



Montgomery County

Office of Intergovernmental Relations

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HB 1214

DATE: February 23, 2023

SPONSOR: Delegate Stein

ASSIGNED TO: Economic Matters Committee

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POSITION: Favorable (Department of Environmental Protection)

Residential Retail Electricity - Green Power - Renewable Energy Credits and Marketing Claims

This bill will require electricity suppliers that offer to sell 'green power' to residential customers to ensure that electricity is actually produced from renewable energy resources, and to market it appropriately.

Shifting our energy sources to clean, renewable resources like solar and wind is important to achieve state and local climate goals, including our goal here in Montgomery County to eliminate greenhouse gas emissions by 2035. Domestic resources like solar and wind can play critical roles in powering our economy, creating jobs in Maryland, and improving public health.

Residents can participate in the transition to clean, renewable energy sources by adding solar panels to their properties, subscribing to community solar programs, or supporting green power through the retail electricity market. However, this last option is complex to implement, and safeguards are needed to ensure the market is acting appropriately and that customers who choose to support green power receive accurate information about how their money is being used.

Companies that offer green power in Maryland primarily do so by enabling customers to support the purchase of renewable energy credits (RECs) (e.g., in an amount equivalent to their home's electricity use). Purchasing RECs can help to support the development of new renewable energy resources, if the company selling the RECs is using revenue for that purpose. However, companies are currently able to claim that they are offering green power by purchasing unbundled RECs from projects that were built decades ago and that do not feed electricity into the grid region that serves Maryland. In these situations, it is quite unlikely that customer payments for green power are leading to new renewable energy development in the manner that customers may expect.

This bill will require electricity suppliers that offer to sell green power to residential customers to purchase RECs generated from certain Tier-1 energy sources recognized under Maryland's Renewable Portfolio Standard, and from relatively new generators located within the PJM grid serving Maryland. Suppliers will also be required to provide customers with transparent information about what they are paying for.

We respectfully request that the Economic Matters Committee issue a favorable report on House Bill 1214.