

TESTIMONY IN SUPPORT OF HB1214

“Residential Retail Electricity – Green Power – Renewable Energy Credits and Marketing Claims”

Economic Matters Committee Hearing
February 23, 2023

I am writing on behalf of myself to urge a favorable report on HB1214.

Hello, my name is Dave Arndt, a resident of Baltimore MD, an environmental advocate, a chemical engineer and former Director of product and Marketing at BP Solar.

At stake isn't just the electricity mix—it's the future of life as we know it on our planet. We do have time to prevent a climate disaster, however we must act quickly and make sure that every action that people do to support climate change mitigation is valid and not some greenwashing activity.

The last time CO2 levels were this high, the sea level was 60 feet higher. It is a good thing that sea level rise lags CO2 levels, otherwise the whole eastern shore of Maryland would be gone.

To do my fare share, I wanted to power my home with 100% renewable energy. I was willing to pay more for this. I saw it as my obligation to do so. About 6 years ago, I was sent a mailer by CleanChoice, it seemed perfect. For a few cents more a kwh, I was not only getting wind/solar electricity, I was helping them build out solar/wind farms. Their Sales Rep told me that my “surcharge” payment would bring more wind and solar farms online and eventually put coal and methane power plants out of business. I sold this renewable retail energy business model to my friends, colleagues, really, anyone I could.

Imagine by shock and horror when I found out this was not true. They were using unbundled Recs and the electricity that I was using was just the standard dirty electricity that everyone almost everyone uses in the state of MD. Basically, unbundled Recs don't support any additional build out, which means marketing claims by “green energy companies” saying they drive new wind and solar farms is misleading at best.

This is scenario in Maryland:

1. *Company buys electricity from the PJM (~\$0.07 per kwh)*

2. *Company buys unbundle Rec at ~\$0.0006 per kwh*
3. *Company sells you “green energy” (labeled this because of the rec) at ~\$0.15per kwh*
4. *Company has complete flexibility to do with the net income they just made (most spend it on sales and marketing, then profit)*
5. *Company has no incentive or need to actually help build out more wind and solar farms.*

This is plainly wrong and is a petitory practice. “Clean energy” companies are using deceptive marketing campaigns and getting away with it. In fact, they get passive approval to do this from the FTC and from the Maryland Public Service Commission, to do so. Maryland must change regulations to make sure that people who want clean energy, get clean energy. And the extra money they choose to pay truly helps to build out more wind and solar farms.

I cancelled ClearChoice last year and now I get almost a direct mailer a week offering me “green energy”. When I called them up to discuss their deceptive marketing, they said everything I said about unbundled Recs was correct, however the State of MD allows them to market this way.

We need to end this practice now.

Please vote favorably on HB1214. Consumers deserve to learn what they’re buying. This is a commonsense bill to put guardrails around the marketing claims and energy products they sell to climate conscious families.

Thank you,

Dave Arndt