

**Testimony to the House Economic Matters Committee
HB 768: Community Choice Act
Position: Favorable**

February 17, 2020

The Honorable Dereck Davis, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
Cc: Members, House Economic Matters Committee

Honorable Chair Davis and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial inclusion and economic justice for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

MCRC is in strong support of HB768.

High utility costs drain working families' savings and constrain families' budgets. For low-income families, this is especially true. Low-income households spend 13% of their budgets on energy costs; while very low-income households spend up to 42% of their income on energy¹. In contrast, middle-class households spend 2% of their income on energy.

According to a 2020 United Way report, 34% of households in Montgomery are facing economic hardship. The economic and health costs of COVID-19 continue to reverberate throughout Montgomery County as residents contend with the loss of income from unemployment, a reduction in hours, as well as the loss of small businesses. Coupled with health costs related to the pandemic as well as chronic health conditions, many Montgomery County residents need a way to reduce household costs.

Community Choice Aggregation creates energy equity. Community Choice allows local governments to purchase energy on behalf of its residents and businesses. Using the collective power of communities, CCA's are often able to negotiate rates that are 15-20 percent lower than retail prices. This is particularly critical at this time.

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https://assets.ctfassets.net/ntcn17ss1ow9/4YFXt2RD3KNTx6uIRDxQYR/c445a91365b8211bc0d0e7cc374112e3/APPRISE_Maryland_Low-Income_Market_Characterization_Report_-_September_2018.pdf

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In addition, CCA's provide local control which will better reflect the needs and priorities of the community. CCA's often lead to lower prices for energy which will benefit low-income households as well as empower communities to make and control their power.

HB 768 provides the opportunity for local communities to collectively choose what kind of energy is most appropriate for residents and to negotiate prices that benefit cost-burdened households. HB768 is good for low-income households, for the environment, and for local governments.

For all these reasons MCRC is proud to support the Community Choice Energy Act. We support HB 768 and urge a favorable report.

Best,

Marceline White
Executive Director