



HoCoClimateAction.org

Howard County, Maryland

HoCo Climate Action

Committee: House Economic Matters

Testimony on: HB 561 - “Electric Industry – Community Choice Energy”

Position: Favorable

Hearing Date: February 13, 2020

HoCo Climate Action, a 350.org local chapter, is a grassroots organization representing more than 1,200 subscribers and a member of the Maryland Climate Coalition and the Howard County Climate Collaboration.

We support HB 561, Community Choice Energy, which would allow local governments to purchase electricity, negotiate rates and determine the source of the energy on behalf of their communities. This is enabling legislation only and does not mandate that local governments set up an electricity purchasing plan. It also would allow residents and businesses to opt out if a local government decides to aggregate electricity purchases. These residents and businesses would continue to purchase electricity with third-party suppliers or through the standard offering service (SOS).

Even though Maryland has a deregulated market, our electricity is expensive compared with 36 other states. In addition, few residents opt to purchase through a third-party supplier because switching is confusing, time consuming and often more expensive than the SOS. Under this legislation, local jurisdictions with marketing expertise could negotiate on ratepayers’ behalf, lowering energy rates and protecting residents from aggressive and often misleading marketing tactics by some third-party suppliers.

CCEs have more bargaining power with competitive suppliers than do individual customers, sometimes by 15 to 20 percent, according to the EPA. By having the option to participate in these “bulk” energy purchases, all residents, including those with low and moderate incomes, would be able to lower their energy costs significantly. The local utility would remain responsible for transmission, distribution, and billing. The only changes for customers would be the sources and prices of electricity generation.

In addition, local governments could opt for greener energy, such as wind and solar, that are often still too costly for low- to moderate-income families. Although Community Solar offers access to all Maryland ratepayers, too many residents remain confused and skeptical of this new program in our state. (This is partly because utilities, the Office of People’s Counsel and the Public Service Commission don’t provide a list of approved subscribing solar farms in the local utility area.) Allowing local CCEs to negotiate rates and even subscribe to these

community solar farms would lower electricity rates, provide local jobs, help clean our environment and provide another tool for addressing our climate crisis.

For all these reasons, we urge a favorable report.

HoCo Climate Action

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Supporting documents/articles:

<https://www.baltimoresun.com/business/bs-bz-energy-supplier-complaints-20191203-bghwu6or nbbyvioiw6uh4g7jy-story.html>

<https://www.nrel.gov/docs/fy19osti/72195.pdf>

<https://www.epa.gov/greenpower/community-choice-aggregation>

<https://ieer.org/wp/wp-content/uploads/2018/12/Energy-Report-Executive-Summary.pdf>

https://www.foodandwaterwatch.org/sites/default/files/fs_1910_commchoiceagg-web.pdf

[Community Choice Energy Will Lower Energy Costs for Marylanders](#)