



Environment Committee

Committee: Economic Matters
Testimony on: HB0768 – Montgomery County – Community Choice Energy – Pilot Program
Organization: Takoma Park Mobilization Environment Committee
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 Takoma Park Mobilization (TPM) is a grassroots organization based in Takoma Park, Montgomery County and the Environment Committee is focused on state and local climate change issues. We are joined in this testimony by 35 groups in Montgomery County and across the state as shown in the attached letter of support. There is strong support in the County for a Community Choice Energy (CCE) pilot as demonstrated by the unanimous support of the 24 Montgomery County delegates, as well as the support of the County Executive and County Council. We urge 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.

Dual crises of economic inequality and climate change. We have less than a decade to avert the worst effects of climate change, which are already evident in Montgomery County and across Maryland with unprecedented flooding and record-setting numbers of summers days over 90 degrees. 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. According to the U.S. Census Bureau, the poverty rate in Montgomery County rose from 6.9% in 2018 to 7.4% in 2019, and we don't yet know the long-term impacts of the current economic downturn. The County can use CCE to negotiate lower electricity rates for all residential and business consumers, especially benefitting low-income residents.

CCE as 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. 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.

For these reasons we urge a favorable vote for HB0768.