

SB153 Testimony.pdf

Uploaded by: Eckardt, Adelaide

Position: FAV

ADDIE C. ECKARDT

Legislative District 37
Caroline, Dorchester, Talbot
and Wicomico Counties



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Budget and Taxation Committee

Health and Human Services
Subcommittee

Joint Committees

Administrative, Executive,
and Legislative Review

Audit

Children, Youth, and Families

Fair Practices and
State Personnel Oversight

Pensions

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

District Office
601 Locust Street, Suite 202
Cambridge, MD 21613
410-221-6561

Testimony for Senate Bill 153
Renewable Energy Portfolio Standard - Municipal Electric Utilities
January 21, 2021

Madam Chair Kelley and Members of the Committee:

Thank you for the opportunity to present Senate Bill 153: Renewable Energy Portfolio Standard - Municipal Electric Utilities, which alters the renewable energy portfolio standard (RPS) for municipal electric companies.

Current law makes a distinction between electric companies and electric cooperatives with regards to compliance with the State's renewable energy portfolio standard. The RPS requirements do not apply to customers served by an electric cooperative under a supplier purchase agreement that existed on or before October 1, 2004. In addition, electric cooperatives are exempt from increases to the solar portion of the RPS beyond 2.5%.

The five municipal electric utilities in or State are disproportionately affected by the current RPS requirements. With small areas of coverage and smaller customer bases than other electric companies, the RPS puts municipal utilities at an economic disadvantage when compared to other electric cooperatives and utility companies. Senate Bill 153, seeks parity and sets RPS standards similar to those established by cooperative electric utilities.

Thank you for your consideration and I respectfully ask for a favorable report of Senate Bill 153.

Best regards,

A handwritten signature in black ink that reads "Addie C. Eckardt".

Senator Addie C. Eckardt

SB0153 - FAV.pdf

Uploaded by: Fahrig, Landon

Position: FAV



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, Senate Finance Committee Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB0153 – Renewable Energy Portfolio Standard - Municipal Electric Utilities
DATE: January 21, 2021

MEA POSITION: FAV

Introduction

The proposed legislation adjusts the application of the Renewable Portfolio Standard (RPS) for Maryland's five municipal electric companies.

Under the Clean Energy Jobs Act of 2019, the General Assembly took into account the operational differences between large or specialized energy suppliers and Maryland's electric cooperatives. However, no such recognition was incorporated for the State's municipal electric companies.

This bill recognizes the operational differences between competitive energy suppliers and the municipal electric companies by limiting the application of the RPS. This would represent a significant cost savings to the municipalities that operate electric utilities, with minimal impact on the overall efficacy of the RPS program. This is because these five municipal utilities produce only ~1% of annual State electricity sales.

For these reasons, MEA urges a **favorable report** for Senate Bill 153.

SB 153_FAV_MML.pdf

Uploaded by: Jorch, Bill

Position: FAV



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

January 21, 2021

Committee: Senate Finance

Bill: SB 153 - Renewable Energy Portfolio Standard – Municipal Electric Utilities

Position: Support

Reason for Position:

The Maryland Municipal League supports SB 153 which caps the annual percentage of the renewable portfolio standard (RPS) that municipalities must achieve each year.

Although there are only five municipal electric utilities in the State, these entities provide a great service to their residents. These entities currently partner in the process of utilizing renewable energy sources by participating in the RPS and this bill would not change that. However, due to their relatively small coverage area and small customer base, prices for renewable energy credits are proportionally very high. Capping the percentage at the levels in the bill would help control costs for municipal electrics but still require them to participate in the RPS. Electric cooperatives, which are generally much larger than municipal electrics, are already exempt from future increases in RPS percentages, so the precedent exists to create an exemption.

For those reasons we therefore respectfully request that the committee provide a favorable report on SB 153.

FOR MORE INFORMATION CONTACT:

Scott A. Hancock	Executive Director
Angelica Bailey	Director, Government Relations
Bill Jorch	Director, Research and Policy Analysis
Justin Fiore	Manager, Government Relations

1212 West Street, Annapolis, Maryland 21401

410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | www.mdmunicipal.org

Hagerstown Testimony SB153.pdf

Uploaded by: Lininger, Brett

Position: FAV

CITY OF HAGERSTOWN



DEPARTMENT OF UTILITIES

425 East Baltimore Street
Hagerstown, MD 21740-6105

51 West Memorial Blvd
Hagerstown, MD 21740-6848

January 19, 2021

Written Testimony from
The City of Hagerstown
Senate Bill 153
Renewable Energy Portfolio Standard – Municipal Electric Utilities

Position: Support

Honorable members of the Senate Finance Committee, on behalf of the Mayor and City Council of Hagerstown, it is my honor to provide comments on House Bill 376. The City is hopeful that the House will consider amending Section 7-703(e), and introduce a cap for the five municipal electric utilities' Renewable Energy Portfolio Standard requirements for solar and offshore wind energy.

