



**Maryland Chamber of Commerce**

## **Legislative Position**

**SB 795  
OPPOSE  
Finance  
Committee  
03/03/09**

**SB 795**

### **Maryland Electricity Reregulation and Energy Independence Act of 2009**

#### **Brief Summary of Bill:**

SB 795 requires the Public Service Commission (PSC) to evaluate plans regarding electric generating needs. It would require the Commission to approve a certificate of public convenience and necessity application only after consideration of need. It makes a finding and declaration regarding a goal to return to a regulated electric market. It requires the Commission to require electric companies to buy back electric generation facilities.

#### **Maryland Chamber's Position:**

The Maryland Chamber of Commerce opposes this bill. This legislation would violate the Commerce Clause and would ultimately be preempted by existing Federal Energy Regulatory Commission jurisdiction over the sale of wholesale electricity.

Today, the Public Service Commission has sufficient flexibility to address the needs of Maryland electricity consumers. The PSC can allow or require Maryland electric utilities to construct or acquire power plants. The PSC can also require Maryland electric utilities to acquire electricity through long-term contracts or portfolio management.

Furthermore, the PSC along with its expert analysts thoroughly studied the issue of reregulation and have recommended against it. Commission reports on the issue found that reregulation would be too costly to rate payers, too risky, and would result in legal problems. The December 2008 SB 400 Final Report stated that the PSC "cannot recommend that the legislature seek to return the existing generation fleet to full cost-of-service regulation." Also, the Final Report said that the legislature should not restrict the PSC's options for obtaining new power plants.

This bill would return the risks of building, owning, and operating power plants to Maryland's electricity customers. Today, in the restructured electricity market, shareholders take those risks.

**For these reasons, the Maryland Chamber respectfully requests that the Committee give SB 795 an unfavorable report.**

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