the department, through the Power Plant Research Program (PPRP), to evaluate the impact of electric power plants on greenhouse gas emissions and the climate, presumably in the biannual Cumulative Environmental Impact Report.

Because the department, through PPRP, already evaluates the impact of electric power plants on greenhouse gas emissions and the climate in its biannual Cumulative Environmental Impact Report -- a report focused on fossil fuel facilities in Maryland -- SB 83 would have no direct impact on DNR or PPRP operations. The department would like to note the error in the bill's Fiscal Note. Because the analyses are to be conducted entirely by the Maryland Department of the Environment, PPRP will not bear their anticipated cost. However, the bill contains other provisions that in the department's assessment may potentially hinder grid resiliency and the growth of renewable energy generation in Maryland. Because additional and costly studies are required for each new generating station and transmission, the approval and ultimate construction of infrastructure critical to the grid will be hindered.

In terms of renewable energy generators, the requirement for an additional and costly study is redundant and not a wise use of limited taxpayer dollars. Scientists and economists widely acknowledge the extensive carbon benefit of renewable energy, including industrial scale solar facilities. The department estimates that solar generation provides the same greenhouse gas benefit as a forest and other mitigation practices -- if not much higher. While developing solar generation on forestland is the worst case scenario because of the elimination of carbon sink benefits, solar projects constructed on fallow land maximize their greenhouse benefit.

Respectfully submitted,

James W. McKittrick
Director, Legislative and Constituent Services

Contact: James McKittrick, Director, Legislative and Constituent Services
JamesW.McKittrick@maryland.gov ♦ 443-510-5013

SB0083 (2021) Information PSC.pdf

Uploaded by: Stanek, Jason

Position: INFO

JASON M. STANEK
CHAIRMAN

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



PUBLIC SERVICE COMMISSION

January 21, 2021

Chair Delores Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB0083 – INFORMATION – Utility Regulation – Consideration of Climate and Labor

Dear Chair Kelley and Committee Members:

Senate Bill 83 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 83 further requires, before the Commission can take final action on an application for a Certificate of Public Convenience and Necessity (“CPCN”) that the Commission must first consider the proposed project’s effects on climate change. For power 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

In regulating public service companies, the Commission currently considers the preservation of environmental quality pursuant to *Public Utilities Article* § 2–113(a)(2)(IV). SB 83 proposes to amend the PSC’s existing supervisory and regulatory power over public service companies by specifically adding “protection of the global climate” to the list of factors the Commission considers under its public interest standard. Currently, the Commission’s consideration of environmental quality includes promoting greenhouse gas reduction, energy conservation, energy efficiency (*i.e.*, EmPOWER Maryland), renewable energy, grid modernization, and reducing natural gas leaks through target infrastructure investments (*i.e.*, STRIDE). 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, including Maryland's participation in the Regional Greenhouse Gas Initiative ("RGGI"). For each CPCN application, the Commission looks to the recommendations made by several state agencies, including 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 Commission's CPCN proceeding. The Commission, as the deciding body, then evaluates the evidence and recommendations presented by the state agencies and the other parties when deciding whether a CPCN is 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 83. MDE is 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. This proposed legislation requires MDE to include climate change effects in its CPCN recommendation (*see* page 2, lines 19-21).

To the extent that the addition of climate change considerations to PUA § 2-113 necessitates evidence in other proceedings (beyond CPCNs), input from state agencies with the relevant expertise may allow the Commission to make an informed decision. SB 83 does not require these agencies to participate in such proceedings, however. The Commission handles a variety of proceedings including energy supplier licenses, utility rate cases and mergers where other State agencies do routinely participate. For these types of proceedings, the Commission's Technical Staff would require additional resources and staff expertise 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*". Ultimately, Technical Staff would need to acquire specialized knowledge and expertise regarding climate change to provide the level of analysis needed to inform the Commission's decision-making pursuant to SB 83.

Fair and Stable Labor Standard Requirements

SB 83 also adds the consideration of labor standards to the Commission's general supervisory and regulatory power over public service companies. Specifically, the proposed legislation would require that the Commission assess utility compliance with "fair and stable labor standards" in all regulated activities to include ratemaking, CPCNs, mergers, enforcement, and other matters. In addition, SB 83 requires gas and electric companies to report labor information to the Commission annually for compilation into a report to the General Assembly.


This proposed requirement will likely require a rulemaking to develop standardized and meaningful reports. While the Maryland Department of Labor ("DOL") handles an array of labor and employment issues -- including enforcement of laws concerning wages and time off -- the Commission is not required or staffed to make decisions about labor standards. DOL does not participate in Commission proceedings. Accordingly, SB 83 would require additional staff resources at the Commission with expertise in labor standards to properly evaluate labor impacts and to implement the reporting requirements contained in the legislation.

Conclusion

The PSC lacks the necessary technical and scientific expertise to implement the labor standards and reporting requirements, and climate change consideration requirements, as envisioned in SB 83. To implement SB 83 without additional resources, the Commission would need to rely on the analyses and recommendations of other state agency experts, such as MDE, PPRP, and DOL on a regular basis. However, absent the provision of such assistance, the Commission will need to hire additional staff 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" written in a larger, more prominent script than the last name "Stanek".

Jason M. Stanek
Chairman