



Committee: Environment and Transportation
HB0768 – Montgomery County- Community Choice Energy- Pilot Program
Submitting: Monica O’Connor
Position: Favorable
Hearing Date: February 18, 2021

Dear Mr. Chairman and Committee Members:

Dual crises of economic inequality and climate change.

We are a group of over 500 women in Anne Arundel County. We are seeing our children’s future jeopardized by the crisis unfolding before us. We have less than a decade to avert the worst effects of climate change, which are already evident in Anne Arundel County and across Maryland with unprecedented flooding and record-setting numbers of summers days over 90 degrees. Sunny day flooding and the economic loss that follows is a common occurrence. Low-income communities are disproportionately impacted by the effects of climate change. At the same time, low-income residents pay 550% more as a percent of income for electricity than other Marylanders. The success or failure of the proposed pilot program in Montgomery County Community Choice Energy aggregation or CCE will help Anne Arundel determine if such an aggregate would benefit our community. The possibility of negotiating lower electricity rates for all residential and business consumers, especially benefitting low-income residents is enticing.

CCE as a tool for rapid transition to renewable energy at affordable rates.

If greenhouse gas reductions goals can be achieved more quickly in Montgomery County It's likely that residents in Anne Arundel County would be inclined to follow suit. In fact, Montgomery County will have difficulty meeting its ambitious climate goals without CCE. This is why this powerful tool was one of the key recommendations of the County’s Energy Workgroup and the first clean energy-related action in the County’s draft Climate Action Plan. CCE is a game changer, because it can change the default electricity option to affordable, clean,

renewable energy and overcome the biggest barrier consumers face in switching to clean energy, which is 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 is essentially like a large buying club, the details of which are determined by the local democratically-elected government that establishes it. 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.

Cost-effective tool to benefit consumers and address the climate crisis. The cost to Montgomery County to implement a CCE would be affordable, especially when compared to many other GHG reduction actions in the County's draft Climate Action Plan. In this time of fiscal constraint, this is one of the most cost-effective means to make significant progress toward GHG reduction.

Anne Arundel County residents are eager for the General Assembly to pass HB0768 and see it as a safe bet for our own County as it weighs out its energy options going forward.

For these reasons we urge a favorable vote for HB0768.