

**HB0768-Finance-FAV-DTMG-3-23-21.pdf**

Uploaded by: Bartlett, Olivia

Position: FAV



**Olivia Bartlett, DoTheMostGood Maryland Team**

**Committee:** Senate Finance

**Testimony on:** HB0768 – Montgomery County – Community Choice Energy – Pilot Program

**Position:** Favorable

**Hearing Date:** March 23, 2021

**Bill Sponsors:** Montgomery County Delegation

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 2500 members who live in a wide range of communities in Montgomery and Frederick Counties, from Bethesda near the DC line north to Frederick, and from Poolesville east to Silver Spring and Olney. DTMG supports legislation and activities that keep its members healthy and safe in a clean environment, uplift all members of our communities, and promote equity across our communities. DTMG strongly supports HB0768 because it will create a mechanism to decrease energy costs for Montgomery County consumers and provide a blueprint for doing so across the state in the future.

HB0768 will enable Montgomery County to choose to aggregate electricity purchases on behalf of all residents in the county in order to negotiate more favorable rates with electricity suppliers. HB0768 will also allow the county to negotiate for a greater mix of renewable energy than the renewable portfolio standard currently set by the Maryland Public Service Commission and enable the county to move more quickly to 100% renewable energy.

HB0768 is merely enabling legislation; the county will not be mandated to aggregate electricity purchases. Furthermore, no consumer will be required to participate in the county's CCE organization. Residents will be able to opt out and continue purchasing electricity from other available providers in the same manner as they have been doing.

Passage of HB0768 will be new for Maryland but will not break new ground nationally. Eight states already have similar enabling legislation: California, Illinois, Massachusetts, New Jersey, New York, Ohio, Rhode Island, and Virginia. The CCE organizations in these states served approximately five million customers as of 2017. Illinois enacted CCE enabling legislation ten years ago and by 2017 had 490 community choice energy organizations in place. Ohio enacted enabling legislation in 1999, and by 2017 had 130 active CCE organizations. Massachusetts enacted enabling legislation in 1997 and had 190 CCE organizations in place by 2017.

HB0768 will be good for Montgomery County consumers. In 1999, when Maryland deregulated the electricity market by passing the Electric Customer Choice and Maryland Competition Act, the intent was to lower rates for all customers. However, the opposite has happened, because residential customers were denied the ability to leverage their market power to negotiate for lower rates. HB0768 would help remedy that. The opt-out provision in HB0768 is important to ensure that there

are options for those who do not want to participate. In other states with community choice aggregation, only about 15% of ratepayers typically opt-out.

Despite having a deregulated electricity market that allows consumers to choose their electricity supplier, Maryland has the 15th highest electricity rates in the nation. HB0768 will allow the county to act as an aggregator for its constituents and, through the power of bulk purchasing, negotiate significantly lower rates than the default Standard Offer Service (SOS) rate charged by Maryland's utilities. The Environmental Protection Agency has found that, in the other states that adopted CCE, electric rate savings for participating communities dropped as much as 15 to 20% (<https://www.epa.gov/greenpower/community-choice-aggregation>). This would be a win for all Montgomery County residents, particularly for low-income and fixed-income households.

In addition, by choosing to implement its aggregation authority under HB0768, the county will be able to protect its residents from being targeted by unscrupulous third-party suppliers who prey on low-income and elderly ratepayers but actually charge rates higher than SOS rates. Maryland's deregulated energy market allows consumers to purchase their energy from third-party suppliers who act as middlemen between the utilities and consumers. Third-party suppliers purchase energy from the utilities at a bulk rate and then sell that energy back to consumers. However, a limited study in Baltimore found that low-income households on third-party supply applying for assistance with energy costs actually paid an average of 51 percent more than the SOS price. Other studies showed that in 2017, about 97 percent of households on third-party supply paid more than the utility-offered SOS rate, and that between 2014 and 2017, Maryland households on third-party supply actually paid about \$255 million more than they would have on SOS. HB0768 will allow Montgomery County to lower electricity costs and reduce "heat or eat" conflicts for our residents. Such savings would also allow energy assistance dollars to go farther, ultimately providing financial help to more households.

Importantly, HB0768 will allow Montgomery County to address the growing threat of climate change and make progress towards its climate emergency goals. HB0768 will build on both the Greenhouse Gas Reduction Act and the 2019 Clean Energy Jobs Act by enabling faster transition to renewable energy sources by allowing the county to negotiate to have all or most of its energy needs met through clean energy sources. The biggest barrier consumers currently face in changing to clean energy is that it is difficult, confusing, and time-consuming to make the switch. Montgomery County has identified CCE as an essential tool for reaching its goal of reducing greenhouse gas emissions by 80% by 2027 and 100% by 2035.

Finally, passage of HB0768 and implementation of the pilot program in Montgomery County will provide valuable data and experience for future efforts to establish community choice aggregation across Maryland. Baltimore and other cities, as well as counties with a high percentage of low-income residents, such as those in Western Maryland and the Eastern Shore, would also benefit from being able to form aggregates. Predecessor legislation in the 2020 General Assembly Session, HB0561, passed the House of Delegates and was supported by the Maryland Climate Coalition, the NAACP, and the Maryland Consumers Rights Organization.

In summary, Montgomery County consumers and the environment will benefit from passage of HB0768, and it will pave the way for cheaper and cleaner electricity across Maryland in the future. Therefore, DTMG strongly supports HB0768 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,  
Olivia Bartlett, Co-Lead, DoTheMostGood Maryland Team  
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**FIN\_DelegateCharkoudian\_HB768.pdf**

Uploaded by: Charkoudian, Lorig

Position: FAV



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

TESTIMONY IN SUPPORT OF HB768

MONTGOMERY COUNTY – COMMUNITY CHOICE ENERGY – PILOT PROGRAM

MARCH 23rd, 2021

Chair Kelley, Vice-Chair Feldman, and members of the Finance Committee:

Community Choice Energy empowers local governments to aggregate electricity loads of residents, small businesses, and government, with the goal of reducing greenhouse gas emissions, reducing prices, or both. HB768 would establish a pilot program, authorizing Montgomery County to form a Community Choice Aggregator. At present nine states - California, Illinois, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Rhode Island and Virginia - have authorized localities to create locally run aggregators.

While the original focus of CCEs was providing lower and more stable rates, they have evolved to focus on two main policy objectives: lower rates for consumers and a higher level of renewable electricity generation. Creation of a local electricity aggregator allows residents in a community to take control of the electricity purchased by their local utility, while leaving ownership of the grid in the hands of utilities. In essence an aggregator is a sort of hybrid between an investor-owned utility and a municipal utility.

Community Choice Energy is a crucial tool for Montgomery County to meet the greenhouse gas reduction goals established in response to the Climate Emergency it has declared. There are no other tools currently available for the County to reach zero greenhouse gas emissions in the electricity sector.

HB768 supports the concept of energy democracy, in which community participation in local government processes, ensures that the energy mix reflects the values of the community. HB768 directs the Public Service Commission (PSC) to establish regulations to ensure a smooth transition from Standard Offer Service (SOS) to a CCE, such that there is no disruption in the remaining SOS market. The PSC is also directed to establish regulations related to consumer protection, privacy, and the tariff structure. The PSC also approves of the detailed CCE plan before it can be launched.

The legislation establishes that the CCE will become the default purchaser of electricity for all electric customers in the jurisdiction unless the customer is already the client of a third-party

supplier or if the customer opts out of the aggregator plan. The legislation establishes a detailed process through which the County would communicate about the establishment of the CCE and options for residents to opt out. The opt-out feature ensures that the CCE has the ability to negotiate prices on behalf of nearly all members of the community it represents, thus ensuring competitive prices.

Over the previous two years, I have spent a considerable amount of time working with the Public Service Commission and the Office of People's Counsel to ensure that all of the technical aspects of the bill support stability in Maryland's SOS markets, while allowing local government to harness the power of the competitive market-place to meet the needs and values of their residents.

I ask for a favorable report on HB768.

**HB0768\_Finance\_CCE\_FAV\_HoCoCA.pdf**

Uploaded by: Feighner, Liz

Position: FAV



**HoCoClimateAction.org**  
Howard County, Maryland

**Testimony in SUPPORT of – HB0768, *Community Choice Energy- Pilot Program MC 17-21***

**Hearing Date: March 23, 2021**

**Bill Sponsor: Montgomery County Delegation**

**Committee: Finance**

**Submitting: Howard County Climate Action**

**Position: Favorable**

[HoCo Climate Action](#) -- a [350.org](#) local chapter and a grassroots organization representing more than 1,450 subscribers, and a member of the Howard County Climate Collaboration -- supports HB0768, Community Choice Energy Program MC 17-21 - (Community Choice Aggregation - CCA).

We have been educating ourselves and others in Howard County about the climate crisis for more than 13 years. We have supported and advocated for climate action legislation at the county, state and federal level and strongly support legislation promoting clean energy. We have campaigned to encourage residents in Maryland to take personal action for reducing their carbon footprints.

One of our campaigns is to encourage residents to switch their utility energy supplier to one that provides [100% wind power for their household](#). We had partnered with several organizations that had negotiated lower rates for 100% wind power for our members' households. These campaigns have had limited success because the process is confusing and the learning curve impedes members from switching from their utility to a third-party energy supplier. Many, particularly low-income and elderly residents, are skeptical because they have already been targeted by unscrupulous third-party energy suppliers that charge higher rates. Participation is lower than what is needed to meet our goals in MD to reduce greenhouse gas emissions.