The 2019 Maryland's Clean Energy Jobs Act increased the renewable source requirement for solar from 2.5% to 6% with the exception of the cooperative electric utilities, which were provided a cap. The required percentage of solar energy is presently on a path to increase annually for municipal electric utilities to 14.5% by 2028 and beyond.

The City of Hagerstown Light Department purchases energy through a full requirements wholesale power contract and adhering to the requirements of the Renewable Energy Portfolio Standard is a function of the wholesale power supplier. The City opened negotiations for an extension of the contract which was set to end on May 31, 2022 prior to the enrollment of 2019 Senate Bill 516 and was able to secure pricing through May 31, 2024 post enrollment. As a result, the City realized an increase to the Renewable Portfolio Standard component of the offered rate that equated to a cost burden of roughly \$770,000 each year of the two-year contract extension.

In comparison to other States, renewable requirements are often exempt or similarly reduced for municipal utilities. Collectively representing slightly over 1% of the State's energy use, the impact of Maryland municipalities is minimal. The per unit cost for a solar renewable energy credit in 2019 is over five times higher than alternative Tier I renewable resources and nearly 45% higher in cost for municipal electric utilities compared to investor owned utilities. The option to offset these charges by owning and maintaining solar equipment is not favorable given the City's dense population and limited available property within the service boundary.

The City's ratepayers consist of approximately eighty-five percent residential electric accounts. Cost savings resulting from renewable energy resources will positively affect the wholesale power rate for the City of Hagerstown Light Department and any financial savings related to the cost of power purchased is passed directly to the customers and Citizens of the City of Hagerstown.

We urge favorable support of this Bill.

Respectfully submitted,

Nathan Fridinger
Electric Operations Manager

Mayor Willey Town of Easton SB 153 Finance Support

Uploaded by: Lininger, Brett

Position: FAV



TOWN OF EASTON

P.O. Box 520

Easton, Maryland 21601

www.town-eastonmd.com

January 19, 2021

To: Chair Kelley and Members of the Senate Finance Committee
Subject: SB 153: Renewable Energy Portfolio Standard – Municipal Electric Utilities
Position: Support

Dear Chair Kelley and Members of the Committee,

I wish to offer my sincerest support for the approval of Senate Bill 153, Renewable Energy Portfolio Standard – Municipal Electric Utilities during the current 2021 session.

Easton Utilities' electric utility customers are paying almost 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.

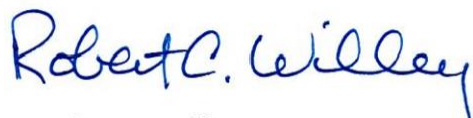
Additionally, only two other States in the country mandate a full requirements participation by municipal electric utilities in their RPS programs. All the remaining states with a mandatory RPS program provide exemptions or caps for their smaller municipal electric utilities.

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 me (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. Senate Bill 153 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 SB 153 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

SB 153 RPS - Easton Utilities - John Horner - 01-1

Uploaded by: Lininger, Brett

Position: FAV



EASTON UTILITIES

Life. Made better.™

January 19, 2021

To: Chair Kelley and Members of the Senate Finance Committee
Subject: SB 153: Renewable Energy Portfolio Standard – Municipal Electric Utilities
Position: Support

Dear Chair Kelley and Members of the Committee,

Easton Utilities supports the approval of Senate Bill 153, Renewable Energy Portfolio Standard – Municipal Electric Utilities, sponsored by Senator Eckardt. We have worked together with the other four municipal electric utilities in the State of Maryland to jointly support this bill for our electric customers. This is the identical bill to the one filed during the 2020 session which received approval in the House of Delegates.

Our customers are paying a much higher premium for their Renewable Energy Credits (RECs) required by the RPS 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 marketplace for purchasing RECs to comply with the RPS requirements.

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 current legislation approved in 2019 already provides for either an exemption or a cap for Maryland's electric cooperatives. This bill seeks a cap for Maryland's even smaller municipal electric utilities which is consistent with the larger electric cooperative in Maryland. And this bill would keep us engaged with this important RPS program without requiring our customers to pay such enormous premiums to participate. It is important to note all energy prices are passed along directly to our customers, including any energy savings. There is no economic benefit to the municipal electric utilities because of this bill.

Finally, the service territory for Easton Utilities is approximately 50 square miles. As a result, there are very limited opportunities for building additional renewable generation in our geographic footprint to avoid the REC pricing requirements associated with the existing RPS legislation.

