



Committee: Education, Energy, and the Environment
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: March 30, 2023

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of HB1214. The Maryland Legislative Coalition 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 include a disclosure statement in their marketing information that they are offering to provide “electricity that is paired with renewable energy credits (‘RECs’) in an amount sufficient to match the percent of ‘green power’ in [the customer’s] contract.” The bill also expands the annual reporting requirement that each electricity supplier must submit to the Public Service Commission to include documentation of the amounts and types of generation associated with renewable energy credits purchased.

HB1214 provides an initial positive step through disclosure to tackling the problem of “greenwashing” by electric retail suppliers who confuse or mislead customers regarding the renewable content of their products, yet may nevertheless charge premium prices. A renewable energy certificate or 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 offers an initial step toward making electric customers more aware of what is included in “green power” offers when they consider the choices from retail suppliers. Additionally, suppliers will be required to document the amounts and types of generation associated with RECs purchased by Maryland residential electric customers each year. This will provide the data necessary to determine just how much truly clean green power (i.e., from solar, wind, and

hydroelectric sources) Maryland customers are purchasing from retail suppliers.

Because this legislation adds a degree of transparency for “green power” products offered by electric suppliers, we recommend a **FAVORABLE** report for HB1214 in committee.