



Committee: Economic Matters
Testimony on: HB0768 – Montgomery County – Community Choice Energy – Pilot Program
Organization: Climate Justice Wing of the Maryland Legislative Coalition
Submitting: Laurie McGilvray
Position: Favorable
Hearing Date: February 18, 2021

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of HB0768. The Maryland Legislative Coalition’s Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on HB0768. The bill will, among other things, establish a Community Choice Aggregator Pilot Program for Montgomery County; apply laws regarding net energy metering and community solar generation systems to customers served by an aggregator; authorize an aggregator to act as an energy supplier; and require the Public Service Commission (PSC) to adopt regulations and procedures related to the program. While the Community Choice Energy (CCE) pilot is limited to Montgomery County, grassroots organizations within the Climate Justice Wing are interested to see Montgomery County test out the approach.

Economic inequality and climate change. As clear from our name, “Climate Justice Wing,” we are focused on both the climate crisis and the social justice aspects of the problem and the solutions. The impacts of climate change are evident throughout Maryland with unprecedented flooding and record-setting numbers of summers days over 90 degrees. Low-income and minority communities are disproportionately impacted by the effects of climate change. Compounding the problem, low-income residents pay 550% more as a percent of income for electricity than other Marylanders. A CCE pilot will allow Montgomery County to negotiate lower electricity rates for all residential and business consumers, which will especially benefit low-income residents.

CCE is a tool for rapid transition to renewable energy at affordable rates. Montgomery County has ambitious greenhouse gas reduction goals of 80% by 2027 and 100% by 2030. CCE will help the County make great strides toward meeting these goals. In fact, Montgomery County will have difficulty meeting its ambitious climate goals without CCE. As shown in other communities across the country, CCE is a powerful tool because it can change the default electricity option to affordable, clean, renewable energy. It also helps overcome the biggest barrier consumers face in switching to clean energy, i.e., making a change that is difficult, confusing, and time-consuming.

Community Choice Energy provides local control and choice over the source and type of electricity. CCE will give Montgomery County consumers control over their electricity source, similar to what some groups already have now (e.g., groups of churches and large apartment

buildings). By aggregating a large number of consumers, local governments can purchase electricity at significantly below the Standard Offer Service rate, which is the default rate charged by Maryland's utilities. CCE still allows for consumer choice, because individual households and businesses can opt out of a CCE electricity rate and continue with the utility or third-party supplier of their choice. The CCE approach is similar in many ways to what actually happens now – i.e., most consumers get the default Standard Offer Service rate because they don't make the effort to choose another supplier.

For these reasons we urge a favorable vote for HB0768.