



EASTON UTILITIES

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January 22, 2021

To: Chair Kelley and Members of the Senate Finance Committee
Subject: SB 53: Clean Energy Attribute Credits and Procurement
Position: Support

Dear Chair Kelley and Members of the Committee,

Easton Utilities supports the approval of Senate Bill 53, Clean Energy Attribute Credits and Procurement, sponsored by Senator Hershey.

This bill enables a more competitive marketplace for clean energy requirements based on proven models and principles which have successfully worked to lower electric bills for customers.

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 State's electric municipal utility customers are paying a much higher premium for their Renewable Energy Credits (RECs) as required by the existing Renewable Energy Portfolio Standard compared to the much larger Investor-Owned Utilities (IOUs). Through an analysis of all five municipal utility REC costs in the State in conjunction with a report from the Maryland Public Service Commission, we calculated this premium to be almost a 45% increase on average in the charges passed through to municipal electric utility customers. The much smaller municipal electric utilities are simply at an economic disadvantage in the existing clean energy marketplace for purchasing RECs to comply with the RPS requirements.

Easton Utilities is one of five municipally owned utilities in the State of Maryland. We are 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 the 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.

Chair Kelley, for the reasons stated above and in the interest of keeping electric energy rates affordable for our electric utility customers, Easton Utilities supports this bill and respectfully requests a Favorable report on Senate Bill 53.

Sincerely,

A handwritten signature in blue ink that reads "John J. Horner, Jr." with a period at the end. The signature is written in a cursive style.

John J. Horner, Jr.
Sr. Vice President & COO
Easton Utilities
410.763-9493

Cc: Hugh Grunden
Steve Ochse