



LEGISLATIVE POSITION:

Unfavorable

House Bill 561

Electric Industry-Community Choice Energy

House Economic Matters Committee

Thursday, February 13, 2020

Dear Chairman Davis and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

House Bill 561 would allow counties and municipalities to individually or jointly pass local ordinances to form a Community Choice Aggregator (CCA) for the purposes of procuring electricity for its members. As outlined by the legislation, local governments seeking to create a CCA would be required to send a single notice to residential and small commercial electricity customers. If the residential or small business customer fails to respond or “opt out” within 30 days, the CCA may automatically enroll that consumer into the program. Further, if an auto-enrolled consumer seeks to opt out after 180 days, the customer must pay an exit fee to be determined later by the Maryland Public Service Commission.

The Chamber has many concerns with the legislation, as presented. First, it would allow local governments to switch small business customers to the electricity supplier of the CCA’s choice, without that customer’s direct consent. Customers cannot be reasonably expected to “opt-out” by return mail within 30 days, as is required by the legislation. This creates the potential for confusion and alarm as it relates to why a small business customer has been switched to a new electricity supplier.

What is more, a local government may make this switch even if the electricity rates of the CCA are higher than what is presently incurred under the customers’ default service. The result will undoubtedly be higher prices for consumers, including small businesses who consistently contend with financial pressure due to any number of other challenges.

For these reasons, the Chamber respectfully requests an **unfavorable report** on House Bill 561.