

**TESTIMONY IN SUPPORT OF SB1 as Amended by Senate EEE Committee
“Electricity and Gas - Retail Supply - Regulation and Consumer Protection”
Economic Matters Committee Hearing
March 26, 2024**

Hello, my name is Dave Arndt, a resident of Baltimore MD, a Climate, Environmental and Social Justice advocate, a chemical engineer, a former Product and Marketing Director for BP Solar in Frederick MD, a retiree of The National Institutes of Health and a co-lead of the Maryland Legislative Coalition Climate Justice Wing.

Thank you for reading my testimony.

For many years I wanted to power my home with renewable energy, unfortunately my home was unable to support solar panels. About 7 years ago, I was sent a mailer by CleanChoice via the national arm of Sierra Club, 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. I called CleanChoice immediately. 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 asked them, what happens when all of the wind/solar electricity that you are providing is all accounted for? They told me that they then would build more to meet the demand. Plus, they would give me a \$100 to make the switch. I did the math, for the first year, I would come out ahead and subsequent years, it would cost me about \$75 a year to make this switch.

Not only did I make the switch, I became an advocate for this program, I sold this renewable retail energy business model to my friends, colleagues, really, anyone I could.

Here are the words that ClearChoice sent me after making the switch. “Thank you for making the switch to 100% clean, renewable energy with CleanChoice Energy. Your choice will go a long way toward reducing air pollution, reducing toxic waste, and ensuring a healthier future—for you and your neighbors.”

Also, “It’s all about your impact - By joining CleanChoice Energy, you’ve joined a growing number of empowered homes and businesses that make a commitment every month to using 100% clean, renewable energy. And it’s working. Every year, CleanChoice Energy customers like you help avoid over 728 million pounds of carbon pollution.”

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 their marketing claims saying they drive new wind and solar farms is misleading at best.

Here is the truth behind unbundled Recs 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.*
6. *Since the rate is unregulated, after the first year, rates the company charges can go as high as \$0.07per kwh – all these excess profits go to corporate profits*
7. *Unknowing consumers are being gouged, because who really looks at their electric bill and compares kwh pricing*

I had to call up everyone that I sold this to and explain that I was wrong. Even more horrifying, I found out many of my friends bought CleanChoice with a variable rate and they were paying hundreds of dollars a year more for the same electricity that they would get with their local power company.

I have since cancelled ClearChoice contract, however they still send me mailers offering me “green energy”. When I called them up to discuss their deceptive marketing, they admitted to be using unbundled Recs and that they really don’t provide electricity to MD, they don’t build wind/solar farms and it is up to the consumer to watch and manage their rates. Plus, they proudly state that this is all legal and the State of MD allows them to market this way.

I am mad, I am angry, this is plainly wrong and is a petitory practice. “Clean energy” companies are using deceptive marketing campaigns, price gouging their customers and getting away with it. I have since moved to Baltimore and I see “Clean energy” companies going door to door, selling this product, they continue to use the same sales pitch that hooked me.

It is time that MD corrects this issue. Please vote favorable for SB1 as amended by the Senate in the EEE Committee.

Thank you.

Dave Arndt
Baltimore