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112 West Street

Annapolis, MD 21401
410-269-7115

OPPOSED - House Bill 561
Electric Industry—Community Choice Energy

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose House Bill 561 Electric Industry—Community Choice Energy. Pepco and Delmarva appreciate the opportunity provided to engage with the bill sponsor during the period between the 2019 and 2020 sessions to discuss concerns related to the bill. However, Pepco and Delmarva continue to have several areas of concern from a customer and climate change perspective. House Bill 561 authorizes opt-out aggregation for counties or municipalities, authorizes ownership of generation or energy storage for counties or municipalities, and appears to authorize counties and municipalities to implement energy efficiency programs as part of the Community Choice Energy (CCE). Taken together, these provisions are a significant shift in energy policy in Maryland and have the potential to overturn existing customer protections and deprive customers of their right to choose who supplies their energy.

Current Maryland law encourages customer choice by providing that a county or municipal corporation may not act as an aggregator unless the Public Service Commission (PSC) determines there is insufficient competition within the boundaries of the county or municipal corporation. To date, competition has been successful in most parts of the State and the PSC has not made this determination.

The customer protections included in House Bill 561 are undefined and do not retain or maintain existing customer protections that have been established previously in Maryland law. For example, the bill's provisions to allow the CCE to *automatically* enroll a customer as a participant in aggregation at the expiration of a contract term with a third-party supplier violate that customer's right to choose his or her own supplier. Indeed, Pepco or Delmarva may find itself in a position of receiving an enrollment request for a particular customer that conflicts with the provisions of this legislation.

House Bill 561 also states that a Community Choice Aggregator is "deemed to have obtained electric customer authorization to retrieve pre-enrollment usage data," apparently without any requirement that a customer in fact authorize retrieval of this data, potentially raising customer privacy and data security issues.

Finally, it is unclear as to whether or not the bill could create additional greenhouse gas challenges for the state. As written, the bill appears to require the CCE to meet the state's Renewable Portfolio Standard requirements but allows for a CCE to procure the remainder of its electricity from fossil fuel sources. If this is the correct interpretation of the bill's provision, then a CCE could deliver to its customers electricity that has a higher greenhouse gas intensity than the current PJM system mix.

Pepco and Delmarva Power are available to engage with interested counties and municipalities further regarding the related unintended consequences of House Bill 561. However, because this bill obviates the customer protections and rights that have been developed by thoughtful policies and careful implementation, Pepco and Delmarva respectfully oppose House Bill 561.

Contact:

Anne Lindner
Vice President, Government and External Affairs
410-269-7105
Anne.Lindner@pepcoholdings.com

Ivan K. Lanier
State Affairs Manager
410-269-7115
Ivan.Lanier@pepco.com