



Town of Thurmont

P. O. Box 17, 615 East Main Street

Thurmont, Maryland 21788

From the desk of
Mayor John A. Kinnaird

February 26, 2020

To: Delegate Johnny Mautz
Subject: HB1392 - Maryland RPS requirements for Municipal Electric Utilities
Position: In support of HB1392

Dear Delegate Johnny Mautz,

I wish to offer the support of the Town of Thurmont and our residents for municipal RPS legislation through HB1392.

The Town of Thurmont has a long history of providing electric service to our residents stretching back over a hundred years. The Thurmont Electric Company was established by a group of concerned businessmen intent on bringing the wonder of the modern age, electricity, to our community. The initial service was powered by a purpose built hydro dam that turned generator sets in our generating station. The system was so successful that over a relatively short period of time we began purchasing power on the wholesale market and we continue to do so today.

I take great pride in telling you that the Thurmont Electric Company offers our residents one of the lowest electric rates in the State of Maryland and our service is second to none. Thurmont residents are fortunate to have at their disposal an electric crew that works hard to resolve service outages, outages that seldom last more than one hour. Today in cooperation with the cities of Hagerstown and Williamsport the Thurmont Electric Company continues to negotiate on the wholesale market to provide the lowest possible electric rates for our residents.

I would like to point out that I have not used the word customer while talking about the Thurmont Electric Company. We do not service customers, we service our residents. As a Municipal Electric Company we answer to our residents and I am speaking before you today on their behalf.



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The Town of Thurmont supports House Bill 1392 because it will significantly reduce the portion of wholesale power supply costs for our municipal electric utility which are required to be purchased from renewable energy resources as a part of the state-wide Renewable Portfolio Standard (RPS). More specifically, HB1392 will return the renewable requirements to the levels in place in 2019 prior to the passing of Maryland's Clean Energy Jobs Act.

In Maryland's Clean Energy Jobs Act from 2019, the state doubled the amount of renewable resources electric utilities are required to purchase from 25% up to 50% for Tier 1 renewable resources by 2030. Additionally, the portion of those Tier 1 renewable resources that must come from solar was increased from 2.5% up to 14.5% by 2028 (which is an increase of 480%). HB1392 will return the total Tier 1 renewable requirement for municipal electric utilities to 20.4% with a solar requirement of 1.95%. As mentioned before, these values were the requirements in place in 2019.

Although an exact financial impact to Thurmont's costs (and residents) cannot be calculated due to the inability to forecast future market commodity pricing for renewable energy, the estimated benefit will be a reduction of up to 10% in wholesale power supply costs that will result in hundreds of thousands of dollar per year that will be passed through to the benefit of our residents.

Please contact me at 301-606-9458 if you need any further information regarding our support of HB1392.

Sincerely,

Mayor John A. Kinnaird

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