

KUMAR P. BARVE
CHAIR

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BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN



PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy and the Environment Committee
2 West Miller Office Building
Annapolis, MD 21401

RE: SB 201 – Favorable with Amendments – Public Utilities - Transmission Lines - Advanced Transmission Technologies

Dear Chair Feldman and Committee Members:

The Public Service Commission (“Commission”) requests a favorable report on SB 201, with consideration of the amendments detailed below. The Commission has had extensive discussions with the bill sponsor to enhance the bill language to achieve the policy directives set forth in the bill and ensure that implementation of the bill is feasible.

The bill modifies the regulation and approval process for overhead transmission lines, incorporating requirements for advanced transmission technologies (ATTs), enhanced analytical and transmission congestion reporting, cost-containment strategies, and potential incentives for advanced transmission technologies. The bill alters the Certificate of Public Convenience and Necessity (CPCN) process in order to maximize the capacity, efficiency, and reliability of existing transmission infrastructure before authorizing the construction of new transmission lines.

In order to accomplish a smooth implantation of the proposed legislation, the Commission suggests the following amendments to the bill:

- The definition of “high performance conductors” should be edited so as not to require conductors to satisfy every listed performance threshold simultaneously. If the definition required: 1) diameter and weight similarity **AND** a reduced resistance; 2) increased potential energy carrying; **OR** 3) reduced coefficient of thermal expansion (bold emphasis added), it would allow for the selection of a broader range of advanced conductors which could provide the necessary congestion relief at a lower project cost.
- Including a more precise definition for the term “Storage as a Transmission Asset (SATA)” as opposed to “energy storage used as transmission” would better align with current PJM efforts to define and implement future rules for using SATA as a transmission alternative in its regional planning. Aligning the legislative intent with PJM’s efforts will also establish clearer eligibility and functional requirements for

WILLIAM DONALD SCHAEFER TOWER · 6 ST. PAUL STREET · BALTIMORE, MARYLAND 21202-6806

410-767-8000

Toll Free: 1-800-492-0474

FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.md.us

applicants and allow consistent analysis by the Commission across all CPCN proceedings. It will also provide a distinction between front-of-the-meter transmission-level energy storage used for PJM markets, such as contemplated in the 2025 Next Generation Energy Act, and SATA applications intended to serve as transmission alternatives, thereby helping to avoid confusion as to which regulatory process is required.

- Where the bill refers to a “new lead line” in proposed § 7-207(b)(3)(iv)(1)(B) it should instead refer to a “transmission line” so that the requirement is not inadvertently limited to just “qualified generator lead line[s].”
- Because proposed § 7-207.6 does not specify whether the transmission congestion reports it requires must be aligned with PJM planning assumptions or regional planning cycles, the bill should specify that the reports must distinguish local vs. regional congestion drivers and, where applicable, reference the PJM planning inputs used to support the reported congestion forecasts and proposed ATT solutions.

The Commission notes that where proposed § 7-207(b)(3)(iv)(1) requires CPCN applicants to consider factors specific to distribution systems in the State, the Commission may need to interpret this requirement to apply only to the extent that the applicant has access to the information necessary to make those considerations. If the applicant is not a Maryland public service company they may not have access to some of the information that would be required to complete a full analysis specific to the distribution systems in the State, and they may not be able to obtain such information from a public service company without compromising the competitive nature of the transmission planning process approved by FERC.

In addition, the Commission interprets the enactment of SB 201 to apply prospectively. Therefore, the provisions would not apply to submitted CPCN applications currently under consideration by the Commission. However, the Commission always has discretion to request additional information from applicants not previously provided in the CPCN application.

The Commission appreciates the opportunity to provide testimony on SB 201. The Commission requests a favorable report, with the amendment as detailed above, as this bill has the potential to mitigate costs for transmission projects. Please contact the Commission’s Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,



Kumar P. Barve
Chair, Maryland Public Service Commission

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