



TOWN OF EASTON

P.O. Box 520

Easton, Maryland 21601

www.town-eastonmd.com

January 8, 2021

To: Chairman Davis and Members of the House Economic Matters Committee
Subject: HB 376: Renewable Energy Portfolio Standard – Municipal Electric Utilities
Position: Support

Dear Chairman Davis and Members of the Committee,

I wish to offer my sincerest support for the approval of House Bill 376, Renewable Energy Portfolio Standard – Municipal Electric Utilities during the current 2021 session. We are grateful this identical bill made it through the House in 2020 when the pandemic caused the session to be adjourned early before the Senate could vote upon it.

Easton Utilities' electric utility customers are paying 45% higher rates under the existing RPS legislation compared to the larger Investor-Owned Utilities (IOU's). This data is available from the five municipal electric utilities in the State as well as from the Maryland Public Service Commission's 2019 report. 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 Renewable Energy Credits (SRECs) in the marketplace to comply with the latest RPS requirements.

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.

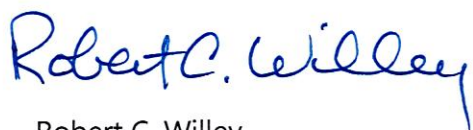
Additionally, only two other States in the country mandate a full requirements participation by municipal electric utilities in their RPS programs. All the remaining states with a mandatory RPS program provide exemptions or caps for their smaller municipal electric utilities.

Easton Utilities is one of five municipally owned 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.

In summary, the RPS legislation approved in 2019 already provides for an exemption (or a cap) for Maryland's electric cooperative utilities. HB 376 would provide a similar cap for Maryland's even smaller 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 review and approval of HB 376 to limit the RPS requirements for the municipally owned electric utilities 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@town-eastonmd.com.

Sincerely,



Robert C. Willey
Mayor
Town of Easton

Cc: Hugh Grunden
John Horner
Steve Ochse