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 the five municipal electric utilities in Maryland, Easton Utilities supports this bill and respectfully requests a Favorable report on Senate Bill 153.

Sincerely,

A handwritten signature in blue ink that reads "John J. Horner, Jr." with a stylized flourish at the end.

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

Cc: Hugh Grunden
Steve Ochse

SB153 Berlin Mayor Zack Tyndall.pdf

Uploaded by: Lininger, Brett

Position: FAV



Mayor & Council of Berlin

10 William Street, Berlin, Maryland 21811

Phone 410-641-2770 Fax 410-641-2316

www.berlinmd.gov

Mayor

Zack Tyndall

Vice President

Dean Burrell

Councilmembers

Jay Knerr

Shaneka Nichols

Jack Orris

Troy Purnell

Town Attorney

David Gaskill

Town Administrator

Jeffrey Fleetwood



Written Testimony

Town of Berlin, Maryland

Senate Bill 153

Renewable Energy Portfolio Standard – Municipal Electric Utilities

Position: Support

Dear Chairman Kelley and members of the Senate Finance Committee,

My name is Zack Tyndall and I am the Mayor of the Town of Berlin. I am writing this letter of support for SB153 on behalf of the citizens of Berlin.

The Town of Berlin operates a peak shaving electric utility department that employs ten full-time personnel, including two linesman apprentices. Our electric department generates power when the cost of purchasing power on the open market is very high. By running our generators in the Town of Berlin, we are able to help the citizens save over \$500,000 annually. The value of owning and operating a municipal electric utility is demonstrated through our short outage times and superior customer service.

When SB516 was passed, it put a financial burden on the Town of Berlin and the four other electric generating municipalities in the State of Maryland. Due to the sheer size of our municipal electric utility, the current renewable portfolio energy standards place us and the other municipal electric utilities at a disadvantage when we are competing to purchase renewable energy credits (REC's) on the open market. The Town of Berlin produces roughly 0.14% of the total electric used throughout the entire State of Maryland and all five municipal electric utilities in Maryland produce just over 1%. The minimal production and scale of the five municipal electric utilities in Maryland has resulted in our taxpayers having to pay 45% more than other electric utility providers in the State when we are purchasing REC's on the open market.

The Town of Berlin continues to take proactive steps toward improving our electric utility's impact on the environment. For decades, our electric utility has utilized diesel generators during times of peak shaving. However, the Town of Berlin recently began the transition to cleaner, natural gas generators last year. The newly installed natural gas generator omits 30% less CO2 compared to its diesel-powered predecessor. In addition, the Town of Berlin is working with the Maryland Energy Administration to install a 48 KWh rooftop solar project this year. We recognize and remain committed to preserving our environment for future generations.

I urge a favorable report from your committee.