The leveraging power of a few organizations can go only so far in reducing the costs of clean energy. Many low-to-moderate-income families do not participate in our wind campaign because clean electricity has generally been more expensive than dirty energy supplied by the utilities. We need to democratize clean energy options and leverage our greater purchasing power by aggregating everyone at the county level.

Community Choice Aggregation (CCA) provides this need for a cleaner and lower-cost option for electricity. This important tool gives communities control over their electricity decisions and helps in our work to avoid the worst impacts of climate change. This bill creates a pilot CCA program in Montgomery County and CCA is very successful in nine other states and in



hundreds of municipalities nationwide. Community Choice is entirely voluntary. Residents or businesses who do not wish not to participate can opt out and switch to their utility or any third-party energy supplier.

International experts have urged action on climate with increasing fervor in recent years for good reason: The consequences of staying the course are dangerous. We have an opportunity to heed the warnings of scientists now while signaling to the nation that Maryland is ready to embrace a climate-friendly economy. We can no longer delay meaningful climate action.

We encourage a FAVORABLE report for this essential legislation.

HoCo Climate Action

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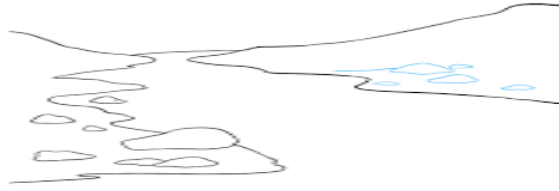
Submitted by Liz Feighner, Steering and Advocacy Committee, Columbia MD

[www.HoCoClimateAction.org](http://www.HoCoClimateAction.org)

# **GEHM Testimony in Support of HB0768.pdf**

Uploaded by: Feldman, Elizabeth

Position: FAV



## GLEN ECHO HEIGHTS MOBILIZATION

**Committee:** Finance  
**Sponsor:** Montgomery County Delegation  
**Testimony on:** HB0768  
**Position:** Support  
**Hearing Date:** March 23, 2021

Glen Echo Heights Mobilization (GEHM) submits this letter in support of the Montgomery County Community Choice Energy Pilot Program, MC17-21.

A crucial step in fighting climate change is transitioning to clean energy, and Clean Choice Energy (or CCE) would move Montgomery County ahead in its goal of achieving an 85% reduction in GHG emissions by 2027 and 100% by 2035.

Although the cost of clean energy has come down, cost considerations for individuals, businesses and public entities with limited resources continue to be a hurdle in adopting clean energy.

CCE is a tool that can be used to negotiate lower energy rates on clean energy. There are already 9 states that allow Community Choice Energy, and those communities pay less in energy costs than the standard offer service rates from the utilities.

Here in Montgomery County, lower rates on clean energy would benefit the County government by freeing up resources for other uses, such as supporting local businesses recover from the Covid19 epidemic.

And lower energy rates would greatly benefit residents, particularly low-income residents, who are disproportionately impacted by energy cost burdens and by effects of the pandemic. Low-income residents are also more vulnerable to health risks from fossil fuel pollution.

An important component of the Montgomery County Community Choice Energy Pilot Program is the fact that residents must opt-out, rather opt-in, to the program. Currently, residents who want clean energy must individually seek out clean energy options. As a residential consumer, I have been able to transition to clean energy by proactively enrolling in Clean Choice Energy and subscribing to Neighborhood Sun Community Solar. However, I know many friends and neighbors who would prefer to be consuming clean energy, but have not found the time to research the options and carry out the necessary steps to procure it. With CCE's opt-out structure, the work is done for those who want in.

Finally, purchasing clean energy on a large scale as a CCE aggregator leads to local job creation, because a CCE aggregator will be allowed to own and build the means of energy generation, and could choose to pair its electric purchases with other programs such as energy efficiency retrofits, which would require local labor.

For these reasons, we encourage a FAVORABLE report for this essential legislation.

Signed,  
Liz Olfe Feldman

**HB0768\_Food&WaterWatch\_FAV\_Hawkins.pdf**

Uploaded by: Hawkins, Lily

Position: FAV



Fight like you live here.

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**Lily Hawkins**

**Food & Water Action Maryland Organizer**

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**Committee: Senate Finance**

**Testimony on: HB0768 - Montgomery County - Community Choice Energy**

**Position: Favorable**

**Hearing Date: March 23, 2021**

Food & Water Watch is a national nonprofit advocacy organization with thousands of supporters in Maryland. We are pleased to support Delegate Charkoudian's bill allowing a Community Choice Energy **pilot** program in Montgomery County.

The prospect of CCE in Maryland is being met with strong public support from a broad coalition of groups and local governments. (Please see attached letter of support signed by 40 groups from Maryland.) And what these groups have in common is that they want to make energy more affordable while also moving towards clean, safe energy options that will allow residents to breathe clean air, and help stave off the worst impacts of climate change.

An important aspect of community choice energy is the ability of the program to increase access to energy that is renewable AND clean - for everyone. We need to move quickly off of fossil fuels and onto clean renewable energy, we also need to ensure that the transition happens in a way that is equitable and doesn't increase the burden on families that may already be struggling.

When we look at the 9 states where Community Choice aggregation is already allowed - we see affordable, reliable, and cleaner energy being provided to communities.

The Montgomery County Council and Executive have prioritized Community Choice Energy as a way to meet the ambitious climate goals that have been set for the county. Additionally, a successful CCE pilot in Montgomery County will pave the way for other local governments to implement their own programs in the future (if they choose) when CCE has proven to be successful.

For these reasons we request that you provide a favorable report on HB 768 and allow Montgomery County to establish a pilot CCE program here in Maryland.

## **Support a Community Choice Energy Pilot for Montgomery County**

March 19th, 2021

Dear Senators and Delegates:

On behalf of our members and a broad coalition of organizations and supporters across Montgomery County, we are writing to you today to urge you to pass legislation authorizing a Community Choice Energy (CCE) pilot program in Montgomery County (HB0768).

In 2017, Montgomery County declared a Climate Emergency and committed to achieving a 80% reduction in its greenhouse gas emissions by 2027 and 100% reduction by 2035. CCE is a powerful tool in achieving this ambitious goal. CCE allows communities to both rapidly transition to renewable energy and decrease energy costs for consumers; costs which disproportionately affect Montgomery County's most vulnerable communities.

With CCE, Montgomery County will be empowered to purchase electricity on behalf of all consumers and businesses within its jurisdiction. CCE will allow the County to negotiate the source of energy generation, and use the power of bulk buying to save consumers money. Community Choice Energy is entirely voluntary, and residents or businesses who do not wish not to participate can opt-out. Further, CCE can help Montgomery County protect its low-income and elderly residents who are often targeted by unscrupulous third-party energy suppliers that charge higher than standard offer service rates.

At present 9 other states have authorized Community Choice Energy. We urge you to prioritize the passage of this important legislation and allow Montgomery County to pave the way for the rest of Maryland.

Signed,

350 MoCo

Biodiversity for a Livable Climate, DC Chapter

Chesapeake Climate Action Network

City of Takoma Park

Clean Water Action

The Climate Mobilization Montgomery County Chapter (TCM MoCo)

Climate Change Working Group of Frederick County

Climate Law & Policy Project

Climate XChange Maryland

Do the Most Good

Emmanuel United Methodist Church, Laurel

Environmental Justice Ministry Cedar Lane Unitarian Universalist Church

Environment Maryland

Food & Water Action

Glen Echo Heights Mobilization

Greenbelt Climate Action Network  
Howard County Climate Action  
Indivisible Howard County  
Interfaith Power & Light (DC.MD.NoVA)  
Institute for Energy and Environmental Research  
Maryland Campaign for Environmental Human Rights  
Maryland Legislative Coalition  
Maryland PIRG  
Maryland Sierra Club  
MoCoWoMen  
MOM's Organic Market  
Mont Co Faith Alliance for Climate Solutions  
Montgomery Countryside Alliance  
Montgomery County Food Council  
Nuclear Information and Resource Service  
Prince George's Sierra Club  
Rachel Carson Council  
Safe Healthy Playing Fields Inc  
Safe Skies Maryland  
Solar United Neighbors  
Sugarloaf Citizens' Association  
Takoma Park Mobilization Environment Committee  
Takoma Park Youth City Council  
Unitarian Universalist Legislative Ministry of Maryland  
WISE



# Community Choice Aggregation: Cleaner, Cheaper Electricity

Community Choice Aggregation (CCA) programs are alternatives to the investor-owned energy supply system and can help the spread of renewable energy. CCAs allow residents in a community to take control of the electricity purchased by their local utility, while leaving ownership of power plants and the grid in the hands of utilities.<sup>1</sup> Originally CCAs were developed to reduce and stabilize electricity rates for their members.<sup>2</sup> Because the CCA negotiates a bulk purchase on behalf of its members, CCAs tend to receive lower rates.<sup>3</sup> But now the driving force behind CCA expansion has shifted to a desire for renewable electricity.<sup>4</sup> Implementing a CCA is empowering to the community it serves and can help reduce reliance on climate-altering fossil fuels.

## Community Choice Aggregation 101

The National Renewable Energy Laboratory describes CCAs as “local governmental entities that procure electricity on behalf of retail electricity customers.”<sup>5</sup> They are considered a sort of hybrid between an investor-owned utility and a municipal utility.<sup>6</sup> The investor-owned utility remains responsible for providing the electricity through its transmission and distribution lines and for billing the customers, but it is not in charge of supplying the electricity anymore; the CCA is charged with procuring electricity.<sup>7</sup> CCAs are operated by either a third party or a city or county government through contractual provisions.<sup>8</sup> If adopted nationally, they would provide a powerful impetus for the installation of more renewable electricity generation.

