



House Bill 561

Electric Industry - Community Choice Energy

MACo Position: **SUPPORT**

To: Economic Matters Committee

Date: February 13, 2020

From: Alex Butler

The Maryland Association of Counties (MACo) SUPPORTS HB 561 as it provides counties with an enhanced means to coordinate energy purchasing for their communities in order to help foster competition, lower prices, or pursue cleaner supply.

Since the 1999 deregulation of the electricity generation market, the competitive residential market has grown only modestly. Deregulation promised greater consumer leverage, but many users have found the market to be opaque or confusing – limiting their ability to efficiently identify the most competitive pricing or the best fit source of clean energy alternatives. Community aggregation could be the missing piece toward desirable outcomes.

HB 561 provides counties and municipalities the freedom to form or to join community choice aggregators at their discretion. Under current law, this is only allowed if the Public Service Commission (PSC) finds there is insufficient choice of electrical competition within the boundaries of a jurisdiction and licenses the jurisdiction to do so. The bill specifies the requirements and process for forming or joining an aggregator and requires that the PSC regulate them.

The bill provides important benefits and consumer protections – most notably a clear “opt out” for anyone in the affected community who does not seek to join the cooperative effort. Notice and transparency requirements ensure the public is well informed prior to an aggregator forming and kept aware of the terms and conditions once one is formed. Community aggregators are also limited in their ability to assess any new charges as those must be limited to the costs of the electricity or its transmission.

HB 561 provides a balanced means for local governments to purchase or provide energy in the best interest of their communities. Accordingly, MACo urges a **FAVORABLE** report on HB 561.