Respectfully,

Zack Tyndall, MBA, NRP

Mayor, Town of Berlin

Slide Deck RPS - Municipal Electric Utilities - Fi

Uploaded by: Lininger, Brett

Position: FAV



MARYLAND

GENERAL ASSEMBLY

Senate Bill 153

Renewable Energy Portfolio Standard
Municipal Electric Utilities

Position: Support

Senate Finance Committee

January 21, 2021

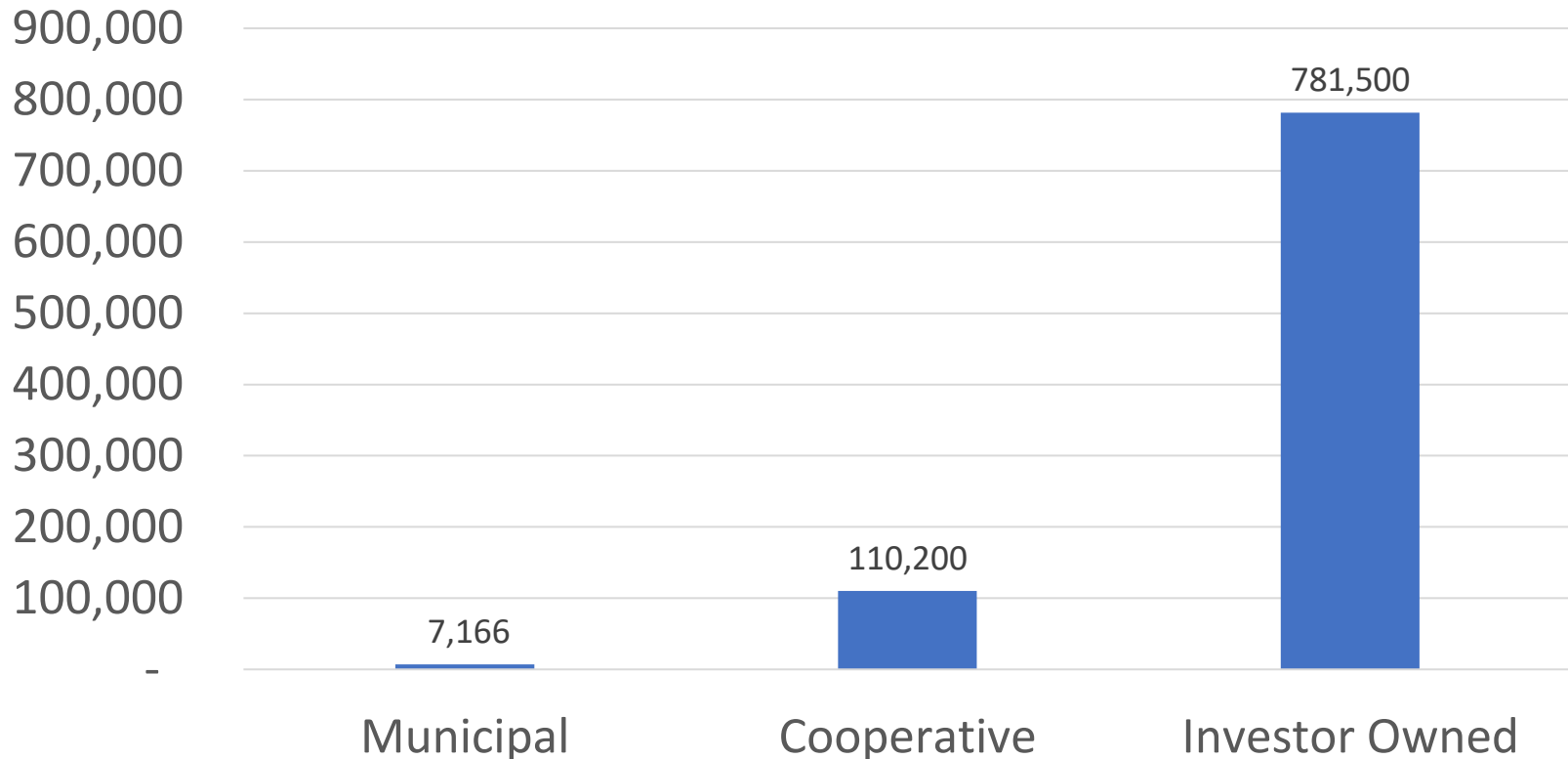
Maryland Municipal Utilities



Bill Summary

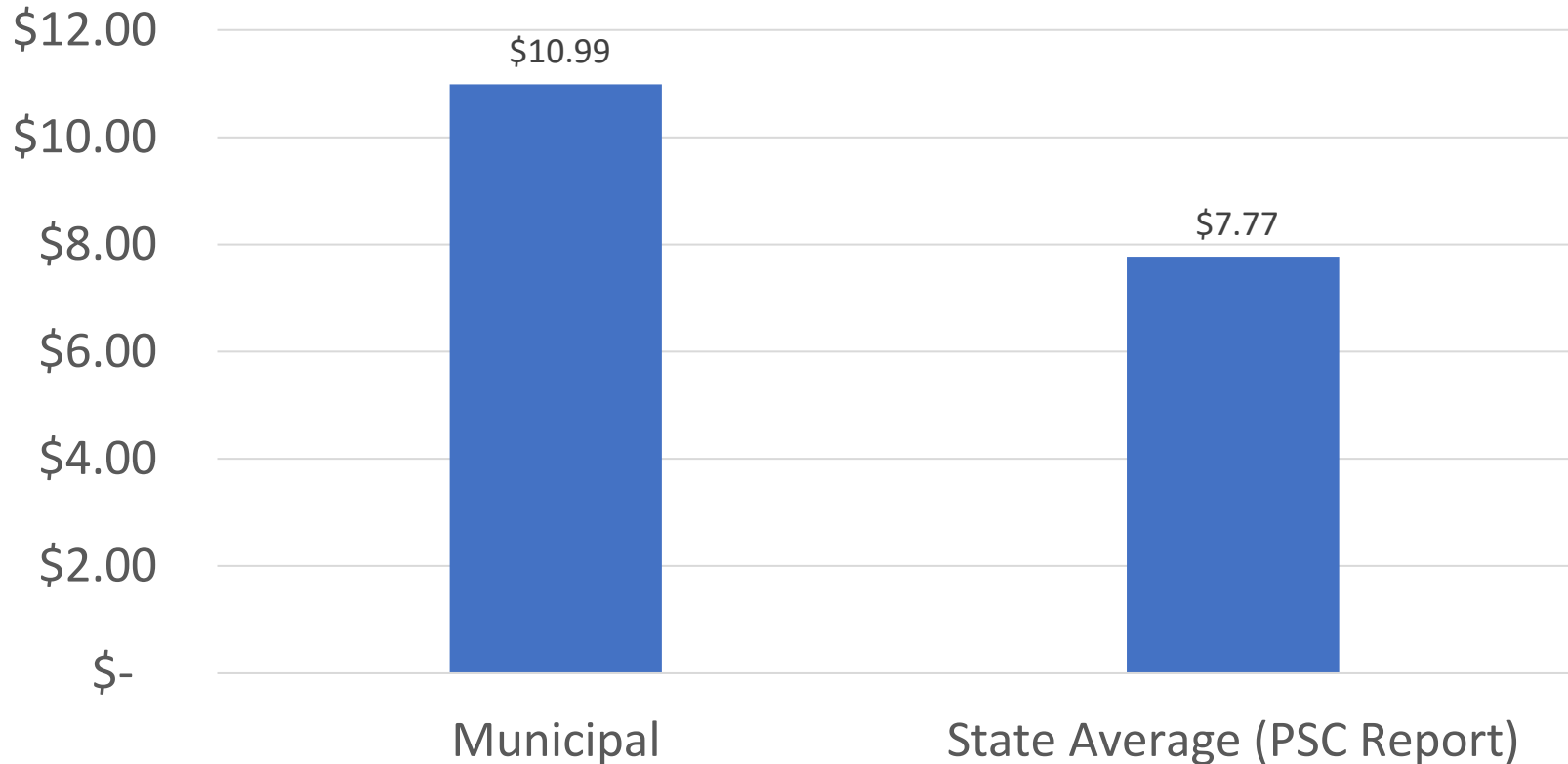
- Identical bill filed in 2020 and passed by House
 - No Senate vote due to pandemic shortened session
- Maryland municipal utilities pay full RPS requirements
 - Only two other states mandate full RPS for muni's
- Muni's pay a 45% premium for RECs in Maryland
 - Muni's 1% of the size of the IOU's; no buying power
- Bill keeps Muni's in RPS program with caps
 - Direct savings to customers / ratepayers / taxpayers
 - No revenue benefit for utility
- Muni's already under local government oversight
- Consistent with treatment of Maryland Cooperatives