## Implementing a CCA

How CCA works varies from state to state, but the basic concept is the same. A local community, an entire municipality or county, or a group of local governments



decides to form a CCA. The CCA then acts on behalf of its members to negotiate the purchase of electricity from a provider. To achieve this, a state must have CCA-enabling legislation (see Table 1), and a local jurisdiction needs to hold public hearings and pass legislation approving the CCA.<sup>9</sup>

Take, for example, Massachusetts, the first state to establish a CCA. The first step requires the city council or board of selectman to authorize and vote on the development of a CCA plan at a meeting. An optional second step is to issue a request for proposal (RFP) to hire a broker to help design, implement and monitor the aggregation plan. Then, in coordination with the state's Department of Energy Resources, a plan is drafted; it must meet the Department of Public Utilities' (DPU) requirements and outline the community's goals.<sup>10</sup>

The plan is made available to the public for review, and it must be authorized by a board of selectman or city council. The town, and the energy broker (if working with one) then petitions the DPU to officially approve the CCA. Following the initial filing there will be public participation opportunities, with comment periods and opportunities for parties to intervene. If authorized, a formal order will be issued. An RFP is issued to then solicit bids for the CCA contract, and the municipality chooses a supplier and executes a contract.

At this point customers of the CCA are informed by mail at least 30 days prior to the switch that their electricity supply will be transferred to the new supplier with the new rate, and that they have 180 days to opt out of the CCA without any charge. The automatic enrollment begins for customers that do not opt out. Municipalities can also administer energy efficiency programs and adopt an energy plan.<sup>11</sup>

### CCAs in the United States

Currently there are eight states with approved CCA legislation: California, Illinois, Massachusetts, New Jersey, New York, Ohio, Rhode Island and Virginia; five more have introduced legislation: Connecticut, Maryland, New Hampshire, New Mexico and Oregon.<sup>12</sup> Most CCAs, like those in Illinois and Ohio, have been implemented at the town or city level. But communities may decide to implement a CCA at the county or regional level. In California, for example, CCAs operate through intergovernmental agreements that serve larger geographies that can extend to multiple counties.<sup>13</sup>

### Cheaper and Cleaner Electricity

CCAs help deliver cheaper and more accessible renewable energy that benefits the environment.<sup>15</sup> One CCA in California, for example, costs 2 to 5 percent less than the investor-owned utility that serves the same location.<sup>16</sup>

**Table 1: States with CCA Enabling Legislation<sup>14</sup>**

State	Year Enabling Legislation First Passed	Numbers of CCAs	Notes About CCAs in Respective State
California	2002	18	CCAs in California serve 10% of the state's customers currently, and are projected to serve up to 16% by 2020.
Illinois	2009	490	CCAs are increasing because utility rates are going up in the state.
Massachusetts	1997	190	Most CCAs in the state serve a single town, with two exceptions: the Cape Light Compact covers 21 communities in the Cape Cod area, and Mass CEA comprises 23 eastern Massachusetts towns.
New Jersey	2003	15	These CCAs serve over 50 municipalities. One program in New Brunswick purchases renewable energy with a goal of 100% renewable by 2035.
New York	2014	1	The only CCA in New York is in Westchester County and it serves about 855,000 people.
Ohio	1999	130	The biggest CCA is the Northeast Ohio Public Energy Council, comprising about 220 communities.
Rhode Island	1996	1	The CCA in Rhode Island services 28 municipalities, two school districts and two water supply boards.
Virginia	2018	0	No CCAs have been implemented.



In states with deregulated electricity markets, individual ratepayers can arrange to buy renewable electricity from a provider or a green purchasing program operated by utilities.<sup>17</sup> These “opt-in” programs have somewhat low penetration rates, with about 2 percent participation from ratepayers. A CCA, on the other hand, is generally an “opt-out” program and it tends to have larger penetration rates of more than 80 percent. This means that renewable electricity can be supplied to a majority of a jurisdiction’s citizens.<sup>18</sup>

### **CCAs Can Drive Renewable Expansion**

Given the variability that exists between state laws authorizing CCAs and between CCAs themselves, the expansion of CCAs to other states can help to drive renewable expansion if the laws governing them make doing so a priority.

CCAs can help states meet electricity goals set out in their Renewable Portfolio Standard (RPS) programs, which can create power incentives to shift to renewable energy. Unfortunately, most RPS programs have not been robust enough to foster a rapid transition to clean, renewable energy. And almost all states with them have allowed combustion-based energy sources including

wood burning and the burning of waste methane (so-called biogas) to meet RPS goals.<sup>19</sup> States must expel dirty energy sources from their RPSs to shift to genuinely clean, renewable energy production.

Some CCAs that offer renewable energy options utilize existing renewable sources, often using the market for Renewable Energy Credits (RECs).<sup>20</sup> Unfortunately, RECs are a pay-to-pollute structure that allows states to purchase credits instead of producing actual renewable energy. Almost all states allow utilities to purchase renewable “credits,” while continuing to generate the same amount of fossil-fueled electricity.<sup>21</sup> For example, the Cape Light Compact CCA in Massachusetts purchases RECs from a dirty landfill gas facility in Vermont.<sup>22</sup> The reliance on RECs to provide “green” electricity for members who demand it undermines a CCA’s potential to expand renewable generation and speed the transition to a 100 percent clean energy future. New CCA laws should limit the allowance of RECs outside of existing RPS programs.

Instead of relying on offsetting dirty electricity through the purchase of RECs, CCAs can foster the growth of new, local renewable electricity production. A CCA could either contract with a company that is looking for a buyer

for a proposed wind or solar installation, or in states that allow CCAs to own their own generation, they could build local wind and solar installations. Either option brings new renewable electricity onto the grid instead of relying on RECs from either existing solar and wind or dirty “renewables” like trash incineration.

## Conclusion

In addition to focusing on rate reduction and stabilization, new CCA laws should focus on the expansion of renewable wind and solar electricity generation. CCAs can be required to procure renewable power from new sources, whether these are wind farms, utility-scale solar projects or distributed renewables such as rooftop solar. By crafting the laws allowing CCAs in the right way, states can push the development of renewable energy and make that energy available to all citizens, not just those that can afford to install distributed renewables.

In refocusing the goal of CCAs to push the development of renewable electricity, it is not necessary for the CCAs to give up their earlier focus on reduced and stabilized rates as an additional benefit. For example, Oak Park, Illinois, a suburb of Chicago, established a CCA in 2012 that purchased all of its power from wind farms in the state. At the time, the only option it offered to its roughly 20,000 members was 100 percent wind energy, and it did so at rates 25 percent below what members would be paying for electricity from the utility.<sup>23</sup>

Continued investments sunk into fossil fuels and dirty “renewable” energy sources like biogas lock us into an energy future that is in defiance of climate science. The way out must be a dramatic shift to zero-emission wind and solar power, accompanied by widespread deployment of energy efficiency. CCAs can play a significant role in the transition off of fossil fuels, while simultaneously benefiting ratepayers.

## Endnotes

- 1 Local Power, Inc. Prepared for the San Francisco Public Utilities Commission. “Community Choice: Lessons Learned & Best Practices.” August 15, 2009 at 9; O’Shaughnessy, Eric et al. National Renewable Energy Laboratory (NREL). “Community Choice Aggregation: Challenges, Opportunities, and Impacts of Renewable Energy Markets.” NREL/TP-6A20-72195. February 2019 at 1.
- 2 Local Power, Inc. (2009) at 5.
- 3 Laufer, Joshua et al. Prepared for Metropolitan Area Planning Council. “Community Choice Aggregation: Municipal Bulk Buying of Electricity in Massachusetts.” May 6, 2013 at 1, 9 and 32.
- 4 Local Power, Inc. (2009) at 5.
- 5 O’Shaughnessy et al. (2019) at 1.
- 6 Heeter, Jenny and Joyce McLaren. NREL. “Innovations in Voluntary Renewable Energy Procurement: Methods for Expanding Access and Lowering Cost for Communities, Governments, and Businesses.” September 2012 at 9.
- 7 O’Shaughnessy et al. (2019) at 1.
- 8 *Ibid.* at 1.
- 9 U.S. Environmental Protection Agency. “Community Choice Aggregation.” Available at <https://www.epa.gov/greenpower/community-choice-aggregation>. Accessed August 2019.
- 10 Metropolitan Area Planning Council. “Start a Community Choice Aggregation Program.” April 16, 2014 at 3 to 6.
- 11 *Ibid.*
- 12 LEAN Energy US. “CCA by state.” Available at <https://leanenergyus.org/cca-by-state/>. Accessed August 2019.
- 13 O’Shaughnessy et al. (2019) at 8 and 23.
- 14 *Ibid.* at 39 to 45; New Jersey Legislature — Bills. A2165. Bills 2002-2003. Available at <https://www.njleg.state.nj.us/bills/BillView.asp>. Accessed September 2019; New Brunswick. An Ordinance of the City of New Brunswick, New Jersey Authorizing the Establishment of a Government Energy Aggregation Program that Phases in 100% Preferably Regionally Sources Renewables by 2035. New Brunswick, New Jersey. O-081901. August 1, 2018.
- 15 Heeter and McLaren (2012) at 12.
- 16 Nikolewski, Rob. “CCA 101: How does Community Choice Aggregation work? What you need to know.” *San Diego Union Tribune*. September 9, 2018.
- 17 Roberts, David. “It’s easy to buy ‘green power.’ Making a difference is a little harder.” *Vox*. November 16, 2015.
- 18 Heeter and McLaren (2012) at 12.
- 19 Food & Water Watch (FWW). “Cleanwashing: How States Count Polluting Energy Sources as Renewable.” July 2018 at 2.
- 20 Lichtenstein, Gabrielle R. and Indiana Reid-Shaw. University of New Hampshire Sustainability Institute. “Community Choice Aggregation (CCA) in Massachusetts.” 2017 at 12.
- 21 FWW (2018) at 5.
- 22 Local Power, Inc. (2009) at 30.
- 23 Heeter and McLaren (2012) at 10 to 12.

