



STATE OF MARYLAND

OFFICE OF THE GOVERNOR

Wes Moore

February 22, 2024

The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Support – SB0474 – Certificate of Public Convenience and Necessity and Related Approvals – Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024)

Chair Feldman, Vice Chair Kagan, and Distinguished Members of the Education, Energy, and the Environment Committee,

On behalf of Governor Moore and Lieutenant Governor Miller, I respectfully ask the Committee for a favorable report on SB0474 – Certificate of Public Convenience and Necessity and Related Approvals – Definition of Generating Station (Critical Infrastructure Streamlining Act of 2024).

The first year of the Moore-Miller administration has been a success story in both economic and environmental aspects. We experienced the creation of 40,000 new jobs and the lowest unemployment rate in the nation, made significant investments in renewable energy, including offshore wind, and incentivized electric vehicle infrastructure across the state.

However, over the past decade, Maryland's economic growth has underperformed the region and the country, affecting the lives and livelihoods of those who call this great state home. The regulatory process in Maryland that creates unpredictability has been a source of frustration for industries and businesses as they looked to invest. This further diminishes Maryland's ability to attract new industries, invest in crucial educational and environmental programs, and serve as a regional leader. In order to win the decade and support our environmental investments to lower greenhouse gas emissions, we must commit to making Maryland more economically competitive.

It is essential that Maryland find the right balance between our need for strong environmental and labor standards and our need to grow the economy. Regulatory processes need to exist to

create safeguards; however, creating redundant regulatory barriers to stifle business growth in Maryland without any debate in the legislature, as we have seen at the Public Service Commission (PSC) last fall through their decision on emergency backup generators, created uncertainty that prevents businesses from investing in the state.

This bill is intended to right that decision and restore the appropriate balance between these two important goals. First, the bill defines emergency backup generating stations that are - a) used exclusively for onsite emergency backup purposes in the event of a power outage, b) test and maintenance operations to ensure functionality, c) installed with equipment that prevents the flow of electricity to the electric grid, and d) subject to MDE's permitting process.

Second, the bill provides a statutory exemption from the Certificate of Public Convenience (CPCN) for any combination of 2 or more generating units used exclusively for onsite emergency backup purposes in the event of a power outage.

This bill does not propose any significant deviation from the state's current practice. Emergency backup generators needed for these energy-intensity facilities require complex licensing and permitting processes, including the Maryland Department of Environment's (MDE) air quality permit to construct, in addition to air pollution sources and emissions review and additional permits that are deliberately placed to protect the community and the environment.

The Critical Infrastructure Streamlining Act aims to remove the uncertainty barriers to the growth of Maryland's technology infrastructure while bolstering the state's economic competitiveness. This will attract new technology industries, create good-paying jobs, invest in local communities, and generate millions of dollars in local and state revenue. For these reasons, I respectfully ask the committee for a favorable report on Senate Bill 474.

Sincerely,

Saif Ratul
Deputy Legislative Officer