

Chairman and Members of the Education, Energy and Environment Committee

March 6, 2025

SB 955 Overhead Transmission Lines – Eminent Domain

I support Senator West's Bill 955 to provide landowners with protections against Eminent Domain in high voltage transmission line proceedings. Our Community in Northwestern Harford County experienced eminent domain filings against their properties in the MD PSC Case No. 9471 Transource Independence Energy Connection PJM Project in 2018 through 2020. To protect their rights, our landowners had to hire legal representation at their expense to protect their land from seizure. Transource had not even received an approved CPCN to build the IEC project when these eminent domain filings were made.

Property owners should not have to bear the financial burden to defend their land from transmission project Right of Way takings. PJM ratepayers pay the PJM transmission developers to build these projects via electricity rates. PJM's designated entity transmission developers receive monetary incentives paid by the 65 million PJM ratepayers even before a State CPCN process comes to a determination through the FERC incentive process.

Please read FERC Commissioner Christie's July 30, 2024 dissent from approving incentives for transmission developer PPL regarding the Chanceford Project that will bring the electricity from PA to connect with the MPRP in MD – see link:

Commissioner Christie's Dissent to PPL's Abandoned Plant Incentive, ER24-2144

<https://www.ferc.gov/news-events/news/commissioner-christies-dissent-ppls-abandoned-plant-incentive-er24-2144>

"The Commission's incentive policies—particularly the Construction While In Progress Incentive, which allows recovery of costs before a project has been put into service—run the risk of making consumers "the bank" for the transmission developer; but, unlike a real bank, which gets to charge interest for the money it loans, under our existing incentives policies the consumer not only effectively "loans" the money through the formula rates mechanism, but also pays the utility a profit, known as Return on Equity, or "ROE," for the privilege of serving as the utility's de facto lender."

"Further, just as the CWIP Incentive effectively makes consumers the bank for transmission developers, the Abandoned Plant Incentive effectively makes them the insurer of last resort as well. This incentive allows transmission developers to recover from consumers the costs of investments in projects that fail to materialize and thus do not benefit consumers. Just as consumers receive no interest for the money they effectively loan transmission developers through the CWIP Incentive, they receive no premiums for the insurance they provide through the Abandoned Plant Incentive if the project is never built. And if the CWIP Incentive is a de facto loan and the Abandoned Plant Incentive is de facto insurance — both provided by consumers — then the RTO participation adder, which increases the transmission owner's ROE above the market cost of equity capital, is an involuntary gift from consumers. [22] There has been and continues to be something really wrong with this picture."

If transmission developers can obtain the above funding for PJM approved projects without a CPCN in hand, then impacted landowners should be afforded monetary means to protect their own land and their interests. Impacted landowners deserve these protections outlined in Senator West's Bill 955. Please provide a favorable report on SB 955.

Patti Hankins
229 St. Mary's Rd
Pylesville, MD 21132