**HB0768 - Senate\_FAV\_City of Rockville\_MC - Communi**

Uploaded by: Kasemeyer, Pam

Position: FAV



## Mayor and Council of Rockville

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of Environmental Management

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### **HB 768: MONTGOMERY COUNTY – COMMUNITY CHOICE ENERGY – PILOT PROGRAM MC 17-21**

#### **SUPPORT**

The Rockville Mayor and Council are thankful to Chair Kelley and members of the Senate Finance Committee for the opportunity to comment on HB 768: Montgomery County – Community Choice Energy – Pilot Program MC 17-21. The Mayor and Council support HB 768. The City, with its population of over 68,000, strongly supports increasing its residents' and small businesses' access to clean and renewable sources of energy and competitive electricity rates. We are also committed to reducing greenhouse gas emissions and other hazardous air and water pollution and support State efforts that demonstrate climate and energy leadership.

Currently, Maryland communities are not permitted by law to purchase electricity in aggregate for members of the community. Typically, utilities are responsible for purchasing and distributing power, grid maintenance, and customer service. This legislation allows Montgomery County and the local governments to pilot a tool to increase the availability of clean, renewable electricity in a cost-effective manner. This bill authorizes Montgomery County to create a community choice aggregation (CCA) program under which it may negotiate the purchase of electricity, or generate electricity, for its residential and small commercial electric customers. CCA customers continue to receive the same delivery and maintenance services from their local utility. By allowing governments to aggregate demand, communities have better standing to negotiate better rates with competitive suppliers and choose greener power sources to work towards their community greenhouse gas emissions reduction goals.

HB 768 supports local and state climate and energy goals, and we urge the Committee to provide this legislation with a favorable report. We thank the Committee for considering Rockville's comments as the Committee deliberates the merits of this legislation.

# **IPL Testimony on HB 768 - Montgomery County Commun**

Uploaded by: Lacock-Nisly, Jonathan

Position: FAV



**Interfaith Power & Light (DC.MD.NoVA)**

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Jonathan Lacock-Nisly, Director of Faithful Advocacy

March 19, 2021

Testimony on HB 768 –

**HB 768: Montgomery County Community Choice Energy**

Finance Committee

Position: Favorable

**Interfaith Power & Light (DC.MD.NoVA) supports HB 768.**

At Interfaith Power & Light, we've worked with many people and communities of faith who are choosing to get their energy from above. From installing solar panels on homes and congregations, to community solar projects, to choosing clean energy contracts, faith communities have used a variety of tools to cut climate pollution and better care for our common home.

Now, our friends in Montgomery County are asking for your help in adding a new clean energy option. This bill would allow Montgomery County to make clean energy the default option county-wide – hugely expanding the amount of clean energy used in the county.

Of course, just like everywhere else in Maryland, each household would still have the final say. Residents could choose to go back to the standard electricity offered by the utility company, or stick with their current alternative energy plan. But by making clean energy the default, Montgomery County would be taking a powerful step to better care for Creation and protect clean air here in Maryland and beyond.

We urge the committee to give HB 768 a favorable report.



# **HB0768\_community choice energy MoCo\_fav\_TPMEC\_3.23**

Uploaded by: McGilvray, Laurie

Position: FAV



## Environment Committee

**Committee:** Finance Committee  
**Testimony on:** HB0768 – Montgomery County – Community Choice Energy – Pilot Program  
**Organization:** Takoma Park Mobilization Environment Committee  
**Submitting:** Laurie McGilvray  
**Position:** Favorable  
**Hearing Date:** March 23, 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. 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 and 8 Senators, 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 pandemic on the economy. Furthermore, it has been documented that low-income, the elderly, and consumers of color are more likely to be "[slammed](#)" by unscrupulous third-party energy providers. A CCE pilot will allow Montgomery County to negotiate lower electricity rates for all residential and business consumers, which will especially benefit low-income residents, and protect its most vulnerable consumers from predatory third-party providers.

**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 for the County to make significant progress toward GHG reduction. Passage of HB0768 will remove one barrier that is preventing the County from using this great tool employed by so many other municipalities across the country.

For these reasons we urge a favorable vote for HB0768.

# **HB0768\_community choice energy pilot\_fav\_MLC CJW\_3**

Uploaded by: McGilvray, Laurie

Position: FAV



**Committee:** Finance Committee  
**Testimony on:** HB0768 – Montgomery County – Community Choice Energy – Pilot Program  
**Organization:** Climate Justice Wing of the Maryland Legislative Coalition  
**Submitting:** Laurie McGilvray  
**Position:** Favorable  
**Hearing Date:** March 23, 2021

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today in support of HB0768. The Maryland Legislative Coalition’s Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges 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. While the Community Choice Energy (CCE) pilot is limited to Montgomery County, grassroots organizations within the Climate Justice Wing are interested to see Montgomery County test out the approach.

**Economic inequality and climate change.** As clear from our name, “Climate Justice Wing,” we are focused on both the climate crisis and the social justice aspects of the problem and its solution. The impacts of climate change are evident throughout Maryland with unprecedented flooding and record-setting numbers of summers days over 90 degrees. Low-income and minority communities are disproportionately impacted by the effects of climate change. Compounding the problem, low-income residents pay 550% more as a percent of income for electricity than other Marylanders. Furthermore, it has been documented that low-income, the elderly, and consumers of color are more likely to be “[slammed](#)” by unscrupulous third-party energy providers. A CCE pilot will allow Montgomery County to negotiate lower electricity rates for all residential and business consumers, which will especially benefit low-income residents, and protect its most vulnerable consumers from predatory third-party providers.

**CCE is 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. As shown in other communities across the country, CCE is a powerful tool because it can change the default electricity option to affordable, clean, renewable energy. It also helps overcome the biggest barrier consumers face in switching to clean energy, i.e., 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 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.

For these reasons we urge a favorable vote for HB0768.

# **Testimony on HB0768 Community Choice Energy.pdf**

Uploaded by: McNair, Lee

Position: FAV

**Cedar Lane Unitarian Universalist Environmental  
Justice Ministry (EJM)**

**March 19, 2021**

**Testimony in Support of HB-0768: Community Choice  
Energy**

**Position: Favorable**

**The Cedar Lane Unitarian Universalist Environmental Justice Ministry views legislation with a faith-based lens. Our principles require us to respect not only all people but also the interdependent web of all existence which composes our environment.**

**Therefore we must support HB0768, the Community Choice Energy pilot program for Montgomery County, which is also supported by the entire Montgomery County Delegation and all Montgomery County state and county legislators.**

**It is essential that Maryland move to 100% clean energy within a very short time window. Climate Change risks are no longer getting worse by the year; the hazards are increasing by the day and the minute. CCE is an extremely important tool that will help Montgomery County reach that climate change mitigation goal of 100% clean energy.**

**In addition, CCE supports equity by allowing the county to negotiate for lower rates as well as**



**renewable energy and protects citizens from unscrupulous people who claim to offer clean energy and lower rates while actually costing ratepayers much higher costs over average rates. We need our elected officials to support this legislation giving citizens a true voice in our energy decisions by giving our elected and accountable governmental officials the ability to negotiate for fair rates and clean energy.**

**We urge you to vote favorable on HB0768, Community Choice Energy.**

**Thank you for your support of equity, climate change mitigation, and democracy.**

**Lee McNair, Co-chair Cedar Lane Unitarian  
Universalist Environmental Justice Ministry, Bethesda,  
MD 20814.**

**WISE Testimony HB0768 Montgomery County CCE.pdf**

Uploaded by: O'Connor, Monica

Position: FAV



**Committee:** Finance

**Testimony on:** HB0768 – Montgomery County – Community Choice Energy – Pilot Program

**Organization:** WISE

**Submitting:** Monica O'Connor

**Position:** Favorable

**Date:** March 23, 2021

Dear Madame Chairwoman and Members of the Committee:

WISE seeks a favorable vote for HB0768 – Montgomery County-Community Choice Energy-Pilot Program.

We are a group of over 500 women in Anne Arundel County. We are seeing our children's future jeopardized by the crisis unfolding before us. The science of climate change is clear – as is our lived experience. Rising waters in the County, sunny day flooding, high temperature in the summer and erratic weather is now commonplace. We believe the science and anticipate that our elected officials will act with the necessary urgency this moment calls for. Every tool at our disposal needs to be implemented with urgency if we are to compete with the unfolding crisis.

Community Choice Energy is an excellent tool to allow communities to quickly increase renewable clean energy to their grid. It allows local governments to purchase electricity as a group on behalf of residents, businesses, and municipal accounts. The benefit of CCE is it allows communities to take control of their electricity purchases, enjoy competitive rates, and promote a more rapid transition to renewable energy. Customers are automatically enrolled in the group electricity purchase, but any customer can opt-out and choose a different electricity provider or rate. The utility continues to deliver power, maintain the grid, provide consolidated billing and other customer services.

