



Maryland

Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee

FROM: MEA

SUBJECT: HB 928 - LOI - Certificates of Public Convenience and Necessity - Transmission Lines - Applicability and Waivers

DATE: February 24, 2026

The Maryland Energy Administration (MEA) respectfully submits this Letter of Information for House Bill 928.

House Bill 928 expands the requirement to obtain a Certificate of Public Convenience and Necessity (CPCN) from the Maryland Public Service Commission to include all transmission lines designed to carry a voltage in excess of 69,000 volts, rather than limiting the requirement to overhead transmission lines. Under current law, certain underground high-voltage transmission lines are not subject to the Certificate of Public Convenience and Necessity (CPCN) process. House Bill 928 eliminates that distinction and requires underground transmission projects designed to carry more than 69,000 volts to undergo the same CPCN review as overhead lines.

The bill further requires the Maryland Public Service Commission (PSC), when determining whether to waive the CPCN requirement for construction related to an existing transmission line, to consider the cost of construction on ratepayers, the environmental impacts of the project, and any other matters the PSC considers appropriate. It removes the mandatory waiver previously required for certain overhead transmission upgrades, while maintaining authority to proceed with construction necessary to address imminent safety hazards or reliability risks, subject to a post-construction reporting requirement. Finally, the bill directs the PSC to adopt regulations by July 1, 2027, establishing specific criteria for determining “good cause” waivers. Collectively, these changes create a more uniform and transparent review structure for high-voltage transmission infrastructure in Maryland.

House Bill 928 raises important policy considerations regarding the deployment of underground high-voltage transmission technology. Maryland’s transmission system continues to experience infrastructure upgrades to address reliability, resilience, interconnection backlogs, and evolving load growth. As electrification increases across sectors, transmission development is expected to remain a central component of grid modernization efforts. While undergrounding can provide certain benefits, it also presents significant cost, environmental, and administrative implications that merit careful evaluation through Maryland’s established review processes.

Cost Considerations: Underground transmission is substantially more expensive than overhead construction. Industry experience indicates that high-voltage underground transmission can cost several

times more per mile than comparable overhead lines, depending on voltage class, terrain, and routing complexity. Costs may increase further due to horizontal directional drilling (HDD) requirements, extensive above-ground staging areas during construction, specialized cable systems and thermal management needs, and more complex repair and outage response processes.

Because transmission costs are generally recovered from ratepayers, the differential between overhead and underground construction can materially affect customer bills. House Bill 928's requirement that the PSC consider ratepayer impacts when evaluating waiver requests provides an explicit framework for weighing these financial considerations.

Environmental and Socioeconomic Impacts: Underground high-voltage transmission lines can reduce visual impacts when compared to overhead lines and may avoid certain aviation safety concerns. They can also improve resilience to severe weather events, including wind and ice storms, and reduce the need for long-term vegetation management along rights-of-way. In densely populated areas or environmentally sensitive locations where overhead construction presents siting constraints, undergrounding may be considered a preferable alternative.

Although underground transmission can mitigate certain visual and aviation impacts, it is not without environmental and socioeconomic effects. Construction often involves extensive trenching or HDD work areas, temporary disturbance along corridors, soil displacement and restoration challenges, and potential impacts to wetlands, waterways, and groundwater. While the bill allows for waivers in limited circumstances, MEA does not anticipate that proposed underground transmission lines would commonly qualify for waiver treatment given the potential environmental and socioeconomic impacts associated with construction and staging areas. Requiring CPCN review ensures that these impacts receive comprehensive evaluation through Maryland's established multi-agency process.

House Bill 928 standardizes the treatment of high-voltage transmission infrastructure by applying the CPCN process uniformly to both overhead and underground lines. At the same time, underground transmission projects involve significant technical complexity and fiscal implications. Policymakers may wish to consider the administrative resource requirements associated with expanded CPCN review, as well as the potential cost impacts to ratepayers.

The Maryland Energy Administration appreciates the opportunity to provide this information and looks forward to working with the Committee on this legislation.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.