Average Number of Customers



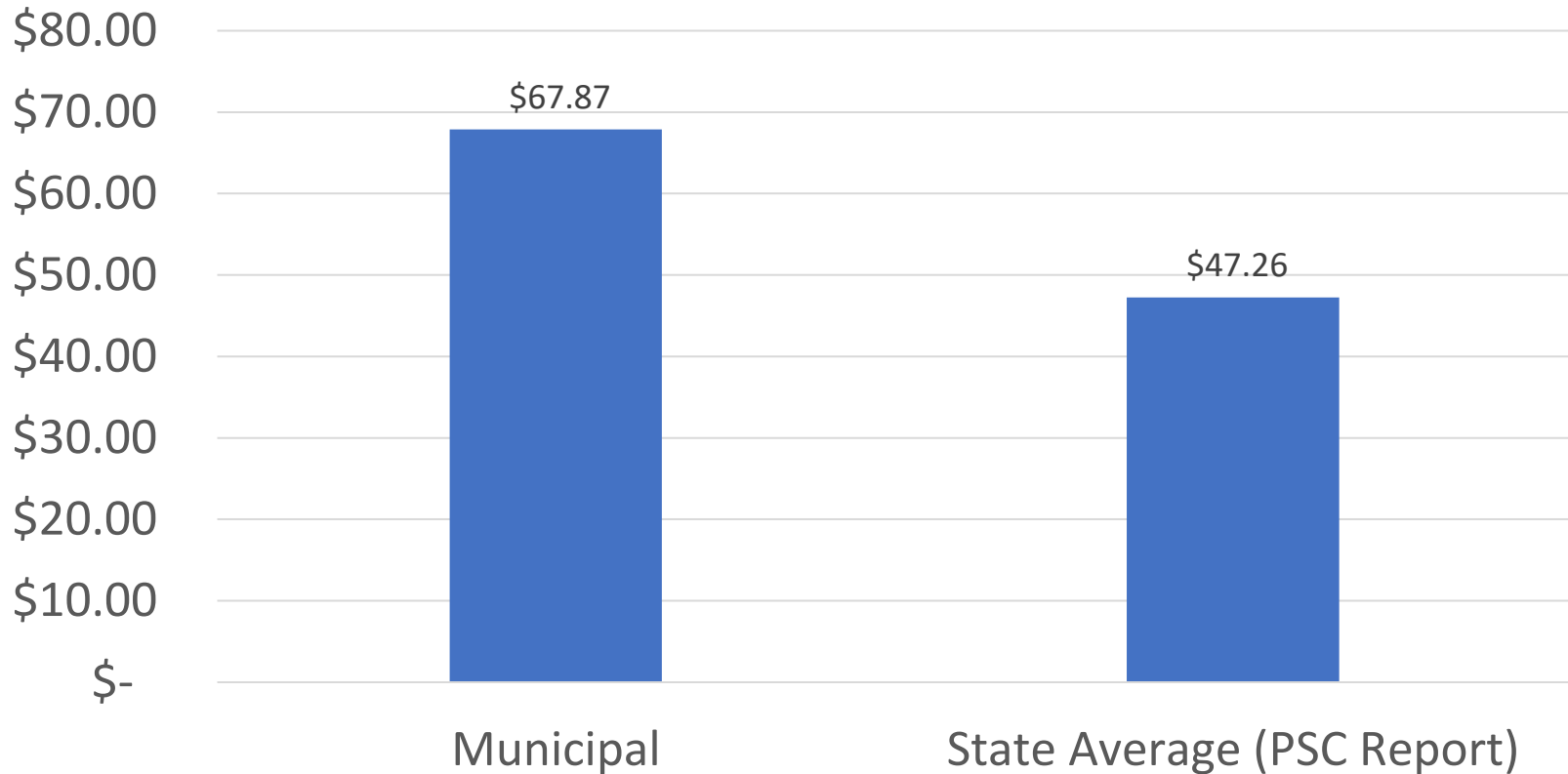
As an example, BGE (largest investor-owned utility) has 1,300,000 customers, and Williamsport (smallest municipal utility) has 1,000 customers.