Today 9 states have CCE, but not Maryland. By law, Maryland communities are not permitted to group purchase electricity. The Montgomery Community Choice Energy Pilot Program would be the first of its kind in Maryland, allowing Montgomery to reach its energy democracy goals while giving other counties an opportunity to observe its

advantages and potential pit falls. It is our hope, that the Senate will vote favorably on HB 0768 for Montgomery County and the State at large.

**HB0768\_Community\_Choice\_Energy\_MLC\_FAV.pdf**

Uploaded by: Plante, Cecilia

Position: FAV



## TESTIMONY FOR HB0768

### MONTGOMERY COUNTY – COMMUNITY CHOICE ENERGY – PILOT PROGRAM MC 17-21

**Bill Sponsor:** Montgomery County

**Committee:** Finance

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in favor of HB0768 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

Our Coalition members are very conscious of the effects of climate change, and how it impacts our lives and our future. However, many of the solutions that have been contemplated to solve this crisis involve spending more for the energy we currently receive, or having the state government subsidize the transition to clean energy. This bill will create a path towards clean energy WITHOUT costing more.

Under this bill, which will be piloted by Montgomery County, the county or local jurisdictions within the county can pool their rate payers to negotiate with energy providers for 1) lower rates and 2) a greater mix of clean energy. This will force energy providers to seek partners to help provide the increased demand for clean energy, as well as encourage residents to ask for more clean energy. It is a win for the residents of Maryland and a win for the environment.

Who loses? Energy company profits will take a hit, at least in the immediate future. We ask, should that stop us from moving to clean energy and aggressively working to solve the climate crisis? The energy companies will always stand in the way. They've made it clear in the past that their goal is status quo. They have had record profits for years and have shown NO interest in making the transition to cleaner fuels. Let's think of our future and make the smart decisions that will help ensure it.

This bill just makes good sense. We all want cleaner energy and there are many in Montgomery County, and the state who would benefit from paying lower rates. The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in committee.

**HB 768 - MoCo (Senate)(GA 21).pdf**

Uploaded by: Samman, Amy

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

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**HB 768**

**DATE: March 23, 2021**

**SPONSOR: Montgomery County Delegation**

**ASSIGNED TO: Finance**

**CONTACT PERSON: Amy Samman (amy.samman@montgomerycountymd.gov)**

**POSITION: Support**

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### Montgomery County – Community Choice Energy – Pilot Program MC 17-21

This bill authorizes Montgomery County to establish a Community Choice Energy (CCE) pilot program under which the County government purchases or generates electricity for its residents and businesses. The pilot program would have an anticipated duration of about seven years. It would be an “opt-out” program, meaning that customers are automatically enrolled in the program unless they notify the County otherwise. The CCE model is intended to provide communities with additional control over their energy provider choices, by allowing a jurisdiction/the aggregator to amass demand for the purpose of negotiating better rates and choose cleaner energy sources.

CCEs are a hybrid between municipal utilities and standard investor-owned utilities. Typically, utilities are responsible for purchasing and distributing power, grid maintenance, and customer service. While customers currently have the ability purchase power from other energy providers, most purchase from standard utilities often because they are unaware of their other options. Under a CCE program, the local government purchases or generates the power, while the incumbent investor-owned utility maintains the grid and provides customer service.

CCEs are currently authorized in California, Illinois, Ohio, Massachusetts, New Jersey, New York, Rhode Island, and Virginia. According to the National Renewable Energy Laboratory, in 2016, CCEs sold about 8.7 billion kilowatt-hours of green power to about 3.3 million customers.

Under House Bill 768, Montgomery County must enact a local law to authorize the creation of a CCE program. The bill sets out numerous requirements for a CCE plan, including rules governing community outreach and education, rights and responsibilities of both the County and customers, the types of notice that must be provided to customers, the manner in which



a customer may choose to opt-out of the program, the types of charges that may be imposed on customers, and the role of the Public Service Commission (PSC). The bill also requires that the PSC establish and “seek the advice and recommendation of” the Community Choice Energy Workgroup when adopting regulations and conducting the study required at the conclusion of the pilot program.

In 2017, the Montgomery County Council declared a climate emergency calling on all levels of government to “initiate a massive global mobilization to restore a safe climate and build a sustainable economy” and “transform the climate by reducing greenhouse gas emissions by 80% by 2027 and reaching 100% elimination by 2035 and initiate large-scale efforts to remove excess carbon from the atmosphere.” This bill will provide the County with another option to consider as it seeks to achieve its target of eliminating greenhouse gas emissions entirely.

CCE programs are intended to enhance local control over energy sources and help local governments achieve their clean energy goals by giving them the opportunity to purchase or generate green and renewable energy services at rates that would not have been obtained otherwise.

Montgomery County strongly supports the CCE model and appreciates the opportunity to pilot a CCE program provided by this bill.

**HB0768\_IndivisibleHoCo\_Sanders\_FAV.pdf**

Uploaded by: Sanders, David

Position: FAV



**HB 768 – MONTGOMERY COUNTY – COMMUNITY CHOICE ENERGY –  
PILOT PROGRAM  
TESTIMONY BEFORE SENATE FINANCE COMMITTEE  
HEARING DAY: 03/23/2021  
POSITION: FAVORABLE**

My name is David Sanders, and I am a resident of Howard County. I present this written testimony on behalf of Indivisible Howard County. We are a citizen’s action group, with one of our main focuses being energy and transportation-related climate change. Indivisible Howard County was founded in 2017 and now has more than 700 actively engaged supporters. We are a member of the Maryland Legislative Coalition.

**Indivisible Howard County supports House Bill 768**, the Montgomery County – Community Choice Energy – Pilot Program bill (“CCE bill”). This bill will enable Montgomery County operating under a 7-year pilot program to elect to aggregate electricity purchases on behalf of its residents in an effort to negotiate more favorable rates with electricity suppliers for consumers. A secondary goal is to potentially introduce a greater mix of renewable energy on behalf of county residents than is set under the renewable portfolio standard currently established by the Maryland PSC.

This bill will not enable any Maryland jurisdiction beyond Montgomery County to aggregate electricity purchases. House Bill 768 is structured as a 7-year pilot program. Furthermore, no consumer will be mandated to participate in the county’s CCE organization. Residents will be able to opt out and continue purchasing electricity in the same manner as they have been doing.

Indivisible Howard County supports House Bill 768 because it offers a real opportunity to appreciably expand the market in Montgomery County for sources of renewable energy while keeping electricity rates at a competitive level for county consumers. How does this happen? Through the power of bulk purchasing. Montgomery County will be able to go to the electricity suppliers with a strong negotiating position having aggregated thousands of its residents into a single purchasing cooperative. In fact, the ability of a CCE organization to drive down electricity rates as a result of increased bargaining power is particularly effective in a restructured energy market, such as exists in MD.<sup>1</sup>

It is also worth noting that Montgomery County will not be breaking new ground with the passage of the CCE bill. Rather, it will be joining local jurisdictions in eight states that

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<sup>1</sup> National Renewable Energy Laboratory, **Community Choice Aggregation: Challenges, Opportunities and Impacts on Renewable Energy Markets**, February 2019, p. 13.

have passed similar legislation: California, Illinois, Massachusetts, New Jersey, New York, Ohio, Rhode Island, and Virginia. The CCE organizations within these states were estimated to serve approximately five million customers in 2017, representing about four percent of retail electricity customers nationwide.<sup>2</sup>

By way of example, Illinois enacted CCE enabling legislation ten years ago and by 2017 had 490 CCE organizations in place.<sup>3</sup> Ohio enacted enabling legislation in 1999 and by 2017 had 130 active CCE organizations.<sup>4</sup> And, Massachusetts enacted enabling legislation in 1997 and had 190 CCE organizations in place by 2017.<sup>5</sup>

Some have expressed concern about the potential impact on electricity grid reliability that the advent of CCE organizations might have. The key to understanding CCE's impact on electricity grid reliability is to recognize the differences among CCE organizations that operate in a regulated electricity market versus those that operate in a restructured electricity market, such as Maryland's. The National Renewable Energy Laboratory of the U.S. Department of Energy has addressed this issue by pointing out that "In both cases, CCAs [community choice aggregators] are only responsible for procurement of the generation portion of retail customer electricity service, while utilities remain responsible for transmission, distribution, and billing. The key difference is in terms of how CCAs procure that generation. In restructured markets, CCAs act like retail electricity customers; CCAs choose a combination of competitive suppliers and enter into . . . . contracts for electricity service to suit their particular needs . . . . In regulated markets, CCAs act more like utilities; they are responsible for system reliability and can contract directly with electricity generators."<sup>6</sup> Again, we emphasize that Maryland has a restructured, not a regulated, electricity market.

Furthermore, by establishing this as a pilot program in Montgomery County, valuable data will be gleaned about the effectiveness of a Maryland-based CCE in lowering electricity rates, the interest level among households in participating in a CCE, and the administrative costs that are incurred by a county in establishing and operating a CCE.

In conclusion, Indivisible Howard County urges this Committee to lend its support to the enactment of House Bill 768 to allow Montgomery County to establish a CCE pilot program. Montgomery County consumers, as well as the environment, will benefit from this legislation.

## **WE URGE A FAVORABLE REPORT.**

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<sup>2</sup> National Renewable Energy Laboratory, **Community Choice Aggregation: Challenges, Opportunities and Impacts on Renewable Energy Markets**, February 2019, p. 7.

<sup>3</sup> National Renewable Energy Laboratory, **Community Choice Aggregation: Challenges, Opportunities and Impacts on Renewable Energy Markets**, February 2019, Appendix, p. 40.

<sup>4</sup> National Renewable Energy Laboratory, **Community Choice Aggregation: Challenges, Opportunities and Impacts on Renewable Energy Markets**, February 2019, Appendix, p. 43.

