



John Hartline, Chairman

50 Harry S. Truman Parkway • Annapolis, MD 21401  
Office: 410-841-5772 • Fax: 410-841-5987 • TTY: 800-735-2258  
Email: [rmc.mda@maryland.gov](mailto:rmc.mda@maryland.gov)  
Website: [www.rural.maryland.gov](http://www.rural.maryland.gov)  
Charlotte Davis, Executive Director

Testimony in Support of  
**Senate Bill 153 – Renewable Energy Portfolio Standard - Municipal Electric Utilities**  
Before Finance Committee  
January 21, 2021

The Rural Maryland Council **supports** Senate Bill 153 - Renewable Energy Portfolio Standard - Municipal Electric Utilities. Currently under Maryland law, municipal electric utilities (muni's) in Maryland are required to meet the same renewable energy portfolio standards as the investor owned utilities (IOU), despite only being 1% of the size of the IOUs. These standards have resulted in increased prices to both the muni's and their customers. Senate Bill 153 would allow muni's to remain in the renewable energy portfolio standard program but would do so with adjusted caps. The caps put in place would directly save money for customers, taxpayers, and ratepayers.

Municipal electric utilities are currently paying a higher price for the same resources as other utilities in the state of Maryland. In 2019 Muni's paid \$10.99 for per Tier1 Non-Solar Renewable Energy Credit while the average for the other utilities in the state was only paying \$7.77 per Non-Solar REC. There is a similar difference in Tier 1 Solar RECs, with Muni's paying \$67.87 per REC while the rest of the state utilities averaged only \$47.26. In both cases muni's are required to pay more than 40% more than the other utilities in the state. These prices will go directly to the municipal electric consumers, requiring them to pay an additional 20%, almost \$300 annually, in electricity bills. The caps that SB153 would put in place would reduce this cost significantly, reducing the additional electric bill costs to only a 3.5% monthly, or an increase of \$40 annually, a much more affordable cost to the consumers.

According to the National Conference of State Legislatures, out of the 30 states that have renewable energy portfolio standards, only 11 of those states include muni's in their RPS requirements, of those 11, only 3 (NY, CA, MD) require their muni's to meet the full RPS Requirements. Muni's make up just above 1% of the States electrical usage and customer base, an amount not significant enough to have a noticeable fiscal impact on the RPS program. Because the renewable energy portfolio credit standards produce negative consequences for the consumers of municipal electric utilities and the effects of implementing caps for muni's would be negligible fiscally to the RPS program while being beneficial to the muni's consumers, the Council respectfully requests your favorable support of Senate Bill 153

*The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.*

“A Collective Voice for Rural Maryland”