2019 Average Tier 1 Non-Solar REC Price



Municipal electric utilities (on average) are paying 41% more for Tier 1 Non-Solar RECs than the Maryland utility average.

2019 Average Tier 1 Solar REC (SREC) Price



Municipal electric utilities (on average) are paying 43% more for Tier 1 Solar RECs (SRECs) than the Maryland utility average.

Summary

1. The average REC price paid by Maryland's five municipal utilities is over 40% higher than the average REC price paid by all other utilities in the State of Maryland.
2. The savings associated with this bill goes directly to the customers; there is no benefit to the utilities or the Town.

Questions





MARYLAND

GENERAL ASSEMBLY

Senate Bill 153

Renewable Energy Portfolio Standard
Municipal Electric Utilities

Position: Support

Senate Finance Committee

January 21, 2021

United States Data

- 30 states have RPS requirements
- 11 states include municipal utilities within their RPS
- 3 states require municipal utilities to participate at their full RPS requirements
 - Maryland, New York, California

Source: [State Renewable Portfolio Standards and Goals \(ncsl.org\)](https://www.ncsl.org/research/energy/state-renewable-portfolio-standards-and-goals)

2019 MD PSC RPS Report Data

Table 4 Average Cost of RECs per Tier (2008 – 2019)

Year	Tier 1 Non-Solar	Tier 1 Solar	Tier 2
2008	\$0.94	\$345.45	\$0.56
2009	\$0.96	\$345.28	\$0.43
2010	\$0.99	\$328.57	\$0.38
2011	\$2.02	\$278.26	\$0.45
2012	\$3.19	\$201.92	\$0.44
2013	\$6.70	\$159.71	\$1.81
2014	\$11.64	\$144.06	\$1.81
2015	\$13.87	\$130.39	\$1.71
2016	\$12.22	\$110.63	\$0.96
2017	\$7.14	\$38.18	\$0.48
2018	\$6.54	\$31.91	\$0.66
2019	\$7.77	\$47.26	\$1.05

As demonstrated by the table below, the aggregated cost of compliance with the Maryland RPS Program displayed a declining growth rate from 2014 through 2016, peaking at \$136.2 million in 2016. In spite of increasing RPS percentage requirements in-State and greater demand for RECs within the surrounding region,²⁶ total REC costs in 2017 fell approximately 47 percent between 2017 and 2016. Despite the downward trends in 2017 continuing into 2018, in 2019 Tier 1 and Solar REC prices increased almost 19 percent and 48 percent in 2019, respectively, while Tier 2 REC prices increased by approximately 60 percent.