<sup>5</sup> National Renewable Energy Laboratory, **Community Choice Aggregation: Challenges, Opportunities and Impacts on Renewable Energy Markets**, February 2019, Appendix, p. 41.

<sup>6</sup> National Renewable Energy Laboratory, **Community Choice Aggregation: Challenges, Opportunities and Impacts on Renewable Energy Markets**, February 2019, p. 3.

## **BIBLIOGRAPHY**

O'Shaughnessy, Eric, Jenny Heeter, Julien Gattaciecceca, Jenny Sauer, Kelly Trumbull, and Emily Chen. 2019. *Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets*. Golden, CO: National Renewable Energy Laboratory. NREL/TP-6A20-72195. <https://www.nrel.gov/docs/fy19osti/72195.pdf>.

**SenateHB768\_MCRC\_FAV.pdf**

Uploaded by: Stern, Isadora

Position: FAV

**Testimony to the Senate Finance Committee  
HB768: Montgomery County - Community Choice Energy - Pilot Program MC 17-21  
Position: Favorable**

March 23, 2021

The Honorable Delores Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance Committee

Honorable Chair Kelley 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 HB786.

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 energy. In contrast, middle class households spend 2% of their income on energy.

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.

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. The MC 17-21 program provides for 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. This program 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 HB768 and urge a favorable report.

Best,

Isadora Stern  
Economic & Tenants' Rights Organizer  
Maryland Consumer Rights Coalition



# **Testimony on Montgomery County Community Choice En**

Uploaded by: Tidwell, Mike

Position: FAV



**ccaan**  
**ACTION FUND**

**Committee:** Finance  
**Testimony on:** HB0768 – Montgomery County – Community Choice Energy – Pilot Program  
**Organization:** Chesapeake Climate Action Network  
**Submitting:** Mike Tidwell  
**Position:** Favorable  
**Hearing Date:** March 23, 2021

Dear Madame Chair and Members of the Committee,

Thank you for allowing me the opportunity to submit testimony in support of HB0768, Montgomery County Community Choice Energy Pilot Program. I am the Executive Director of the Chesapeake Climate Action Network, a grassCommicroots organization dedicated exclusively to raising awareness about the impacts and solutions associated with the climate crisis.

I also am a long time resident of Montgomery County and have particular interest in increasing access to clean, affordable energy for all the residents of the County. HB 0768 is a pilot program that would enable Montgomery County to negotiate on behalf of residents and businesses to both lower rates and move to a more rapid transition to renewable energy. I urge you to vote favorably on this bill.

Global warming is already evident in Montgomery County and across Maryland with unprecedented flooding and record-setting numbers of summers days over 90 degrees. A rapid transition to 100% clean, renewable energy is essential if we want to avoid the worst impacts of climate change. In 2017 Montgomery County declared a Climate Emergency and has committed to reducing its greenhouse gas emissions by 80% by 2027 and 100% by 2025. Community Choice Energy will help the County make great strides toward meeting these goals.

Community Choice Energy is a win for the people of Montgomery. It gives the democratically elected County officials control over where the County's energy is

sourced, and the power to negotiate lower rates for customers allowing it to both rapidly transition to renewable energy and decrease energy costs for consumers; costs which disproportionately affect our most vulnerable communities. Further, CCE can help Montgomery County protect its low-income and elderly residents who are often targeted by unscrupulous third-party energy suppliers that charge higher than standard offer service rates. That said, CCE provides for individual choice -- Individuals can opt out of CCE and continue with the utility or third party supplier of their choice.

With its pilot program, Montgomery County can meet its ambitious climate goals and pave the way for future CCE programs elsewhere in Maryland. I urge you to support this important legislation.

# **HB768 - Community Choice Energy-Pilot Program - FI**

Uploaded by: Tulkin, Josh

Position: FAV



7338 Baltimore Ave  
Suite 102  
College Park, MD 20740

**Committee:** Finance

**Testimony on:** HB768 – “Montgomery County – Community Choice Energy – Pilot Program  
MC27-21”

**Position:** Support

**Hearing Date:** March 23, 2021

The Maryland Sierra Club and our Montgomery County Group submit this testimony in support of HB768, a Montgomery County local bill. HB768 will establish a pilot program enabling Montgomery County to implement a “community choice energy plan,” in order to combine the electricity purchasing power of its residents to reduce ratepayer costs and promote an electricity source favored by county residents.

### **What the Community Choice Energy (“CCE”) bill will do:**

- This local bill is enabling legislation to allow the Montgomery County government, if it so chooses, to pool (“aggregate”) the electricity demand of large numbers of residents to purchase electricity on residents’ behalf from a source considered most favorable for and by the community.
- The county would decide upon the criteria for selecting the electricity provider – e.g., cost, type of source (especially clean/renewable), etc. There are no mandates in this regard.
- The bill continues in full force the supplier-choice model in use in Maryland today<sup>1</sup>, i.e., individual households in an aggregated portion of the county would retain the right to choose a different electricity provider (their local utility’s standard service or a different third-party provider) than the one selected by the county government.

### **Advantages to Montgomery County:**

- CCE will provide a powerful tool for the county to meet the substantial clean energy requirement of its ambitious greenhouse gas reduction goals.
  - It is estimated that the county can meet about 40% of its energy requirements through locally generated clean renewable energy.<sup>2</sup> The remaining roughly 60% will need to be purchased from sources outside the county.
  - CCE will provide a proven cost-effective mechanism to obtain large quantities of clean renewable energy through low-cost power purchase agreements.
  - Maryland’s 2019 Clean Energy Jobs Act commits our state to important increases in the amount of electricity coming from renewable energy sources, especially wind and solar. But we have a long way to go to reach those targets. Right now, almost all our electricity comes from coal,

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<sup>1</sup> Maryland is a “deregulated” electricity market, meaning that individual households can choose to get their electricity from either their utility (“standard offer service”) or a different (“third party”) energy supplier.

<sup>2</sup> Jacobson MZ et al, *100% Clean and Renewable Wind, Water, and Sunlight (WWS) - All-Sector Energy Roadmaps for the 50 United States*, Energy and Environmental Science; April 2015

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.

fracked gas, and nuclear. While this bill has no mandate regarding the source of the county's CCE electricity, the county will have the ability to contract for clean renewable energy, generated within the county, elsewhere in Maryland, and elsewhere in the country.

- Importantly, the CCE mechanism makes virtually no demand on the public budget.
- CCE is a ratepayer-favorable extension of our deregulated electricity market – This approach combines the core deregulation concept of consumer choice with the savings obtained from pooled purchasing power, e.g., when individuals shop at Costco or get their health insurance through their employer instead of a more expensive individual plan. Put differently, CCE enables communities to have access to the low cost clean renewable energy that large corporations like Amazon and Google, and other large organizations like sports arenas, are already getting.
- Electricity in Maryland is expensive – Latest data from the U.S. Energy Information Agency found the residential cost of electricity per kilowatt hour in Maryland to be higher than in 36 other states.<sup>3</sup> The total average bill for a Maryland household is more than in 43 other states.<sup>4</sup> A recent study found that almost 95% of the third-party suppliers in Maryland cost more than standard offer service.<sup>5</sup>
- Energy bills are a major burden on struggling households – While middle- and upper-income households in Maryland spend on average about 4% of their income on energy, low income households pay 15% on average.<sup>6</sup> At very low levels of income, energy may cost as much as 20% or more of what a family has to spend. High energy bills often cause poor families to choose between keeping the lights on and paying for other essentials like school supplies or health care.<sup>7</sup>
- CCE can specifically target reduced energy costs for low-income community members – Montgomery County may add to the savings for low-income residents by specifically developing aggregated service for low income portions of the county. For low-income families receiving energy assistance, CCE can mean getting more electricity for the value of that energy assistance.
- CCE can support new green jobs and businesses in Montgomery County and elsewhere in Maryland – The purchase of energy from clean renewable sources – solar, wind, and energy storage – will provide secure financing that supports the expansion of those energy sources, including here in our county and the state. So, beyond helping to meet our clean renewable energy targets, CCE will also help develop the new green jobs and businesses that the clean energy transition promises.

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<sup>3</sup> U.S. EIA – Electric Power Monthly (Release of December, 2019).

<sup>4</sup> U.S. EIA – 2018 Average Monthly Bill (by State) – Residential.

<sup>5</sup> See n.3.

<sup>6</sup> Peltier L and Makhijani A: Maryland's Dysfunctional Residential Third-Party Energy Supply Market; Abell Foundation, Dec 2018.

<sup>7</sup> See n.3.



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- By piloting CCE in Maryland, the county can play a leadership role in developing a CCE model which then may be expanded statewide. The county's implementation of CCE will require partnering with the Public Service Commission in developing the requisite detailed regulations and mechanisms. This partnership can, in turn, provide important learning experiences for the state as a whole.

### **Conclusion**

This bill provides multiple benefits to Montgomery County and to county ratepayers. It amplifies the consumer choice that electricity market deregulation is intended to provide, supports local governments' role in serving their residents, promises lower costs for ratepayers – especially for households burdened by energy costs – and offers an important mechanism to move the county toward its green energy and green development goals. We urge a favorable report on this bill.

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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.

