

SENATE BILL 566

C5, M1

(7lr1918)

ENROLLED BILL

— *Finance/Economic Matters* —

Introduced by **Senators Miller, Astle, Garagiola, Kelley, Klausmeier, Middleton, and Pugh**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Public Utility Companies – Generating Stations – Wind**

3 FOR the purpose of exempting a certain person from having to obtain a certificate of
4 public convenience and necessity for a generating station that produces
5 electricity from wind under certain circumstances; requiring a person to obtain
6 approval from the Public Service Commission prior to any construction of a
7 generating station that produces electricity from wind under certain
8 circumstances; requiring the Commission to provide an opportunity for public
9 comment at a public hearing in a certain manner under certain circumstances;
10 requiring the Commission to provide certain notices; *requiring the Commission*

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 to report on certain matters to certain persons; providing for the construction of
2 this Act; providing for the termination of a portion of this Act; and generally
3 relating to electricity from wind and generating stations.

4 BY repealing and reenacting, without amendments,
5 Article – Public Utility Companies
6 Section 7–207(b)
7 Annotated Code of Maryland
8 (1998 Volume and 2006 Supplement)

9 BY repealing and reenacting, with amendments,
10 Article – Public Utility Companies
11 Section 7–207.1
12 Annotated Code of Maryland
13 (1998 Volume and 2006 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Public Utility Companies**

17 7–207.

18 (b) (1) (i) Unless a certificate of public convenience and necessity for
19 the construction is first obtained from the Commission, a person may not begin
20 construction in the State of a generating station.

21 (ii) If a person obtains Commission approval for construction
22 under § 7–207.1 of this subtitle, the Commission shall exempt a person from the
23 requirement to obtain a certificate of public convenience and necessity under this
24 section.

25 (2) Unless a certificate of public convenience and necessity for the
26 construction is first obtained from the Commission, and the Commission has found
27 that the capacity is necessary to ensure a sufficient supply of electricity to customers
28 in the State, a person may not exercise a right of condemnation in connection with the
29 construction of a generating station.

30 (3) Unless a certificate of public convenience and necessity for the
31 construction is first obtained from the Commission, an electric company may not begin
32 construction of an overhead transmission line that is designed to carry a voltage in
33 excess of 69,000 volts or exercise a right of condemnation with the construction.

34 7–207.1.

1 (a) This section applies to a person who:

2 (1) constructs a generating station:

3 (I) designed to provide on-site generated electricity if:

4 [(i)] **1.** the capacity of the generating station does not
5 exceed 70 megawatts; and

6 [(ii)] **2.** the electricity that may be exported for sale
7 from the generating station to the electric system is sold only on the wholesale market
8 pursuant to an interconnection, operation, and maintenance agreement with the local
9 electric company; or

10 (II) **THAT PRODUCES ELECTRICITY FROM WIND IF:**

11 **1. THE GENERATING STATION IS LAND-BASED;**

12 **2. THE CAPACITY OF THE GENERATING STATION**
13 **DOES NOT EXCEED 70 MEGAWATTS;**

14 **~~3.~~ 3. THE ELECTRICITY THAT MAY BE EXPORTED FOR**
15 **SALE FROM THE GENERATING STATION TO THE ELECTRIC SYSTEM IS SOLD ONLY**
16 **ON THE WHOLESALE MARKET PURSUANT TO AN INTERCONNECTION,**
17 **OPERATION, AND MAINTENANCE AGREEMENT WITH THE LOCAL ELECTRIC**
18 **COMPANY; AND**

19 **~~4.~~ 4. THE COMMISSION PROVIDES AN OPPORTUNITY**
20 **FOR PUBLIC COMMENT AT A PUBLIC HEARING AS PROVIDED IN SUBSECTION (E)**
21 **OF THIS SECTION; OR**

22 (2) constructs a generating station if:

23 (i) the capacity of the generating station does not exceed 25
24 megawatts;

25 (ii) the electricity that may be exported for sale from the
26 generating station to the electric system is sold only on the wholesale market pursuant
27 to an interconnection, operation, and maintenance agreement with the local electric
28 company; and

1 (iii) at least 10% of the electricity generated at the generating
2 station each year is consumed on-site.

