

# HOUSE BILL 1427

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By: **Delegates Jameson and Schuh**

Introduced and read first time: March 1, 2012

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electricity – Certificate of Public Convenience and Necessity – Overhead**  
3 **Transmission Lines**

4 FOR the purpose of authorizing the Public Service Commission to waive the  
5 requirement for an electric company to obtain a certificate of public convenience  
6 and necessity under certain circumstances for good cause; requiring the  
7 Commission to waive the requirement to obtain a certificate of public  
8 convenience and necessity for construction related to an existing overhead  
9 transmission line designed to carry a certain amount of voltage under certain  
10 circumstances; authorizing an electric company to undertake construction  
11 necessary to avoid an imminent safety hazard or reliability risk under certain  
12 circumstances; requiring an electric company to file a certain report with the  
13 Commission within a certain period of time under certain circumstances; and  
14 generally relating to certificates of public convenience and necessity for  
15 overhead electric transmission lines.

16 BY repealing and reenacting, without amendments,  
17 Article – Public Utilities  
18 Section 7–207(a)  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2011 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Public Utilities  
23 Section 7–207(b)  
24 Annotated Code of Maryland  
25 (2010 Replacement Volume and 2011 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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**Article – Public Utilities**

2 7–207.

3 (a) (1) (i) In this section and § 7–208 of this subtitle, “construction”  
4 means:

5 1. any physical change at a site, including fabrication,  
6 erection, installation, or demolition; or

7 2. the entry into a binding agreement or contractual  
8 obligation to purchase equipment exclusively for use in construction in the State or to  
9 undertake a program of actual construction in the State which cannot be canceled or  
10 modified without substantial loss to the owner or operator of the proposed generating  
11 station.

12 (ii) “Construction” does not include a change that is needed for  
13 the temporary use of a site or route for nonutility purposes or for use in securing  
14 geological data, including any boring that is necessary to ascertain foundation  
15 conditions.

16 (2) In this section, “qualified generator lead line” means an overhead  
17 transmission line that is designed to carry a voltage in excess of 69,000 volts and  
18 would allow an out-of-state Tier 1 or Tier 2 renewable source to interconnect with a  
19 portion of the electric system in Maryland that is owned by an electric company.

20 (b) (1) (i) Unless a certificate of public convenience and necessity for  
21 the construction is first obtained from the Commission, a person may not begin  
22 construction in the State of:

23 1. a generating station; or

24 2. a qualified generator lead line.

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

29 (iii) Notwithstanding subparagraph (i) of this paragraph, a  
30 person may not apply to obtain a certificate of public convenience and necessity for  
31 construction of a qualified generator lead line unless:

32 1. at least 90 days before the filing of an application for  
33 a certificate of public convenience and necessity, the person had in good faith offered  
34 the electric company that owns that portion of the electric grid in Maryland to which

1 the qualified generator lead line would interconnect a full and fair opportunity for the  
2 electric company to construct the qualified generator lead line; and

3 2. at any time at least 10 days before the filing of an  
4 application for a certificate of public convenience and necessity, the electric company:

5 A. did not accept from the person a proposal or a  
6 negotiated version of the proposal under which the electric company would construct  
7 the qualified generator lead line; or

8 B. stated in writing that the electric company did not  
9 intend to construct the qualified generator lead line.

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

15 (3) (I) [Unless] **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF**  
16 **THIS SUBSECTION, UNLESS** a certificate of public convenience and necessity for the  
17 construction is first obtained from the Commission, an electric company may not begin  
18 construction of an overhead transmission line that is designed to carry a voltage in  
19 excess of 69,000 volts or exercise a right of condemnation with the construction.

20 (II) **THE COMMISSION MAY WAIVE THE REQUIREMENT IN**  
21 **SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR GOOD CAUSE.**

22 (4) (I) **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
23 **PARAGRAPH, FOR CONSTRUCTION RELATED TO AN EXISTING OVERHEAD**  
24 **TRANSMISSION LINE DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000**  
25 **VOLTS, THE COMMISSION SHALL WAIVE THE REQUIREMENT TO OBTAIN A**  
26 **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IF THE COMMISSION**  
27 **FINDS THAT THE CONSTRUCTION DOES NOT:**

28 1. **REQUIRE THE ELECTRIC COMPANY TO OBTAIN**  
29 **NEW REAL PROPERTY OR ADDITIONAL RIGHTS-OF-WAY THROUGH EMINENT**  
30 **DOMAIN; OR**

31 2. **REQUIRE LARGER OR HIGHER STRUCTURES TO**  
32 **ACCOMMODATE:**

33 A. **INCREASED VOLTAGE; OR**

34 B. **LARGER CONDUCTORS.**

1                   **(II) 1. FOR CONSTRUCTION, INCLUDING REPAIRS, THAT**  
2 **IS NECESSARY TO AVOID AN IMMINENT SAFETY HAZARD OR RELIABILITY RISK,**  
3 **AN ELECTRIC COMPANY MAY UNDERTAKE THE NECESSARY CONSTRUCTION.**

4                   **2. WITHIN 30 DAYS AFTER CONSTRUCTION IS**  
5 **COMPLETED UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, AN**  
6 **ELECTRIC COMPANY SHALL FILE A REPORT WITH THE COMMISSION**  
7 **DESCRIBING THE WORK THAT WAS COMPLETED.**

8                   **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
9 **June 1, 2012.**