2020 Municipal Utility Customer Data

Municipal Utility	Customer Accounts
Berlin	3,500
Easton	10,820
Hagerstown	17,610
Thurmont	2,900
Williamsport	<u>1,000</u>
	35,830

2019 Municipal Utility REC Data

Municipal Utility	2019 MWh	Percentage	2019 Tier 1 Non-Solar REC	2019 SREC
Berlin	46,311.00	6%	\$ 16.04	\$ 75.60
Easton	259,213.00	36%	\$ 9.54	\$ 57.47
Hagerstown	324,328.00	44%	\$ 11.32	\$ 73.39
Thurmont	79,068.00	11%	\$ 11.32	\$ 73.39
Williamsport	20,291.00	3%	\$ 11.32	\$ 73.39
Total / Average	729,211.00	100%	\$ 10.99	\$ 67.87

Thurmont Testimony - SB 153.pdf

Uploaded by: Lininger, Brett

Position: FAV



THE COMMISSIONERS OF THURMONT

615 East Main Street
P.O. Box 17
Thurmont, Maryland 21788
301-271-7313
Fax: 301-271-2155

Written Testimony from

John A. Kinnaird
Senate Bill 153

Renewable Energy Portfolio Standard – Municipal Electric Utilities

Position: Support

Dear Chairman Kelley and Members of the Senate Finance Committee,

My name is John A. Kinnaird, the Mayor of Thurmont, and I wish to offer the support of the Town of Thurmont and our residents for municipal RPS legislation through Senate Bill 153 in the current 2021 session.

The Town of Thurmont has a long history of providing electric service to our residents stretching back over a hundred years. The Thurmont Municipal Light Company was established by a group of concerned businessmen intent on bringing the wonder of the modern age, electricity, to our community. The initial service was powered by a purpose-built hydro dam that turned generator sets in our generating station. The system was so successful that over a relatively short period of time we began purchasing power on the wholesale market and we continue to do so today.

I take great pride in telling you that the Thurmont Municipal Light Company offers our residents one of the lowest electric rates in the State of Maryland and our service is second to none. Thurmont residents are fortunate to have at their disposal an electric crew that works hard to resolve service outages, outages that seldom last more than one hour. Today in cooperation with the cities of Hagerstown and Williamsport, the Thurmont Municipal Light Company continues to negotiate on the wholesale market to provide the lowest possible electric rates for our residents.

I would like to point out that I have not used the word customer while talking about the Thurmont Municipal Light Company. We do not service customers, we service our residents. As a municipal electric utility, we answer to our residents and I am speaking before you today on their behalf.

The Town of Thurmont supports Senate Bill 153 because it will significantly reduce the portion of wholesale power supply costs for its municipal electric utility which are required to be purchased from solar renewable energy resources as a part of the state-wide Renewable Portfolio Standard (RPS). More specifically, Senate Bill 153 will return the renewable requirements to the levels in place in 2019 prior to the passing of the Maryland's Clean Energy Jobs Act.

In Maryland's Clean Energy Jobs Act from 2019, the state doubled the amount of renewable resources electric utilities are required to purchase from 25% up to 50% for Tier 1 renewable resources by 2030. Additionally, the

portion of those Tier 1 renewable resources that must come from solar was increased from 2.5% up to 14.5% by 2028 (which is an increase of 480%). Senate Bill 153 will return the total Tier 1 renewable requirement for municipal electric utilities to 20.4% with a solar requirement of 1.95%. As mentioned before, these values were the requirements in place in 2019.

Although an exact financial impact to Thurmont's costs (and residents) cannot be calculated due to the inability to forecast future market commodity pricing for renewable energy, the estimated benefit will be a reduction of up to 10% in wholesale power supply costs that will result in hundreds of thousands of dollars per year that will be passed through to the benefit of our residents.

Please contact me at 301-606-9458 if you need any further information regarding our support of Senate Bill 153.

We urge a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Kinnaird". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John A. Kinnaird
Mayor
Town of Thurmont

Town of Williamsport Senate Bill 153 January 13 20

Uploaded by: Lininger, Brett

Position: FAV



OFFICE OF
MAYOR AND COUNCIL

The Town of Williamsport

2 N. CONOCOCHIEGUE ST.
P.O. BOX 307
WILLIAMSPORT, MARYLAND 21795
TELEPHONE (301) 223-7711
FAX (301) 223-6496

**Written Testimony from
Bill Green
Senate Bill 153
Renewable Energy Portfolio Standard – Municipal Electric Utilities**

Position: Support

Dear Chairman Kelley and Members of the Senate Finance Committee,

My name is Bill Green, Mayor of Williamsport, and I would like to offer support in favor of Senate Bill 153 on behalf of the Town of Williamsport and our citizens.

The Town of Williamsport owns and operates its municipal electric utility in order to provide reliable public power to its community. The Town makes every effort to keep costs of electricity as affordable as possible to its citizens. In order to reduce the costs of wholesale electricity, Williamsport supports Senate Bill 153 that seeks to reduce the renewable energy requirements for municipal electric utilities as mandated in the state's Renewable Portfolio Standard (RPS).

