



LEGISLATIVE POSITION:

FAVORABLE

Certificate of Public Convenience and Necessity and Related Approvals – Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024)

Senate Bill 474

Senate Education, Energy, and the Environment Committee

Thursday, February 22, 2024

Dear Chairman Feldman and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

Senate Bill 474 would exempt backup generators from the definition of “generating station” within the Certificate of Public Convenience and Necessity (CPCN) process in Maryland. This bill represents a crucial step towards removing barriers to the growth of Maryland’s technology sector, and we believe it will have far-reaching positive impacts on our economy and resilience.

The legislation streamlines the regulatory process for industries reliant on backup power generators, particularly in critical sectors such as data centers and hospitals. It will foster growth of 21st-century technology industries in Maryland. SB 474 will ensure Maryland remains competitive in the rapidly evolving global economy. It is clear that the CPCN process will be kept in place for what it is intended to do, which is to permit electrical power generation facilities, like power plants, and high-voltage transmission lines. It is also evident that emergency backup generation used for emergency power generation should not be subject to the same process for powerplants. Moreover, the bill ensures that essential regulatory processes by local governments and the Maryland Department of the Environment, including air permits, remain intact.

More recently, Baltimore was named a federal tech hub as part of a highly competitive federal program, making the City eligible for hundreds of millions of dollars in funding. We urge the committee to build upon the momentum by passing SB 474.

Many critical processes in hospitals, data centers and other industries rely on continuous power supply, including communication systems, security systems, temperature control, and more. **It is important to note that backup generators are only used in emergency situations, such as a power outage. This allows critical industries and businesses to ensure continuous operations.** By having a dependable power source during emergencies, businesses can safeguard lives, protect valuable assets and data, and ensure the continuity of essential services. SB 474 will

provide certainty for companies seeking to invest in Maryland, and also create opportunities for job growth, attract private investment, and foster an environment conducive to innovation.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on SB 474.

