



TOWN OF EASTON

P.O. Box 520
Easton, Maryland 21601
www.EastonMD.gov

February 20, 2020
VIA EMAIL: Johnny.Mautz@house.state.md.us

To: Delegate Johnny Mautz
Subject: HB 1392 - Maryland RPS requirements for Municipal Electric Utilities
Position: Support

Dear Delegate Johnny Mautz,

I wish to offer my sincerest support for your efforts introducing the municipal RPS legislation through HB 1392 in the current 2020 session.

Easton Utilities is one of five municipally owned electric utilities in the State of Maryland. Easton Utilities is responsible for the operation, management, and maintenance of the electric, water, wastewater, natural gas, cable television and internet utility services for the Town of Easton and portions of the surrounding area, serving over 11,000 electric customers (taxpayers) in Talbot County on the Eastern Shore of Maryland. Easton Utilities does not have any investors and is not publicly traded. A Board of Commissioners appointed by myself (Mayor), and the Town Council Members elected by the taxpayers (customers), make business decisions based on the best long-term interest of the utility as recommended by Easton Utilities' executive leadership team. Easton Utilities is an environmentally conscious utility. Their Sustainability Campus includes a state-of-the-art wastewater treatment facility, a 2MW solar array, and a 1MW landfill gas generator.

All five municipal electric utilities have participated in the RPS requirements since the original standard was implemented in 2006. Easton Utilities wants to continue participating in the program. This bill would provide the rural customers of the municipal electric utilities in

Maryland with relief from the increasing costs associated with the Renewable Energy Portfolio Standards (RPS) through a cap on the future RPS requirements.

Easton Utilities is about 1% the size of the largest IOU in Maryland and about 10-20% of the size of the two electric cooperatives in Maryland. The relatively small size of the municipal electric utilities in Maryland puts them at an economic disadvantage when purchasing Solar Renewable Energy Credits (SRECs) in the marketplace to comply with the latest RPS requirements. Last month, in order to meet the increase from 1.95% SRECs to 5.5% SRECs required in 2020, the annual cost increase was almost \$200,000 for Easton Utilities, which is over a 425% increase to our electric ratepayers from the prior requirements only a year ago. Should Easton Utilities remain in the program without a cap on SREC requirements, the SREC requirements will continue to increase year over year and ultimately would be over \$500,000 (1100% increase) by the year 2030 at current SREC pricing.

The RPS legislation approved in 2019 already provides for an exemption or a cap for Maryland's electric cooperative utilities. HB 1392 would provide a similar cap for Maryland's municipal electric utilities. In the interest of keeping electric energy rates affordable for the five municipal electric utilities in Maryland, the Town of Easton supports your work and introduction of HB 1392 to limit the SREC requirement for the municipally owned electric companies in the state of Maryland.

Should you need any additional information or wish to discuss the Town of Easton's position directly, please do not hesitate to contact me at 410-822-2525 or Mayor@EastonMD.gov.

Sincerely,



Robert C. Willey
Mayor
Town of Easton

Cc: Hugh Grunden