

FREDERICK H. HOOVER, JR.
CHAIR

MICHAEL T. RICHARD
KUMAR P. BARVE
BONNIE A. SUCHMAN



PUBLIC SERVICE COMMISSION

Chair C.T. Wilson
Economic Matters Committee
230 House Office Building
Annapolis, MD 21401

RE: HB 739 - Information - Public Utilities - Solar Energy Generating Stations - Local Approval

Dear Chair Wilson and Committee Members:

The Public Service Commission (the Commission) appreciates the opportunity to provide this informational testimony for House Bill (HB 739.) HB 739 would prohibit the Public Service Commission from approving a certificate of public convenience and necessity (CPCN) for a solar energy generating station unless the Commission receives written approval for the construction of the generating station from each county or municipal corporation where the generating station is proposed to be located. The bill would make it materially more difficult for the Commission to facilitate the State reaching its climate goals, including the reduction of greenhouse gas emissions and the achievement of increasingly more stringent renewable portfolio standard (RPS) goals.

Should the legislature approve the policy put forth in the bill, HB 739 would overrule the Maryland Supreme Court's decision in *Bd. of Cty Comm'rs v. Perennial Solar LLC*, 464 Md. 610 (2019). That case provided unequivocally that the General Assembly intended to vest final authority for the siting and location of solar energy generating systems requiring a CPCN with the Commission. The case further found that the Legislature intended to create an all-compassing statutory scheme of solar energy regulation, addressed all regulatory matters associated with the approval and operation of generating stations, including siting and locational approvals, and did not intend for local government to have veto authority through the use of local planning or zoning. This "one-stop-shop" approach to siting power plants creates regulatory efficiency, by authorizing one entity—the Commission—to review all the permitting requirements of a project and to weigh the costs and benefits of the project to the entire State. The bill could undermine those benefits by requiring that each affected county provide written consent to the project, which could balkanize the review process.

Maryland's Renewable Portfolio Standard (RPS) requires that a specified portion of retail electricity sold by electricity suppliers in the State come from "renewable" sources as defined by the General Assembly. The required percentage of renewable resources has been elevated repeatedly by the General Assembly since the inception of the RPS in 2006. Currently, the RPS requires that 50% of the electricity delivered to customers by load serving entities be derived from Tier 1 sources by the year 2030. Solar energy is defined as a Tier 1 resource and forms a significant portion of the State's RPS. Additionally, Maryland's RPS contains a carve out for solar energy, which requires that 14.5% of the renewable energy provided come from solar energy. Unlike most other renewable resources, which may come from anywhere within PJM or adjacent to PJM, energy meeting the solar carve out must come from solar farms that are

connected to the Maryland electric distribution system. County governments have frequently opposed the development of solar farms within their boundaries. It is reasonable to conclude, therefore, that if proposed solar projects require county acquiescence before a CPCN may be granted, the number of solar farms certificated by the Commission will materially decrease.

The Public Service Commission appreciates the opportunity to provide informational testimony on HB 739. Please contact the Commission's Director of Legislative Affairs, Christina M. Ochoa, if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover". The signature is written in a cursive style with a large, stylized "F" and "H".

Frederick H. Hoover, Chair
Maryland Public Service Commission