

Public Service Commission case #9393 raises major concerns about the procedures that are governing energy policy in Maryland and the lack of coordination and planning among the agencies involved. The case referenced involves the proposed construction of high-tension electric transmission lines across a scenic area of the Pocomoke River. The need for this new construction is due to the additional load generated by renewable energy projects that have been accepted in the PJM queue and included in the capacity calculations. As a result, the PJM has concluded that an overload will exist when all projects come on line. The capacity present in 2013 did not raise these concerns; it was the additional capacity added after that date that is causing the problems. Our concerns are:

1. Delmarva Power customers in southern Maryland will be paying the cost of the upgrades to the transmission line, not for power that they are using, but for power that is being exported out of the area.
2. There is an imbalance in the power needed in southern Delmarva and what is being produced in the lower Eastern Shore of Maryland and Virginia.
3. The benefits for the transmission line upgrade benefit the developers and/or owners of the generation sites that these new lines will serve.
4. Maryland customers are paying for line upgrades that are benefitting out-of-state for-profit corporations, not locally owned companies.
5. Development of renewable energy, mainly from solar, on the entire Eastern Shore is rapidly expanding and will, when fully developed, exceed the needs of the population that lives on the shore. The need to transport the power out to population centers will continue to increase, causing escalating utility costs, not for what is used locally, but for what is utilized elsewhere. Maryland residents are therefore subsidizing power delivery to population centers in other states.
6. Vital natural resources in Maryland are being sacrificed for the profits of out-of-state developers, not for any benefit to Maryland residents. (None of the generation to be constructed in southern Delmarva are Maryland companies.)
7. As usual, the approach taken in this proceeding by PPRP and PSC is that no matter what the adverse impacts are on the residents of the area, the scenic, historical or natural resources there is always “mitigation” that can allow the projects to go forward, even though these resources may be severely degraded and the native population harmed
8. Neither PJM nor Delmarva Power will suffer any financial consequences from this construction as the costs will be passed on to Delmarva Power consumers and in turn, other utilities customers that are served by companies like Choptank Electric
9. There appears to be no coordination among the agencies involved---PPRP, PSC, PJM, and the electric utilities--- to generate thoughtful and logical planning to meet local power needs and to intelligently develop renewable energy resources. The process is being driven by the profit motives of for-profit, largely out-of-state private companies.

Listed below are some of the points of concern we have with the testimony and conclusions of the Public Utility Judge that need to be explained.¹

- A PPRP witness in Direct Testimony stated the transmission line will “negatively alter a scenic segment of the Pocomoke River” Dwight D. Etheridge Direct Testimony page 4.
- “In my view the native customers are not being adequately represented with regard to transmission planning issues based upon what I discovered in this case.” Etheridge Direct Testimony page 5
- “PPRP concedes that additional 138kV capacity into the area is needed because PJM has effectively given away all available transmission capacity in the southern Delmarva Peninsula to generation developers and the transmission system will now overload...” Etheridge Surrebuttal page 3.
- PJM interconnection queue utilizes a “bright line” test regarding transmission capacity. Generation developers can have access to all available transmission capacity provided their projects do not overload Delmarva Power’s transmission lines. That can result in a situation

¹ The documents referenced are attached.

where Delmarva Power's transmission system has almost no remaining available capacity and is therefore vulnerable to even minor changes in load forecasts or transmission system topology" Etherridge Direct page 31.

- Testimony from the witness for the Office of the Peoples Council stated, "Before the generating units were included in transmission planning, there were no forecasted overloads. In the event that a common-mode outage occurs, the generating units benefit by not having to cut output, or eliminate it, while the outage of facilities persist." Peter J. Lanzalotta Direct Testimony page 22-23
- The ratepayers in the Delmarva Transmission Zone will bear the cost and that this is due to Regional Transmission Expansion Plan implemented by PJM. PULJ Terry J. Romine
- The primary benefits of the line will go to the developers and or owners of the generation that these new lines will serve. PULJ Terry J. Romine Proposed Order case #9393 page 7-8
- Finally, despite all of the evidence and the proposal that the PSC open an investigation to review the PJM process, PULJ Romaine issued an order for the CPCN to be granted, shortening the time period for the order to take effect from the customary 30 day period to 14.

Thankfully, the Peoples Council is singlehandedly trying to protect consumers and has given notice of an appeal before the deadline for the order is to go into effect. Our hope that they will prevail is slim and they are certainly not getting a helping hand from the PPRP or the PSC staff council.

This same scenario is likely to repeat itself on the Eastern Shore of Maryland, as there is a strong push by generation producers to secure land leases and insert themselves into the PJM queue. The rural counties of Maryland are not only facing the threat of lost farmland for agriculture but also increased pricing for utilities because of energy they are not using. Land close to population centers is more expensive and may meet more resistance so developers are targeting rural communities. The energy generation producers choose the path that gives them the most profits and will continue to do so until they are otherwise directed by the State. PJM has proven it does not consider the consequences of its allocation system and the PSC has shown it has neither the ability nor the inclination to allocate the financial risk to those who profit, rather it assigns the risk to the residents of Maryland.

Landowners on the Eastern Shore are seeing lease offers from solar development corporations that greatly exceed the profits available from farming. The acreage under target is astounding and is a threat to maintaining viable agriculture. As land devoted to farming disappears, the likelihood that farms can continue to survive decreases. Without policies to guide this massive land rush, there will be continued development of valuable farmland, deterioration of the agricultural economy and increased utility prices as seen in this case before the PSC, driving already compromised consumers into energy poverty. The profits from these projects will be leaving the State in the pockets of out-of-state and out-of- country corporations.