



greaterwashington
hispanic chamber of commerce

UNFAVORABLE HB 561

Economic Matters Committee

February 13, 2020

My name is Nicole Quiroga and I am the President and CEO of the Greater Washington Hispanic Chamber of Commerce. Our Chamber (GWHCC) supports the economic development of the Washington, D.C. metropolitan region by facilitating the success of Latino and other minority-owned businesses and the communities we serve.

Founded in 1976, the GWHCC is a membership driven organization that has more than 700 members throughout Montgomery and Prince George's counties, the District of Columbia and parts of Northern Virginia. We represent one of the fastest growing demographics, which is the Latino small business owner, and provide our members with technical assistance, **networking opportunities, advocacy and educational support.**

Today we are writing in opposition to House Bill 561 (HB561) Electric Industry – Community Choice Energy, which will be heard in the House Economic Matters Committee on February 13, 2020. While we recognize that a similar bill was introduced last legislative session, we did not take a position. However, given the bill being debated this session includes small commercial customers, we felt compelled to provide input on behalf of our members.

The underlying tenants of the bill are laudable, however, there are several concerning aspects that we believe warrant additional consideration and study, prior to making such a fundamental change to Maryland's energy policy. At its core, this bill could alter significantly the current structure of energy pricing in the state and do so in a way that limits choice and competition, as a direct result of the form of Community Choice Energy (CCE) enabled by this bill.

The GWHCC understands that HB561 authorizes Maryland counties and municipalities to individually or jointly pass local ordinances to form a CCE, which would then be allowed to procure electricity as well as own generation and energy storage, without additional requirements for approval by the residents and businesses encompassed by the proposed CCE. GWHCC believes that, given the impact on those customers swept into a CCE, residents should first vote to authorize a CCE prior to local officials moving forward with creating one. This is a significant change in authority and purview for local governments and should not occur without direct input from its citizens.

While HB561 does require a local government that seeks to create a CCE to send a notice to residential and small commercial electricity customers, the bill only appears to require that one direct notice be sent and, if a residential consumer or business does not respond to that notice within 30 days, the customer is automatically enrolled into the CCE program.

The bill also appears to impose an exit fee on those customers that choose to leave the CCE after 180 days.

We do not support this “**opt-out**” approach, which is just “slamming” by another name. Our members tend to be *small businesses that are run and managed by individuals that not only pay energy bills, but also order goods, manage inventory, make payroll, hire and manage employees, market their businesses, tend the register, etc.* They are very busy people trying to make a profit to support local jobs and the economy, as well as their families. Many are satisfied with their energy service, and those that want to make an affirmative choice about their energy provider have the option of doing so today under Maryland’s retail electric competition program. We believe that this bill is unnecessary for our members and could result in some being unknowingly moved to an energy supplier they did not select.

HB561 allows counties and municipalities to mandate customers utilize the electricity supplier chosen by the county or municipality, even if the rates are higher than the Standard Offer Service regulated by the Public Service Commission. The opt-out approach, coupled with the potential for exit fees, has the potential to limit the ability of our members to affirmatively choose their energy supplier and, therefore, *manage their own energy costs.*

We are also concerned about the access to sensitive customer information that this bill provides to the CCE and whichever third-party it may select. Again, since the bill does not require an affirmative response by a customer to be included in the CCE, we do not believe that it should allow for the CCE, and supporting third-party provider, to receive sensitive customer energy usage information. At a minimum, an additional sign off should be required for this customer information to be shared, since many customers will essentially be “slammed” into this program, as it is currently contemplated.

Finally, the customer protections that will be established as part of these CCEs are unclear. As Maryland developed and implemented its retail competition program, it put in place extensive consumer protection protocols. It would seem prudent that any CCE established under this bill should have to abide by the same consumer protection protocols in place for third-party, retail suppliers, including the requirement to obtain affirmative written consent from a customer before switching that customer to another supplier. As we stated initially, GWHCC believes that this bill makes a fundamental change to energy policy in the state and should be considered as such.

We greatly appreciate the thought and effort that went into this bill, and also believe that more needs to be considered and assessed in order to ensure that there are not unintended consequences for those that are unknowingly swept into a CCE, as well as those that are not, and remain on Standard Offer Service.

For these reasons, GWHCC respectfully requests that you give House Bill 561 an Unfavorable Report.

Nicole Quiroga/GWHCC