Failure to reduce the Town's RPS requirements would result in a significant increase in costs of electricity to its citizens as Williamsport would be required by 2030 to procure 50.0% of its wholesale power supply from renewable resources with 14.5% coming from solar resources. Senate Bill 153 seeks to reduce these renewable requirements to the Town to the levels from 2019 which would only require 20.4% of total power supply purchases to come from renewable resources with at least 1.95% being derived from solar resources. One hundred percent of the savings for the Town as a result of this legislation would be completely passed through to the benefit of all residents by reducing their cost of electricity.

Predicting the exact financial benefit of this bill to the Town is difficult to determine due to the inherent flaws in any future forecasts; however, the estimated reduction in costs to residents could be as much as 10% of power supply costs or hundreds of thousands of dollars in savings per year.

We urge a favorable report.

Sincerely,

Mayor Bill Green

Town of Williamsport

Senate Bill 0153-Municipal Electric Utilities-RMC-

Uploaded by: Matthews, Dakota

Position: FAV



John Hartline, Chairman

50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Fax: 410-841-5987 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov
Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 153 – Renewable Energy Portfolio Standard - Municipal Electric Utilities
Before Finance Committee
January 21, 2021

The Rural Maryland Council **supports** Senate Bill 153 - Renewable Energy Portfolio Standard - Municipal Electric Utilities Currently under Maryland law, municipal electric utilities (muni's) in Maryland are required to meet the same renewable energy portfolio standards as the investor owned utilities (IOU), despite only being 1% of the size of the IOUs. These standards have resulted in increased prices to both the muni's and their customers. Senate Bill 153 would allow muni's to remain in the renewable energy portfolio standard program but would do so with adjusted caps. The caps put in place would directly save money for customers, taxpayers, and ratepayers.

Municipal electric utilities are currently paying a higher price for the same resources as other utilities in the state of Maryland. In 2019 Muni's paid \$10.99 for per Tier1 Non-Solar Renewable Energy Credit while the average for the other utilities in the state was only paying \$7.77 per Non-Solar REC. There is a similar difference in Tier 1 Solar RECs, with Muni's paying \$67.87 per REC while the rest of the state utilities averaged only \$47.26. In both cases muni's are required to pay more than 40% more than the other utilities in the state. These prices will go directly to the municipal electric consumers, requiring them to pay an additional 20%, almost \$300 annually, in electricity bills. The caps that SB153 would put in place would reduce this cost significantly, reducing the additional electric bill costs to only a 3.5% monthly, or an increase of \$40 annually, a much more affordable cost to the consumers.

According to the National Conference of State Legislatures, out of the 30 states that have renewable energy portfolio standards, only 11 of those states include muni's in their RPS requirements, of those 11, only 3 (NY, CA, MD) require their muni's to meet the full RPS Requirements. Muni's make up just above 1% of the States electrical usage and customer base, an amount not significant enough to have a noticeable fiscal impact on the RPS program. Because the renewable energy portfolio credit standards produce negative consequences for the consumers of municipal electric utilities and the effects of implementing caps for muni's would be negligible fiscally to the RPS program while being beneficial to the muni's consumers, the Council respectfully requests your favorable support of Senate Bill 153

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

“A Collective Voice for Rural Maryland”

SB153 - RPS-Municipal Electric Utilities - FIN - E

Uploaded by: Tulkin, Josh

Position: UNF



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Finance

Testimony on: SB153 – “Renewable Energy Portfolio Standard – Municipal Electric Utilities”

Position: Oppose

Hearing Date: January 21, 2021

The Maryland Sierra Club urges this Committee to report SB153 unfavorably.

The Sierra Club is concerned that this legislation would move our state in the opposite direction on climate action. Last year was tied for being the hottest year on record globally, demonstrating the continued and growing threat of climate change. Maryland has over 3,000 miles of coastline, making it particularly vulnerable to the impacts of climate change like sea level rise.

Cleaning the electricity grid is one of the pillars of climate action because fossil fuels – like coal, oil, and gas – emit millions of tons of climate pollution in Maryland each year. This makes Maryland's Renewable Portfolio Standard (RPS) a critical tool to put more clean energy on the grid to fight climate change, and air and water pollution. Analysis from the Maryland Department of the Environment has repeatedly demonstrated that the RPS policy is one of Maryland's most important policy tools to meet its Greenhouse Gas Reduction Act mandates.

Maryland must do its part to deploy as much clean energy as possible to meet state and international climate action goals. This legislation stalls progression of parts of the RPS, thus harming clean energy deployment.

Thank you for your consideration and we look forward to working with the Committee to deploy clean energy in Maryland and combat the climate crisis.

David Smedick
Senior Campaign Representative
Beyond Coal & Dirty Fuels Campaigns
David.Smedick@SierraClub.org

Josh Tulkin
Chapter Director
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Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.