



February 15, 2022

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UNFAVORABLE – Senate Bill 418
Senate Bill 418 Electricity – Energy Generation, Transmission, and Storage Projects –
Required Community Benefit Agreement and Labor Standards

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **Senate Bill 418 Electricity – Energy Generation, Transmission, and Storage Projects – Required Community Benefit Agreement and Labor Standards**. Senate Bill 418 would require the Public Service Commission (PSC) to condition the approval of a certificate of public convenience and necessity (CPCN) for the construction of a certain generating station or qualified generator lead line and an exemption from the requirement for a certificate of public convenience and necessity on the requirement that the developer of the project take all reasonable actions to enter into a community benefits agreement and adhere to certain labor standards and reporting requirements, among other things.

Senate Bill 418 requires the PSC to condition the approval of CPCN's for the construction of covered projects which include energy storage devices. These are defined as “a resource capable of absorbing electrical energy, storing it for a period of time, and delivering the energy for use at a later time as needed, regardless of where the resource is located on the electric distribution system.” This “includes all types of electric storage technologies, regardless of their size, storage medium, or operational purpose.”

The addition of “Energy Storage Device” in Senate Bill 418 is unnecessary. 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, holding public hearings, and consideration of recommendations by State and local government entities regarding the project's effect on various aspects of the State infrastructure, economy and environment. 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 very purpose of the CPCN permitting process is to determine whether the applicant has met the standards for receiving a permit.

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 addition of “Energy Storage Device” is unnecessary.

For the above reasons, Pepco and Delmarva Power respectfully request an unfavorable vote on Senate Bill 418.

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