



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 27, 2020

Re: HB1392 - Renewable Energy Portfolio Standard - Municipal Electric Utilities

HB1392 would cap the annual percentage requirements of the State's Renewable Energy Portfolio Standard (RPS) for municipal electric utilities to levels that existed last year when the Clean Energy Jobs Act was enacted. The capped amount in HB1392 is 20.4% in total, including 1.95% from solar energy and up to 2.5% from offshore wind.

Per the fiscal note, HB1392 will save municipal electric utilities significant future costs: 1.7 million in FY 2021, by \$2.3 million annually in FY 2022 and 2023, by \$2.7 million in FY 2024, and by likely more than \$3.2 million in FY 2025. If not enacted, these proposed savings will result in costs which will be passed on to ratepayers and threaten the viability of the municipal utilities.

More specifically, the average residential electric customer for the municipal electric utilities in the State has already seen an increase in their annual electric bill of almost \$85 between 2019 and 2020. This increase will continue to grow year over year until the year 2030 when it will be over \$250 annually.

Simply put, municipal utilities cannot afford to absorb and pass on the additional costs created by Maryland's new RPS mandates. In addition, the environmental benefits are minimal at best and these utilities were already operating pursuant to the 20.4% RPS mandate, which will continue if HB1392 is enacted.

There are five municipal electric utilities in the State: Berlin (Worcester County), Easton (Talbot County), Hagerstown (Washington County), Thurmont (Frederick County), and Williamsport (Washington County). Combined, these five utilities totaled 1.2% to 1.3% of the State's estimated energy sales in those years.

We ask for your favorable report on HB1392.