



**Comments of the Retail Energy Supply Association
House Economic Matters Committee
Hearing on HB0768 – February 18, 2021
Montgomery County – Community Choice Energy –
Pilot Program
Position – OPPOSE**

Thank you, Mister Chair, Madam Vice-Chair and members of the Committee for the opportunity to provide comments on HB 768 by the Retail Energy Supply Association (RESA) ¹. RESA opposes HB 768 and respectfully requests that the committee render an unfavorable report on this legislation.

The purpose of this legislation is to establish a Community Choice Aggregator Pilot Program specifically designed to benefit consumers in Montgomery County, Maryland. This legislation is the definition of anti-consumer choice, and it's hard to understand why the government wants to sign up consumers to participate in such a program, essentially deciding for each of these families what they believe is in their best interest.

At the onset the proposed legislation develops a pilot program to begin on the earlier of the date that a county gives notice to the commission of its intention to initiate a process to form a community choice aggregator, or January 1, 2024 and end **7 years** after the beginning date, but not sooner than December 31, 2031. Not only is the time period for the pilot program lengthy, but at the end of that **7-year** period it suggests that a study be conducted by the commission and report the findings of the study to the Governor and General Assembly. What the legislation does not address is what happens next. Does the pilot program just end? Are there plans to continue the program either as a pilot or in some other fashion? This is troubling in the sense that

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial, and industrial energy customers. Many of RESA's members are licensed electricity and natural gas suppliers in the State of Maryland, who provide products and services to all classes of customers. More information on RESA can be found at www.resausa.org.



there will be costs incurred for the development of the program by the county government, the commission, and stakeholders. Costs which most likely will be borne by the ratepayer and residents of the county for a program that they neither want nor have asked for. Also troubling is the fact that the proposal suggests that procedures be put into place to transfer the county residents back to standard offer service upon dissolution of the aggregation, a process that should not be taken lightly since the standard offer service provider will not only have to make provisions for such a take-back, but could be a costly endeavor to ratepayers.

The Retail Energy Supply Association warns that county residents will be auto-enrolled into this 7-year pilot program without their knowledge or consent. The program as proposed calls for an opt-out option, meaning that all county residents would be automatically enrolled in the program, and could elect not to participate by "opting-out" if that is their desire. The written notice that will be provided to the consumers in the county announcing the formation of the program could very easily be overlooked causing the consumer to be a member of the aggregation, without their knowledge. This is troubling in the sense that consumers will be switched to a provider that they have not chosen.

Another troubling aspect of this proposed legislation allows for the development, ownership and operation of generation facilities located within the county. This aspect of the legislation is in direct contradiction to the restructuring act implemented some 20+ years ago which prohibits the ownership of generation. Furthermore, generation ownership puts enormous financial risk squarely on the backs of individual, captive customers and, perhaps more acutely, the participating municipalities, increasing costs for local communities and their residents. To the extent customers continue to opt-out of any county program such as the one proposed, the remaining members - who made no active election to join the aggregation - would shoulder an increasing proportion of these generation costs. In this context, the most important part of competitive choice is that neither the individual customer nor their local municipality/county assumes any financial risk associated with the development of generation projects that supply their power.

Lastly, the proposed legislation authorizes a community choice aggregator to provide and promote energy efficiency programs to its constituents thereby aiding the state to attain its clean climate objectives. RESA would like to point out that there are numerous products and services currently in the retail marketplace that consumers can and are taking advantage of to attain these goals. Some suppliers have already "Gone Green" and only offer such products, both for the short and long term.



In summary, RESA strongly urges the committee to render an unfavorable report on HB 768 given the reasons set forth. RESA appreciates the opportunity to provide these comments and look forward to an unfavorable report by the committee.