

Committee: House Economic Matters
Testimony on: HB 561 - “Electric Industry – Community Choice Energy”
Position: Favorable
Hearing Date: February 13, 2020

Glen Echo Heights Mobilization submits this testimony in support of HB 561, a bill to enable local governments to implement “community choice energy plans,” that allow residents to combine electricity purchasing power to reduce ratepayer costs and to select electricity sources. It also allows Maryland residents to band together to support clean energy.

The Community Choice Energy (“CCE”) bill would:

- Allow counties, cities, or groups of these entities the non-mandatory choice to purchase electricity from pooled resources on behalf of residents’ from community chosen sources.
- Allows the local entity establishing a CCE plan the discretion to decide the criteria for selecting the electricity provider, included criteria related to energy source.
- Permits individual households to opt out of the CCE plan and choose instead to use their local utility’s standard service or get their electricity from a different third-party provider consistent with the current supplier-choice model.
- Requires local entities choosing a CCE plan to draft and publicly disseminate a detailed implementation plan, and then obtain approval for the plan from the Public Service Commission, subject to consumer protection regulations.
- Have little on the state budget.

We support this legislation for the following reasons:

- **Maryland would join communities in other states already saving money and supporting clean energy by combining the buying power of their residents.**
- **CCE pools residents’ purchasing power in a way beneficial to the ratepayer**
- **CCE can save money for low-income community members**
- **CCE can help Marylanders reduce their higher than average residential cost of electricity per kilowatt hour**, which would have a beneficial impact on poor households whose electricity costs represent a significant percentage of family financial resources.
- **CCE can help Maryland meet clean renewable energy goals** of the 2019 Clean Energy Jobs Act (CEJA) and allow its residents access to the choice of clean renewable energy available only to large organizations.
- **Communities can, with CCE, choose to expand renewable energy** supplies, sources, and employment. CCE will also help develop the new green jobs and businesses that CEJA promises.

Conclusion

This bill provides multiple benefits to Maryland ratepayers. Of principle importance to our organization, it supports Maryland’s existing commitments towards and future development of clean energy. It serves Maryland residents’ interests in pursuing lower costs. We urge a favorable report by this Committee.