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## **HB 561 - Electric Industry – Community Choice Energy**

### **Unfavorable**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves about 270,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington Counties). FirstEnergy is dedicated to safety, reliability and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York.

### **Potomac Edison requests an Unfavorable report on HB 561 for the following reasons.**

House Bill (HB) 561 establishes community choice aggregation, with a generation-owning aspect. The bill defines a community choice aggregator as a county or municipality, or a group of counties, municipal corporation, or both that serve as an electric aggregator for the purpose of negotiating the purchase of electric generation services from an electricity supplier or from an electric generating or storage facility owned by the aggregator for residential electric customers located in the respective limits of the county or municipal corporation that have not selected an electricity supplier or refused to participate in aggregation activities, and are not located in a municipal electric utility's or electric cooperative's service territory. The bill also notes that "aggregation services" includes the provisions of electricity service from a generating station owned by a community choice aggregator (community aggregator). The bill excludes community aggregators from having to be licensed by the Public Service Commission (PSC) to engage "in the business of an electricity supplier." This may inhibit customers' ability to dispute service issues and charges, because community aggregators are not subject to the same requirements and regulations as other suppliers. Regarding the opt-out provision, within only 30 days of being notified by the community aggregator, customers that do not want to participate must mail their opt-out request to the community aggregator. Thirty days is a grossly inadequate period of time for customers to evaluate terms and conditions of service, new rates for service, comparison of the rates to the current standard offer service, and total renewable component of the portfolio of the selected electricity supplier that exceeds the requirement under current law, if any. This type of opt-out provision essentially forces customers into the program and then permits the community aggregator to charge early termination fees to customers who subsequently choose to opt-out.

In order to avoid these negatives, Potomac Edison respectfully requests an **unfavorable report** on HB 561.