

Opposes  
Economic Matters  
2/21/2025

**House Bill 1406 – Certificate of Public Convenience and Necessity - Environmental Impact Analysis and Existing Burden Report**

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1406*. This bill requires applicants applying for a certificate of public convenience and necessity (CPCN) to include with the application an environmental impact analysis, and existing burden report. The bill also prohibits the Public Service Commission (Commission) from approving an application for a CPCN unless the application includes a final environmental impact assessment and existing burden report.

As a utility providing electricity to 1.3 million customers and natural gas to more than 700,000 customers in Central Maryland, BGE supports the legislation's overall goal and believes equity is an important component of the energy transition. Specifically, the legislation mandates that the Commission establish a mitigation fund and requires CPCN applicants to enter into cumulative impact mitigation agreements with community-based organizations representing the affected communities. This requirement would place a significant burden on CPCN applicants and could potentially derail various projects due to the complexities of negotiating such agreements and the subjective nature of the determinations involved.

Given the State's current budget constraints, it is crucial to streamline processes and eliminate redundancy to enhance efficiency and ensure fiscal responsibility. However, *House Bill 1406* will only insert additional regulatory burdens and create additional regulatory delays in the already lengthy and costly CPCN process, further increasing costs for utility ratepayers.

Also, *House Bill 1406* mandates the Commission consider additional impacts on environmental justice and overburdened communities by requiring an environmental impact assessment and existing burden report be prepared and submitted with any CPCN application. If passed, this legislation would significantly lengthen the CPCN process, increase application approval costs, and place additional burdens on the Commission, which processes hundreds of CPCN applications annually. The PSC's CPCN process involves robust administrative proceedings, as well as extensive public notification requirements, public hearings, and opportunities for comment from the public, State Agencies, and local

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 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 largest energy delivery company.



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## Position Statement

jurisdictions. The current CPCN process already requires a comprehensive environmental and socioeconomic review of a proposed project and considers recommendations on behalf of seven different State agencies that is coordinated by the Power Plant Research Program (PPRP) of the Department of Natural Resources. Applicants for CPCNs already include in materials submitted to the Commission comprehensive environmental review documents that address environmental impacts and existing burdens, as well as any potential incremental burdens the project may bring and all mitigating actions the applicant is taking to address any such issues. Additionally, alternatives to new transmission lines, including the use of existing rights-of-way, environmental impact assessments, and alternative route analyses are considered in the current CPCN process. The Staff of the Commission and the Office of People's Counsel also regularly participate as parties in CPCN proceedings. The process is comprehensive and lengthy, and would become even more burdensome, increasing costs for applicants, the Commission, and State agencies like the PPRP. As explained above, the current CPCN process already considers the factors that *House Bill 1406* seeks to codify in law.

Maryland's climate goals will require significant electric infrastructure to be constructed or upgraded across Maryland, including 250 new or upgraded substations in BGE's service territory. BGE, and the other utilities in the State will need to make significant investments in the transmission and distribution system infrastructure to meet these ambitious climate goals. However, this bill would only create barriers for many utility projects undertaken. It would impede progress in achieving State goals and addressing critical resource adequacy challenges in the near-term. Furthermore, extending CPCN permitting times could make it infeasible to meet required in-service dates for PJM-mandated projects, risking non-compliance with federal reliability standards. Requiring CPCN applicants to include new environmental impact assessments and existing burden reports would be unduly burdensome, create significant delays, and impact the reliability of the electric grid, and overall State climate goals.

For these reasons, BGE requests an unfavorable report for *House Bill 1406*.

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Charles Washington | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281