# **EJM Testimony on CCE.pdf**

Uploaded by: Wilkinson, nanci

Position: FAV



**Committee: Environment and Transportation**  
**Testimony on: HB0768-Montgomery County Community**  
**Choice Energy Pilot Program**

**Organization: Environmental Justice Ministry**  
**Cedar Lane Unitarian Universalist Church**

**Submitting: Nanci Wilkinson, Co-Chair**

**Position: Favorable**

**Hearing Date: February 18, 2020**

**Environmental Justice Ministry, Cedar Lane Unitarian  
Universalist Church Testimony on Community Choice  
Energy (CCE) Pilot Bill for Montgomery County**

The Environmental Justice Ministry of Cedar Lane Unitarian Universalist Church strongly supports this pilot bill for Community Choice Energy. CCE allows local governments as an aggregator or entity to buy energy on behalf of all residents and businesses. The great advantage to localities in the CCE “opt out” program is the democratically elected government’s ability to determine the source of energy and to negotiate for lower rates. Individuals and businesses may choose to not participate and continue with the utility of their choice.

Advantages of this legislation from the experience of the nine states that currently have it include:

- A more rapid greenhouse gas reduction plan than any other single action as analyzed by the Ann Arbor, Michigan

## A-2 Zero Climate Plan (35.8% required to reach a net zero 2030 target.)

- A much higher percentage of residents and businesses move that will move more quickly to renewable energy sources
- A less expensive energy program that will help lower income communities afford renewables more easily

This legislation supports the Unitarian Universalist principles of the inherent worth and dignity of every person and our faith's respect for the independent web of all existence. Both principles are significant to all people as we move forward in this Climate emergency to a more equitable and just world. We have less than 10 years to move toward a more sustainable climate.

**TCM MOC Co CCE Testimony (best).pdf**

Uploaded by: Wilkinson, nanci

Position: FAV

**Committee: Environment and Transportation**

**Testimony on: HB0768-Montgomery County-Community Choice Energy Pilot Program**

**Organization: The Climate Mobilization, Montgomery County Chapter**

**Submitting: Nanci Wilkinson**

**Position: Favorable**

**Hearing Date: February 18, 2021**

**TCM MoCo Testimony on Community Choice Energy (CCE)  
Pilot Bill for Montgomery County**

The Climate Mobilization Montgomery County chapter strongly supports the Community Choice Energy legislation that Delegate Lorig Charkoudian introduced in the 2021 Maryland legislature as a pilot for Montgomery County. This should be a top priority for the Montgomery County state delegation and for the General Assembly.

Along with Covid related legislation Climate must be the highest priority for Montgomery County in 2021 and in the coming years. The Climate crisis is an emergency and each year delayed action makes it more likely that climate will not be able to be controlled with unthinkable consequences for the county, the nation and the planet.

And by far the most consequential and sweeping action the legislature could take would be to allow for the aggregation of renewable energy purchases by the county.

CCE allows local governments as an aggregator or entity to buy energy on behalf of all residents and businesses. The great advantage to localities that participate in the CCE "opt out" programs is the democratically elected government's ability to determine the source of energy and to negotiate for lower rates. The experience of some nine states currently using this type of energy purchase has been positive with faster progress towards cleaner renewable energy at less expense for the user.

There is freedom of choice for Individuals and businesses who may choose to not use CCE and continue with the utility of their choice. One of the advantages of the program among those municipalities using Community Choice Energy is in the increase of the use of renewables such as solar and wind power.

In Ann Arbor Michigan, the A2Climate Plan Summary noted that CCE would account for 35.8% of the greenhouse gas reductions required to reach a net zero 2030 target. No other single action analyzed as part of their planning process resulted in a greenhouse reduction anywhere near the magnitude of that provided by CCE.

There is no reason to believe that CCE would have any less of an impact here in Montgomery county as it attempts to meet its extraordinarily challenging climate goals of 80 percent reduction by 2027 and 100 percent reduction by 2035.

Therefore CCE must be the top county priority for legislative action in 2021.

TCM Model Testimony on Community Choice Energy (CCE)  
Pilot Bill for Montgomery County

The Climate Mobilization Montgomery County chapter strongly supports the Community Choice Energy legislation that Delegate Long Chikoudian introduced in the 2021 Maryland legislature as a pilot for Montgomery County. This should be a top priority for the Montgomery County state delegation and for the General Assembly.

Along with COVID related legislation climate must be the highest priority for Montgomery County in 2021 and in the coming years. The climate crisis is an emergency and each year delayed action makes it more likely that climate will not be able to be controlled with unthinkable consequences for the county, the nation and the planet.

And by far the most consequential and sweeping action the legislature could take would be to allow for the aggregation of renewable energy purchases by the county.

CCE allows local governments as an aggregator of entry to buy energy on behalf of all residents and businesses. The great advantage to localities that participate in the CCE "opt out" programs is the democratically elected government's ability to determine the source of energy and to negotiate for lower rates. The experience of some nine states currently using this type of energy purchase has been positive with faster progress towards cleaner renewable energy at less expense for the user.

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In Ann Arbor Michigan, the ASClimate Plan Summary noted that CCE would account for 35.8% of the greenhouse gas reductions required to reach a net zero 2030 target. No other single action analyzed as part of their planning process resulted in a greenhouse reduction anywhere near the magnitude of that provided by CCE.

**HB 768 OPC testimony re CCE Final senversion.pdf**

Uploaded by: Lapp, David

Position: FWA

**STATE OF MARYLAND**  
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**BILL NO.:** House Bill 768 Montgomery County – Community Choice Energy – Pilot Program

**COMMITTEE:** Finance

**HEARING DATE:** March 23, 2021

**SPONSOR:** Montgomery County Delegation

**POSITION:** Support with Amendments

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The Maryland Office of People’s Counsel (OPC) enthusiastically endorses House Bill 768 with supportive amendments. HB 768 establishes a pilot community aggregation program called Community Choice Energy (CCE) that would operate in Montgomery County. The CCE concept has tremendous potential to further both the consumer and environmental interests of residential customers in Montgomery County (County) and the rest of Maryland. The aggregation of customers envisioned by the bill aligns with OPC’s goals of promoting the interests of residential customers through an industry structure that facilitates a diversity of energy products, services and providers, all produced cost-effectively.

OPC is offering several amendments to HB 768 to facilitate its effectiveness by reducing uncertainty and delay.

**Community Choice Energy Benefits Residential Customers.**

By aggregating customers at the local level, HB 768 will help spur innovation, creating consumer and environmental benefits. The energy infrastructure of the future will include innovative distributed technologies and services such as local and rooftop solar, energy efficiency, microgrids, energy storage, and demand aggregators. These innovations are – by their very nature – local. Local customer aggregation supports local

accountability and empowers residential customers while creating possibilities for new services, jobs, and customer savings.

HB 768 promotes better performance through competition. Community aggregation enables local governmental entities to compete for the provision of energy products and services for their citizens. Community aggregation also can establish benchmarks that the Public Service Commission can use to more effectively regulate the performance of Maryland utilities. Stated otherwise, successful community aggregation will place competitive pressure on Maryland energy companies to operate cost-effectively and innovate.

HB 768 has the basic mechanisms for successful community aggregation. Relative to the status quo, it is more likely to tap into the benefits of retail competition for small consumers. By requiring customers to opt out, it avoids the challenges of customer inertia and creates collective buying power. And because local governments are elected, residential customers can hold decision makers directly accountable. The County also can readily establish and support targeted programs for low- and moderate-income customers within its jurisdiction.

Finally and importantly, HB 768 acknowledges the potential for the shifting of costs from customers participating in community aggregation to non-participating customers. The bill gives the Public Service Commission the authority it needs to guard against cost-shifting from CCE participants to non-participants.

### **Amendments Will Promote the Community Choice Energy Pilot Program's Success.**

The Office of People's Counsel has identified several modifications to HB 768 to ensure that the CCE program succeeds without delay or unnecessary litigation.

The suggested amendments further the purposes of HB 768. For example, OPC understands the intent is to have the CCE program be the default provider of electricity supply for residential customers in the County. We support this intent and suggest language that makes more explicit what happens when a County resident seeks to establish new electric service by contacting the electric company to start distribution service. That contact for distribution service could be interpreted to be a "contact" for the utility's standard offer service when, in fact, the contact is for purposes of acquiring distribution service. Indeed, today the electric company assigns to standard offer service any customer who contacts it for distribution service. OPC proposes a simple amendment to expressly state that a request for the utility's distribution service is not a "contact" to select standard offer service. The modification would not preclude a customer from affirmatively



selecting standard offer service for electricity supply.

Other amendments make similar improvements to HB 768 by, among other things: (1) ensuring the Public Service Commission has discretion in its determination of how to mitigate the potential effects of community aggregation on non-participants; (2) providing the County greater certainty regarding the timing of the electric company's exchange of customer data; (3) clarifying that the County notices providing residents information about their supply options include information about retail suppliers as well as standard offer service; and (4) permitting the County to provide the required notices in electronic form.

A full list of OPC's proposed amendments with specific language is included as an addendum to this testimony.

\* \* \*

HB 768's CCE program is a critical step forward in Maryland's progress toward building an infrastructure that is consistent with residential customer interest in a cost-effective and environmentally friendly energy future. The Office of People's Counsel urges the Economic Matters Committee to issue a favorable report.

