

Letter of Information  
Economic Matters  
2/20/2025

## **House Bill 657 – Public Utilities – Alternatives to Construction of New Transmission Lines**

Baltimore Gas and Electric Company (BGE) submits this letter to provide information regarding *House Bill 657 – Public Utilities – Alternatives to Construction of New Transmission Lines*. *House Bill 657* mandates that the Maryland Public Service Commission (PSC) examine alternatives to constructing new transmission lines, provided these alternatives are convenient for the service area, promote economic and public service, preserve historical, environmental, or agricultural areas, or avoid overlap with a lot, parcel or tract of land that is located in a planned growth area identified in the local jurisdictions comprehensive plan, or zoned for residential use or mixed use with a residential component. The bill states that “alternatives” include reconductoring existing transmission lines, utilizing rights-of-way, using existing transmission lines from other companies, and undergrounding a transmission line.

BGE is concerned that the bill adds unnecessary and overly prescriptive requirements to the CPCN statute, which will result in additional costs to all parties involved the CPCN process, including to the PSC and other State agencies that are actively involved in evaluating CPCN applications, as well as applicants. BGE is also concerned that this bill will add more time to an already lengthy CPCN procedural process, and that this could cause delays in the permitting of transmission projects that are needed to maintain the reliability of the transmission grid and to help facilitate the economic dispatch of power throughout the regional grid.

To construct a new overhead transmission line designed to carry more than 69,000 volts in Maryland, the PSC must issue a Certificate of Public Convenience and Necessity (CPCN) for the proposed project. The current CPCN process is rigorous, comprehensive in terms of the impacts it considers, and inclusive in terms of opportunities for public input and party review and scrutiny of proposed projects. Among other considerations, the PSC is already required to evaluate alternatives to the construction of new overhead transmission lines, including route alternatives to a new proposed transmission line. In considering alternatives to new overhead lines, the Commission already considers a wide range of environmental and socioeconomic impacts, including impacts on historic and agricultural resources. Additionally, the PSC is already required to consider local concerns with regard

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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AN EXELON COMPANY to transmission line siting. Indeed, the PSC is required to hold joint public hearings on CPCN projects with local jurisdictions, unless the local jurisdictions decline, and the PSC is to give “due consideration” to the recommendations of each local jurisdiction where the proposed Transmission project would be located.

Transmission lines are necessary to transport electric energy across long distances. Because Maryland is a net importer of electric supply, the State must have transmission lines to access and transport electric power from other states in order to meet our state’s energy demands. Without this, Maryland would face outages. Lengthening an already long and rigorous CPCN process will delay, or derail needed power supply in Maryland at a time when the state is critically short of power. Delays in transmission projects can impact reliability making it more difficult to meet growing demand during peak times or extreme weather events. Without timely upgrades, energy delivery is more vulnerable to disruptions and emergent events impacting resilience. Slow project completion can lead to grid congestion and inefficiencies in the energy market, impacting energy prices and availability and deter necessary future investments and job growth. This added process will make these transmission projects more costly for customers.

Moreover, the bill amends current law that already requires consideration of alternatives to the construction of new transmission lines, including the potential use of existing rights of way, by adding certain specific considerations and adding a definition of “alternatives.” The Commission has the current authority to consider such issues. Adding specific types of “alternatives” to the statute may result in limiting the Commission’s discretion to consider different types of alternatives to new transmission lines that are not specifically called out by this Bill.

Lastly, *House Bill 657* would unnecessarily increase the cost of transmission projects and the time that it takes to permit them at the worst possible time, when Maryland needs to bolster its transmission infrastructure to meet growing demand and ensure safe and reliable power delivery to its citizens. Maryland’s transmission grid is already constrained, making electricity imports more expensive. BGE supports cost-effective solutions for resource adequacy that do not compromise safety, reliability, or affordability. The PSC already has the responsibility to address the concerns that this Bill would specifically prescribe by statute. Doing so threatens to diminish the Commission’s discretion in CPCN cases, bog down an already rigorous and lengthy CPCN review process and add unnecessary additional costs to the State agencies that are required to review CPCN applications.

BGE looks forward to continuing discussions with the bill sponsor and all stakeholders involved.

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