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SB315 – “Electricity Industry – Community Choice Energy”
Senate Finance Committee
February 25th, 2020

Position: Favorable

File #: 20-0197R **Version:** 0 **Name:** In Support of Senate Bill 315/House Bill 561 - Community Choice Energy

Type: City Council Resolution **Status:** Adopted

File created: 2/10/2020 **In control:** City Council

On agenda: **Final action:** 2/10/2020

Enactment date: **Enactment #:**

Title: In Support of Senate Bill 315/House Bill 561 - Community Choice Energy
For the purpose of requesting that the Honorable Chair and Members of the Finance Committee and the Economic Matters Committee take this show of support under consideration during their deliberations on Senate Bill 315 and House Bill 561, respectively, both of which authorize a county or municipal organization or a group of counties or municipal corporations to form or join a community choice aggregator.

Sponsors: President Brandon M. Scott, Ryan Dorsey, John T. Bullock, Kristerfer Burnett, Bill Henry, Zeke Cohen, Shannon Sneed, Sharon Green Middleton, Eric T. Costello, Leon F. Pinkett, III, Robert Stokes, Sr., Mary Pat Clarke, Edward Reisinger

Indexes: Community, Energy

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|------------|--------|
| 2/10/2020 | 0 | City Council | Introduced | |
| 2/10/2020 | 0 | City Council | Adopted | |

City of Baltimore
Council Bill #: 20-0197R
R (Resolution)

Introduced by: President Scott

A Resolution Entitled

A Council Resolution concerning
In Support of Senate Bill 315/House Bill 561 - Community Choice Energy

For the purpose of requesting that the Honorable Chair and Members of the Finance Committee and the Economic Matters Committee take this show of support under consideration during their deliberations on Senate Bill 315 and House Bill 561, respectively, both of which authorize a county or municipal organization or a group of counties or municipal corporations to form or join a community choice aggregator.

Recitals

Passage of this legislation, introduced by Senator Beidle and Delegate Charkoudian into the 2020 Maryland General Assembly, would authorize a county or municipal organization or a group of counties or municipal corporations to form or join a community choice aggregator. A community choice aggregator negotiates with producers of a utility service on behalf of groups of consumers.

The Community Choice Aggregation model, also known as Community Choice Energy, is a proven strategy to expand consumer choice, lower electric rates, and achieve state and local environmental goals. The Community Choice Energy model exists in eight states - California, Illinois, Ohio, Virginia, Rhode Island, New Jersey, New York, and Massachusetts. The model allows local governments to aggregate their buying power to procure electricity for municipal, residential, and commercial customers in their jurisdictions. Under the model, the aggregator works in partnership with the incumbent investor-owned utility, which continues to provide power delivery, grid maintenance, certain customer programs, and consolidated customer billing.

The City of Baltimore values the health of our communities and our environment, and seeks to prevent the impacts of climate change. The City of Baltimore is committed to moving to 100% clean, renewable energy in a timely fashion, while also providing affordable rates to residents. Community Choice Energy currently serves millions of customers around the country and consistently provides for more choice than the dominant utility provider, has better rates than the dominant utility provider, provides more renewable energy options, and reduces greenhouse gas emissions more than the dominant utility provider. The Community Choice

Energy model can provide significant local and regional economic development benefits including the opportunity to develop local power resources and implement a wide variety of local energy programs tailored to the needs of a community. The model also encourages transparency, which mitigates the harmful practices of some individual retail electric suppliers.

Senate Bill 315 and House Bill 561, two Community Choice Energy bills, have been introduced in the Economic Matters Committee and Finance Committee during the 2020 session of the Maryland General Assembly. The Community Choice Energy model is self-funding, and enabling legislation would have no significant negative fiscal impacts on the State of Maryland or the municipalities that adopt it. The model, if determined to be technically and financially feasible for Maryland cities and towns, could provide substantial environmental and economic benefits to the residents and businesses of Baltimore.

Now, therefore, be it resolved by the City Council of Baltimore, That the Baltimore City Council requests that the Honorable Chair and Members of the Finance Committee and the Economic Matters Committee take this show of support under consideration during their deliberations on Senate Bill 315 and House Bill 561, respectively, both of which authorize a county or municipal organization or a group of counties or municipal corporations to form or join a community choice aggregator.

And be it further resolved, That the Baltimore City Council further supports state enabling legislation that, at a minimum, allows a Community Choice Energy municipality or group of municipalities to:

- Procure electricity on behalf of the Community Choice Energy municipality's residents, businesses, and municipal accounts;
- Automatically enroll residents and businesses that have not already chosen a third-party supplier, while providing the residents and businesses ample opportunity to opt-out of Community Choice Energy;
- Administer all energy efficiency funds paid by customers located within their jurisdictional boundaries for purposes of promoting and funding local energy efficiency programs; and
- Obtain funding for the development of local, small-scale renewable energy projects.

And be it further resolved, That a copy of this Resolution be sent to the Governor, the Mayor, the Honorable Chairs and Members of the Senate Finance Committee, the Honorable Chairs and Members of the House Economic Matters Committee, the Baltimore City Senate and House Delegations to the 2020 Maryland General Assembly, and the Mayor's Legislative Liaison to the City Council.