

SENATE BILL 566

M1, C5

71r1918

By: **Senators Miller, Astle, Garagiola, Kelley, Klausmeier, Middleton, and Pugh**

Introduced and read first time: February 2, 2007

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2007

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; and generally relating to
11 electricity from wind and generating stations.

12 BY repealing and reenacting, without amendments,
13 Article – Public Utility Companies
14 Section 7–207(b)
15 Annotated Code of Maryland
16 (1998 Volume and 2006 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Public Utility Companies

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.



1 Section 7–207.1
2 Annotated Code of Maryland
3 (1998 Volume and 2006 Supplement)

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

6 **Article – Public Utility Companies**
7 7–207.

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

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

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

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

24 7–207.1.

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

26 (1) constructs a generating station:

27 (I) designed to provide on–site generated electricity if:

28 [(i)] 1. the capacity of the generating station does not
29 exceed 70 megawatts; and

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

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

6 **1. THE CAPACITY OF THE GENERATING STATION**
7 **DOES NOT EXCEED 70 MEGAWATTS;**

8 **2. THE ELECTRICITY THAT MAY BE EXPORTED FOR**
9 **SALE FROM THE GENERATING STATION TO THE ELECTRIC SYSTEM IS SOLD ONLY**
10 **ON THE WHOLESALE MARKET PURSUANT TO AN INTERCONNECTION,**
11 **OPERATION, AND MAINTENANCE AGREEMENT WITH THE LOCAL ELECTRIC**
12 **COMPANY; AND**

13 **3. THE COMMISSION PROVIDES AN OPPORTUNITY**
14 **FOR PUBLIC COMMENT AT A PUBLIC HEARING AS PROVIDED IN SUBSECTION (E)**
15 **OF THIS SECTION; OR**

16 (2) constructs a generating station if:

17 (i) the capacity of the generating station does not exceed 25
18 megawatts;

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

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

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

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

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

- 1 (ii) be verified by oath or affirmation; and
- 2 (iii) contain information that the Commission requires,
3 including:
- 4 1. proof of compliance with all applicable requirements
5 of the independent system operator; and
- 6 2. a copy of an interconnection, operation, and
7 maintenance agreement between the generating station and the local electric
8 company.

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

- 11 (1) ensure the safety and reliability of the electric system;
- 12 (2) require the person constructing the generating station to notify the
13 Commission 2 weeks before the first export of electricity from a generating station
14 approved under this section; and
- 15 (3) conduct its review and approval in an expeditious manner.

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

18 **(E) (1) THE COMMISSION SHALL PROVIDE AN OPPORTUNITY FOR**
19 **PUBLIC COMMENT AND HOLD A PUBLIC HEARING AS PROVIDED UNDER THIS**
20 **SUBSECTION ON AN APPLICATION FOR APPROVAL MADE UNDER SUBSECTION**
21 **(A)(1)(II) OF THIS SECTION IN EACH COUNTY AND MUNICIPAL CORPORATION IN**
22 **WHICH ANY PORTION OF THE CONSTRUCTION OF A GENERATING STATION IS**
23 **PROPOSED TO BE LOCATED.**

24 **(2) UPON THE REQUEST OF THE GOVERNING BODY OF A COUNTY**
25 **OR MUNICIPAL CORPORATION IN WHICH ANY PORTION OF THE CONSTRUCTION**
26 **OF A GENERATING STATION IS PROPOSED TO BE LOCATED, THE COMMISSION**
27 **SHALL HOLD THE PUBLIC HEARING JOINTLY WITH THE GOVERNING BODY.**

28 **(3) ONCE IN EACH OF 2 SUCCESSIVE WEEKS IMMEDIATELY**
29 **BEFORE THE HEARING DATE, THE COMMISSION, AT THE EXPENSE OF THE**
30 **APPLICANT, SHALL PROVIDE WEEKLY NOTICE OF THE PUBLIC HEARING AND**

1 **OPPORTUNITY FOR PUBLIC COMMENT BY ADVERTISEMENT IN A NEWSPAPER OF**
2 **GENERAL CIRCULATION IN THE COUNTY OR MUNICIPAL CORPORATION**
3 **AFFECTED BY THE APPLICATION.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 2007.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.