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OPPOSE – House Bill 0645

HB0645 – *Transmission Line Siting - Comprehensive Plan, Recommendation, and Reporting Requirements*
Economic Matters Committee
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Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 285,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, New York, West Virginia, and Maryland.

Unfavorable

Potomac Edison / FirstEnergy opposes House Bill 0645 - *Transmission Line Siting - Comprehensive Plan, Recommendation, and Reporting Requirements*. While we support efforts to enhance Maryland's electric grid and facilitate responsible energy infrastructure planning, we have significant concerns regarding the cost implications, regulatory overreach, and practical feasibility of the provisions outlined in this legislation.

FirstEnergy requests an Unfavorable report on HB-0645 for the following reasons.

Undergrounding Costs and Ratepayer Impact

The undergrounding of transmission lines can provide aesthetic and reliability benefits in some cases; however, it is significantly more expensive than overhead transmission—often by a factor of ten. These increased costs would be passed on to ratepayers, many of whom may not support the higher utility bills required to fund such projects. Additionally, undergrounding can create operational challenges, including extended outage restoration times due to more complex repair processes.

Property Rights and Transmission Corridor Planning

HB-645 appears to allow Maryland counties to define transmission corridors that may already be occupied by a utility. While co-location within existing rights-of-way (ROW) may sound like an efficient use of space, it is not always technically or legally feasible. Federal law establishes that if utility shareholders own existing ROW, the state cannot mandate the use of those corridors for additional infrastructure without constituting a “regulatory taking.” This bill risks overstepping state authority and creating legal conflicts over property rights.

State Authority and Cost Allocation in Transmission Planning

Transmission system planning is a highly coordinated process that normally involves multiple states and stakeholders, including PJM Interconnection, state agencies, and utilities. Because of this, the state's authority in transmission planning is limited, and any expansion of that authority would come with clear commitments to cover the associated costs. The “state agreement approach” is a recognized method by which states can participate in planning, provided they are willing to assume fiscal responsibility for their policy-driven decisions. HB-645 raises concerns about cost shifts and potential interstate rate implications.

Burdensome and Redundant Reporting Requirements

The bill imposes an onerous annual reporting requirement that would mandate utilities to disclose projects requiring PJM approval. However, it is critical to recognize that certain projects - particularly those proposed under PJM's competitive solicitation processes - should not be included in this reporting. If this bill were to pass, we would recommend an amendment to require only the disclosure of projects that have already been approved by PJM. Additionally, the cumulative effect of HB-645's new reporting mandates would create an unnecessary administrative burden, diverting resources from critical infrastructure planning and operational activities.

While we support policies that enhance transparency and efficiency in Maryland's electric grid planning, this bill introduces several challenges that could lead to increased costs, regulatory conflicts, and impractical reporting obligations. We welcome the opportunity to collaborate with legislators and stakeholders to find balanced solutions that protect both the reliability of Maryland's electric grid and the interests of our ratepayers.

Potomac Edison / FirstEnergy respectfully request an Unfavorable report on House Bill 0645.