3 (b) (1) The Commission shall require a person that is exempted from the
4 requirement to obtain a certificate of public convenience and necessity to obtain
5 approval from the Commission under this section before the person may construct a
6 generating station described in subsection (a) of this section.

7 (2) An application for approval under this section shall:

8 (i) be made to the Commission in writing on a form adopted by
9 the Commission;

10 (ii) be verified by oath or affirmation; and

11 (iii) contain information that the Commission requires,
12 including:

13 1. proof of compliance with all applicable requirements
14 of the independent system operator; and

15 2. a copy of an interconnection, operation, and
16 maintenance agreement between the generating station and the local electric
17 company.

18 (c) When reviewing an application for approval under this section, the
19 Commission shall:

20 (1) ensure the safety and reliability of the electric system;

21 (2) require the person constructing the generating station to notify the
22 Commission 2 weeks before the first export of electricity from a generating station
23 approved under this section; and

24 (3) conduct its review and approval in an expeditious manner.

25 (d) The Commission may waive an element of the approval process under
26 this section if the Commission determines that the waiver is in the public interest.

27 **(E) (1) THE COMMISSION SHALL PROVIDE AN OPPORTUNITY FOR**
28 **PUBLIC COMMENT AND HOLD A PUBLIC HEARING AS PROVIDED UNDER THIS**

1 SUBSECTION ON AN APPLICATION FOR APPROVAL MADE UNDER SUBSECTION
2 (A)(1)(II) OF THIS SECTION IN EACH COUNTY AND MUNICIPAL CORPORATION IN
3 WHICH ANY PORTION OF THE CONSTRUCTION OF A GENERATING STATION IS
4 PROPOSED TO BE LOCATED.

5 (2) UPON THE REQUEST OF THE GOVERNING BODY OF A COUNTY
6 OR MUNICIPAL CORPORATION IN WHICH ANY PORTION OF THE CONSTRUCTION
7 OF A GENERATING STATION IS PROPOSED TO BE LOCATED, THE COMMISSION
8 SHALL HOLD THE PUBLIC HEARING JOINTLY WITH THE GOVERNING BODY.

9 (3) ONCE IN EACH OF 2 SUCCESSIVE WEEKS IMMEDIATELY
10 BEFORE THE HEARING DATE, THE COMMISSION, AT THE EXPENSE OF THE
11 APPLICANT, SHALL PROVIDE WEEKLY NOTICE OF THE PUBLIC HEARING AND
12 OPPORTUNITY FOR PUBLIC COMMENT BY ADVERTISEMENT IN A NEWSPAPER OF
13 GENERAL CIRCULATION IN THE COUNTY OR MUNICIPAL CORPORATION
14 AFFECTED BY THE APPLICATION.

15 SECTION 2. AND BE IT FURTHER ENACTED, That on or before February 1
16 of each year, the Public Service Commission shall report to the Governor and, in
17 accordance with § 2-1246 of the State Government Article, the Senate Finance
18 Committee and the House Economic Matters Committee on:

19 (1) the number of applications for and the locations of wind-powered
20 generating stations for which approval is sought under § 7-207.1(a)(1)(ii) of the Public
21 Utility Companies Article, as enacted by this Act;

22 (2) the status of the applications and the extent to which the wind-powered
23 generating stations have been constructed after obtaining approval from the
24 Commission in accordance with this Act; and

25 (3) the status of any regulatory actions undertaken by other State or local
26 agencies with respect to the wind-powered generating stations.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act may not be
28 construed to limit the regulatory authority of any State or local agency with respect to
29 matters relating to a wind-powered generating station that is exempt from the
30 requirement to obtain a certificate of public convenience and necessity under §§ 7-207
31 and 7-208 of the Public Utilities Article.

32 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
33 effect July 1, 2007. Section 2 of this Act shall remain effective for a period of 3 years

1 and, at the end of June 30, 2010, with no further action required by the General
2 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.