

**Before the  
Public Service Commission  
Of Maryland**

**In the matter of the Application of the  
Baltimore Gas and Electric Company  
for a Certificate of Public Convenience  
and Necessity for the Key Crossing  
Reliability Initiative Transmission Line  
Project**

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**Case No 9600**

**Rebuttal Testimony of**

**Kevin Zhong**

**On behalf of the Staff of the Public Service Commission of  
Maryland**

**January 10, 2020**

**Q. Please state your name and business address.**

A. My name is Kevin H. Zhong. My business address is 6 St. Paul Street, Baltimore, Maryland 21202.

**Q. Are you the same Kevin H. Zhong who filed the Direct Testimony on December 2, 2019?**

A. Yes. I am.

**Q. What is the purpose of your Rebuttal Testimony?**

A. The purpose of my Rebuttal Testimony is to revisit the project decommissioning plan previously discussed in my Direct Testimony, and to recommend that a condition be added to fully address the impacts of this phase of the Project.

**Q. Have you reviewed and discussed BGE's decommissioning plan?**

A. Yes. Section 8.0 of Baltimore Gas and Electric Company ("BGE")'s Alternative Analysis included a comprehensive discussion of the decommissioning plan for the existing submarine Harbor Crossing Cables to be functionally replaced by the Key Crossing Reliability Initiative Transmission Line Project. On page 147, it was stated "BGE has decided to decommission the system to prevent an inadvertent release of the dielectric oil into the Patapsco River once the system has been retired."

BGE witness Meling provided supplemental direct testimony to declare that the Company is confident that the physical means of oil removal will remove at least 90 percent of the mineral oil and thus, it has decided not to pursue the biodegradation option<sup>1</sup> for the mineral oil that will be left under the river bottom with the retired cables.

Although the plan itself is primarily concerned with removing the bulk of the mineral oil by an environmentally sensitive means, it also should address BGE's decision to leave the remainder of oil<sup>2</sup> permanently under the river bottom and the associated risks.

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<sup>1</sup> Page 6, lines 16 – 22, June 28, 2019

<sup>2</sup> Staff estimates this amount to be 15,000 gallons, based on the total of 150,000 gallons currently contained in the system and BGE's claimed 90 percent removal efficiency.

In my direct testimony I discussed this phase of the Project. Since Staff is not the subject matter expert on the environmental aspects of BGE's proposal, I stated that, "I will rely on other state agencies to evaluate BGE's decommissioning plan for its effectiveness."<sup>3</sup>

**Q. Do you feel that the decommissioning plan should be considered an integral part of the Project?**

**A.** Yes, I do. The Commission has awarded several recent CPCNs with this consideration. For example, Order No. 89098 of Public Utility Law Judge, Case No. 9477, *In the Matter of the Application of Cherrywood Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 202 MW Solar Photovoltaic Generating Facility in Caroline County, Maryland*, stated that "a decommissioning plan is necessary to ensure that the Project is decommissioned appropriately and properly at the end of its useful life."<sup>4</sup> These decommissioning requirements have been required for new generators, mainly because there needs to be some bond or surety obligation to not place the risk and cost of site decommissioning and reclamation on the State and local governments should the generation developers cease to be in business, as discussed in the Power Plant Research Project's (PPRP) letter to the Commission in Case Nos. 9463 and 9464 for MD Solar 2 and MD Solar 1.<sup>5</sup>

Normally the decommissioning of transmission projects would not carry the same risks as generation projects since utilities will likely be financially viable entities for the foreseeable future with the ability to handle future cost impacts from decommissioning failures, should they arise. However, instead of State and local government protections being implemented in generation CPCNs, these cost risks in transmission CPCNs could impact utility ratepayers should there be an environmental incident or some sort of future interference of the decommissioned cables with other infrastructure or parties. Therefore, a decommissioning requirement should also protect utility ratepayers for transmission

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<sup>3</sup> Page 24, lines 18 – 19, December 2, 2019

<sup>4</sup> See Mail Log No. 224787, page 20. Also see attachment A: PPRP Initial Recommended Licensing Conditions, No. 11, Solar Decommissioning.

<sup>5</sup> See Mail Log No. 222935 from Talson (PPRP) dated November 16, 2018

CPCN project decommissioning risks, similar to the intent behind these protections in recent generation CPCN decommissioning plans. If a future event involving the submarine Harbor Crossing Cables were to occur, BGE will likely try to recover any potential future transmission cost liabilities through the Federal Energy Regulatory Commission (“FERC”) since the Maryland Public Service Commission (“Commission”) would not have jurisdiction. Therefore, the only option the Commission has to protect utility ratepayers is to apply an appropriate licensing condition to the CPCN approval. .

**Q. Have you reviewed PPRP’s Initial Recommended Licensing Conditions and what are your observations?**

**A.** Yes, I have reviewed PPRP’s revised conditions<sup>6</sup>, and observed that they are silent on BGE’s decommissioning plan for the existing submarine Harbor Crossing Cables and its associated risks.

**Q. What is your recommendation in this matter?**

**A.** I believe that the Commission should direct a licensing condition to be added that states:

*BGE should ensure its customers are protected from any potential future cost liabilities associated with any potential risks of BGE's decommissioning plan for the existing submarine Harbor Crossing Cables by agreeing to not seek regulatory recovery of such costs through the Federal Energy Regulatory Commission (“FERC”) or the Maryland Public Service Commission.*

**Q. Does that conclude your testimony?**

**A.** Yes.

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<sup>6</sup> Mail Log No. 227813, December 13, 2019