



Committee: Economic Matters
Testimony on: HB1214 – Residential Retail Electricity - Green Power - Renewable Energy Credits and Marketing Claims
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: February 23, 2022

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of HB1214. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorable on HB1214.

HB1214 requires a Maryland electricity supplier that offers a “green power” option to residential customers to purchase bona fide Renewable Energy Credits (“RECs”) created from clean energy sources – solar, wind, geothermal, ocean energy, and/or small hydroelectric (less than 30 megawatts) in excess of the renewable portfolio standard. Additionally, the bill requires that these clean energy sources (i.e., do not generate greenhouse gas emissions) serve Maryland, either by being located within our independent system operator or “PJM region” or if outside PJM, still delivering electricity to our region. Finally, the bill requires suppliers to include a disclosure statement in their marketing information.

HB1214 is intended to tackle the problem of “greenwashing” by electric retail suppliers who falsely advertise the renewable content of their products and may nevertheless charge premium prices. Without “truth in advertising” requirements, suppliers can use terms like “100% clean energy” when it is just renewable energy certificates or RECs. A REC is a theoretical product created when one megawatt hour of electricity is delivered from a “renewable” electricity generator to a local electricity grid. Once delivered to the grid, the REC is “unbundled” from the electricity and can be sold and retired once. Some RECs are associated with solar panels, wind turbines, and hydroelectric dams, but they can also be generated from dirty sources like trash incineration or wood burning. Customers may think they are getting clean wind or solar power when in fact they are getting unbundled RECs from other sources that produce GHG emissions.

This bill will bring greater truth-in advertising by requiring supplier disclosure of the sources of renewable energy and by limiting the types and locations of eligible renewable electricity sources marketed to Maryland consumers. For these reasons, we recommend a **FAVORABLE** report for HB1214 in committee.

