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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

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SB 315  
ELECTRICITY - COMMUNITY CHOICE ENERGY

Chairman Kelley and Members of the Finance Committee;

Senate Bill 315 – Electricity – Community Choice Energy, empowers local governments to aggregate electricity loads of residents, small businesses, and government, with the goal of reducing greenhouse gas emissions, reducing prices, or both. SB 315 would authorize local governments, in Maryland, to form community choice aggregators. At present nine states - California, Illinois, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Rhode Island and Virginia - have authorized localities to create locally run aggregators.

While the original focus of CCEs was providing lower and more stable rates, they have evolved to focus on two main policy objectives: lower rates for consumers and a higher level of renewable electricity generation. Creation of a local electricity aggregator allows residents in a community to take control of the electricity purchased by their local utility, while leaving ownership of the grid in the hands of utilities. In essence an aggregator is a sort of hybrid between an investor-owned utility and a municipal utility.

The first aggregator was created in Massachusetts in 1997. The Cape Light Compact was formed by a dozen towns that came together to form an aggregator. The Compact expanded a year later and made its first purchase of electricity in 2000. Since then it has expanded further, helping to create the Cape and Vineyard Electric Cooperative, which has focused on the build out of renewable electricity generation.

SB 315 supports the concept of energy democracy, in which community participation in local government processes, ensures that the energy mix reflects the values of the community. The legislation authorizes localities to create CCEs and establishes the procedure by which they would do so. It does not dictate that a locality must establish a CCE and it is agnostic on the question of what the energy mix procured by the CCE would be, as long as the CCE complies with the State's Renewable Portfolio Standard.

SB 315 directs the Public Service Commission (PSC) to establish regulations to ensure a smooth transition from Standard Offer Service (SOS) to a CCE, such that there is no

disruption in the remaining SOS market. The PSC is also directed to establish regulations related to consumer protection, privacy, and the tariff structure. The PSC also approves of the detailed CCE plan before it can be launched.

The legislation establishes that the CCE will become the default purchaser of electricity for all electric customers in the jurisdiction unless the customer is already the client of a third-party supplier or if the customer opts out of the aggregator plan. The legislation establishes a detailed process through which the local government would communicate about the establishment of the CCE and options for residents to opt out. The opt-out feature ensures that the CCE has the ability to negotiate prices on behalf of nearly all members of the community it represents, thus ensuring competitive prices. The legislation also exempts any publicly owned electric utility or electric cooperative, with an understanding that residents served in these areas have a vote in the decision-making around their electricity supply.

I respectfully request a favorable report on SB 315.

Name	CCA meeting min RPS	CCA additional % green	CCA 100% green	Default CCA	SOS Price to Compare	Ref.	Details
Hudson Valley Community Power (NY)	6.08		6.36	6.36	6.87	<a href="#">1</a>	At least 9 communities in Hudson Valley. CCA is 100% green (default).
Finger Lakes Community Choice (NY)	5.01		5.23	5.23	5.30	<a href="#">2</a>	Town of Geneva, NY. CCA is 100% green (default).
Wesley Hills Choice (NY)	6.87		7.38	6.87	6.92	<a href="#">3</a> <a href="#">8a</a>	Town of Wesley Hills, NY.
Melrose, MA	10.4	10.5 (5% more than min)	12.8	10.5	11.67	<a href="#">4</a> <a href="#">8</a>	Default is 5% green over minimum mandated. See ref. 8. The SOS price in MA is the average of two six month rates: July 1 through December 31, 2019 - 10.836 cents/kWh; and January 1 through June 30, 2020 - 12.517 cents/kWh.
Brookline, MA	10.71	11.61 (30% more than min); 12.65 (65% more than min)	13.71	11.61	11.67	<a href="#">5</a> <a href="#">8</a>	See ref. 8. The SOS price in MA is the average of two six month rates: July 1 through December 31, 2019 - 10.836 cents/kWh; and January 1 through June 30, 2020 - 12.517 cents/kWh.
Somerville, MA	10.21	10.51 (10% more than min.)	13.21	10.51	11.67	<a href="#">6</a> <a href="#">8</a>	See ref. 8. The SOS price in MA is the average of two six month rates: July 1 through December 31, 2019 - 10.836 cents/kWh; and January 1 through June 30, 2020 - 12.517 cents/kWh.
Cape Light Compact (MA)	NA	NA	12.94	12.94	12.52	<a href="#">7</a> <a href="#">8</a>	21 communities on Cape Cod and Martha's Vineyard. In existence for 20 yrs. See ref. 8. The SOS price is the contract price for January 1 through June 30, 2020 - 12.517 cents/kWh which corresponds to the period of the stated CLC contract. From the Eversource website.
New Brunswick (NJ)	NA	11.39 (50%)	11.96	11.39	12.60	<a href="#">9</a>	The SOS rate is for period 10/19-5/20
Glen Rock (NJ)	NA	NA	12.19	12.19	12.13	<a href="#">10</a>	The SOS rate is from the pse&g website
West Orange (NJ)	NA	NA	11.60	11.60	12.13	<a href="#">11</a>	
Sustainable Essex (NJ)	NA	11.00 (41%)	NA	11.00	12.13	<a href="#">12</a>	



\*prices are in cents/kWh

**I. References:**

1. [Hudson Valley Community Power \(website\)](#)
2. [Finger Lakes Community Choice \(website\)](#)
3. [Wesley Hills Choice \(website\)](#)
4. [Melrose, MA \(website\)](#)
5. [Brookline, MA \(website\)](#)
6. [Somerville, MA \(Somerville CCE website\)](#)
7. [Cape Light Compact \(MA\)](#).
- 8a. [SOS information \(Orange and Rockland\)](#)
8. [Eversource Basic Service \(select Fixed Rates\)](#)
9. [City of New Brunswick \(NJ\) Renewable NB \(website\)](#)
10. [Glen Rock \(NJ\) Discounted Energy Aggregation Plan \(DEAL\)](#)
11. [West Orange Township Community Energy Aggregation Program Round 3 Update](#)
12. [Sustainable Essex Alliance Renewable Energy Aggregation \(website\)](#)