**Supportive Amendments to House Bill 768**  
**Addendum to Testimony of Office of People’s Counsel**

1. On page 7, line 25, add “projected” before “rate setting and costs,” so that it reads “The projected rate setting and costs to participants, including...” The insertion of “projected” here recognizes that at the time the aggregation plan is developed, the costs will be projected costs that could change by the time the CCE program becomes effective.
2. On page 7, line 27, remove “purchasing” before “plan”. This change recognizes that the CCE program may provide energy-related services – such as energy efficiency, demand response, or other services – in addition to purchasing electricity.
3. On page 11, line 3, add “for the purpose of” before “select” and “for electricity supply” after “standard offer service.” Subparagraph (ii) therefore should state in its entirety: “Contacted an electric company for the purpose of selecting standard offer service for electricity supply”. The addition clarifies that the CCE program is the default supplier for new customers absent affirmative action by the customer to select a retail supplier or standard offer service and that a new customer’s contact with the utility for distribution service is not also a selection of standard offer service.
4. On page 12, line 33, insert before the period: “plus any increment required by the Public Service Commission, or by any organization authorized by law, to achieve reliability standards.” This insertion recognizes that the CCE will need to procure electricity supply sufficient to procure electricity supply estimated to meet participant needs plus any required reliability obligations.
5. On page 7, line 9; and page 9, line 6, insert “or electronic” before “notice” so that these provisions state “written or electronic notice”. The allowance for electronic notice will give the CCE program flexibility going forward to communicate with residents and business electronically.
6. On page 9, line 19, before the semi-colon, insert “and the offers of any retail electric supplier selling in the County.” This insertion recognizes that County customers are not limited to selecting standard offer service instead of the community choice aggregator; they may also select a retail supplier. The County may comply with this requirement simply by providing in its notice a link to the Public Service Commission’s retail supplier website ([www.mdelectricchoice.com/](http://www.mdelectricchoice.com/)).

7. On page 13, line 13, after “the” insert “need to mitigate any substantial” and strike “mitigation of”. The addition of the term “substantial” provides the Public Service Commission discretion in determining the extent to which volumetric risk must be abated and reduces litigation risk to the County.
8. On page 13, line 14, after “may” insert the following: “, at the time of its approval of the plan submitted under subsection (e)(3)(iii),”. The addition of this timing language clarifies when the Public Service Commission should make its determination of volumetric risk and reduces potential delays in implementation.
9. On page 14, line 5, insert before “The” the following: “No later than the date of its approval of the plan submitted under subsection (e)(3)(iii),” and replace “review” with “establish”. The deadline will provide greater certainty for the exchange of customer data; replacing “review” with “establish” ensures a timely process by clarifying that the Commission can proceed in establishing the terms of the data exchange with or without an initial utility filing.

# **HB 768-AOBA Position Final.pdf**

Uploaded by: Washington, Ryan

Position: FWA



**Bill No:** HB 768- Community Choice Energy – Pilot Program

**Committee:** Finance

**Date:** 3/23/2021

**Position:** Support with Clarifications

The Apartment and Office Building Association of Metropolitan Washington (“AOBA”) represents members that own or manage more than 24 million square feet of commercial office space and more than 60,000 rental units in Montgomery County, Maryland. The overwhelming majority of AOBA members purchase energy supply from the competitive market and utilize the services of brokers when purchasing their competitive supply. As such, AOBA supports Montgomery County – Community Choice Energy – Pilot Program, HB 768, with clarifications.

As proposed, the pilot program would allow a single aggregator in Montgomery County to acquire a large number of residential, master metered apartments and small commercial accounts through a simple “opt-out” notification. Under this “opt-out” notification, account holders would be simply notified by a direct mail or flyer that their electric service supplier will be switched to the Community Choice Aggregator. Importantly, in order to prevent this “forced choice,” the Bill mandates that customers to take the affirmative steps to notify the aggregator that they would like to remain with their current service provider.

In addition, the Bill does not define “master-metered multiple occupancy residences” and is not clear whether the “not more than 25 kilowatt” exclusion applies to master-metered apartments in Montgomery County. AOBA submits that the 25 kW exclusion should apply to master-metered apartments. Specifically, because Pepco does not have a separate Master Metered Apartment Tariff in Maryland, all size accounts for master metered apartments (where the landlord pays the electric bill for the tenants) are included in Pepco’s General Service Tariffs and, therefore, are considered commercial customers in Pepco’s Maryland service territory. The language in the Bill, accordingly, should be modified to specifically include master-metered multiple occupancy residences in the definition of “small commercial electric customer.” AOBA submits that “Small Commercial Electric Customer” should be clarified as follows: “Small Commercial Electric Customer” means a commercial electric customer that has a peak electric load of not more than 25 kilowatts and includes master-metered multiple occupancy residences that have a peak electric load of not more than 25 kilowatts.

If the Bill does not define “master-metered multiple occupancy residences” as drafted none of the consumer protections afforded residential and small commercial customers within this Bill will be applicable to master-metered multiple occupancy residences. For example, there





are no written notice of the aggregation plan requirements or opt-out provisions applicable specifically to master-metered multiple occupancy residences. (See for example Sections 7-510.3 (D) (1) (II) and Section 7-510.3 (F) (3).

Section 7-510.3 (H) requires that “except for a contract that automatically renews, at the end of a contract term with an electricity supplier” the customer shall be automatically enrolled unless the customer ‘opts-out’ again. AOBA submits that this requirement is burdensome for our members, many of whom have hundreds of small commercial accounts in Montgomery County. AOBA urges the committee to modify the “opt-out” notification for small commercial customers including master-metered apartments to specify that the small commercial and master metered account holder need only to opt-out once in order to be excluded from the pilot program period.

Our members manage their energy purchases and accounts by entering into different length periods for their competitive supply contracts. Some companies use multi-year agreements with third party suppliers and others sign contracts for a year or less. Many companies have hundreds of accounts. Requiring our members to “opt-out” each time a supply contract ends is an overly burdensome obligation.

AOBA on behalf of its members supports HB 768, with the proposed clarifying amendments above which we believe will make it more equitable for all residents of Montgomery County. In closing, I would like to thank the Committee for the opportunity to address HB 768.

For further information contact Ryan Washington, AOBA Maryland Government Affairs Manager, at 202-770-7713 or [rwashington@aoba-metro.org](mailto:rwashington@aoba-metro.org).

**RESA HB 768 UNF Final.pdf**

Uploaded by: Kress, William

Position: UNF



**Comments of the Retail Energy Supply Association  
Senate Finance Committee  
Hearing on HB0768 – March 23, 2021  
Montgomery County – Community Choice Energy –  
Pilot Program MC 17-21  
Position – OPPOSE**

Thank you, Madam Chair, Mister Vice-Chair and members of the Committee for the opportunity to provide comments on HB 768 by the Retail Energy Supply Association (RESA) <sup>1</sup>. RESA opposes HB 768 and respectfully requests that the committee render an unfavorable report on this legislation.

The purpose of this legislation is to establish a Community Choice Aggregator Pilot Program specifically designed to benefit consumers in Montgomery County, Maryland. This legislation is the definition of anti-consumer choice, and it's hard to understand why the government wants to sign up consumers to participate in such a program, essentially deciding for each of these families what they believe is in their best interest.

At the onset the proposed legislation develops a pilot program to begin on the earlier of the date that a county gives notice to the commission of its intention to initiate a process to form a community choice aggregator, or January 1, 2024 and end **7 years** after the beginning date, but not sooner than December 31, 2031. Not only is the time period for the pilot program lengthy, but at the end of that **7-year** period it suggests that a study be conducted by the commission and report the findings of the study to the Governor and General Assembly. What the legislation does not address is what happens next. Does the pilot program just end? Are there plans to continue the program either as a pilot or in some other fashion? This is troubling in the sense that

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<sup>1</sup> The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial, and industrial energy customers. Many of RESA's members are licensed electricity and natural gas suppliers in the State of Maryland, who provide products and services to all classes of customers. More information on RESA can be found at [www.resausa.org](http://www.resausa.org).





there will be costs incurred for the development of the program by the county government, the commission, and stakeholders. Costs which most likely will be borne by the ratepayer and residents of the county for a program that they neither want nor have asked for. Also troubling is the fact that the proposal suggests that procedures be put into place to transfer the county residents back to standard offer service upon dissolution of the aggregation, a process that should not be taken lightly since the standard offer service provider will not only have to make provisions for such a take-back, but could be a costly endeavor to ratepayers.

The Retail Energy Supply Association warns that county residents will be auto-enrolled into this 7-year pilot program without their knowledge or consent. The program as proposed calls for an opt-out option, meaning that all county residents would be automatically enrolled in the program, and could elect not to participate by "opting-out" if that is their desire. The written notice that will be provided to the consumers in the county announcing the formation of the program could very easily be overlooked causing the consumer to be a member of the aggregation, without their knowledge. This is troubling in the sense that consumers will be switched to a provider that they have not chosen.

Another troubling aspect of this proposed legislation allows for the development, ownership and operation of generation facilities located within the county. This aspect of the legislation is in direct contradiction to the restructuring act implemented some 20+ years ago which prohibits the ownership of generation. Furthermore, generation ownership puts enormous financial risk squarely on the backs of individual, captive customers and, perhaps more acutely, the participating municipalities, increasing costs for local communities and their residents. To the extent customers continue to opt-out of any county program such as the one proposed, the remaining members - who made no active election to join the aggregation - would shoulder an increasing proportion of these generation costs. In this context, the most important part of competitive choice is that neither the individual customer nor their local municipality/county assumes any financial risk associated with the development of generation projects that supply their power.

Lastly, the proposed legislation authorizes a community choice aggregator to provide and promote energy efficiency programs to its constituents thereby aiding the state to attain its clean climate objectives. RESA would like to point out that there are numerous products and services currently in the retail marketplace that consumers can and are taking advantage of to attain these goals. Some suppliers have already "Gone Green" and only offer such products, both for the short and long term.



In summary, RESA strongly urges the committee to render an unfavorable report on HB 768 given the reasons set forth. RESA appreciates the opportunity to provide these comments and look forward to an unfavorable report by the committee.