

Testimony Supporting SB1 Retail Energy Reform
Senate Education, Energy, and the Environment Committee
January 25, 2024

Position: SUPPORT

Dear Chair Feldman and Members of the Committee,

As a resident of District 41 and a Climate Change Professional (CC-P) certified by the Association of Climate Change Officers (ACCO) and the State of Maryland, I am writing to express my strong support of SB1, the Retail Energy Reform.

Among the many problems with Retail Choice is that the claims of 100% wind and 100% solar are based upon unbundled Renewable Energy Certificates (RECs). “Unbundle” means that the paper certificate and the actual energy are separate.

Please require the seller to disclose (in a quarterly report) the:

- Actual price of RECs
 - % to solar/wind farms
 - % to marketing company/brokers
 - % to certifying agencies

The energy company advertisements lead the public to believe that a \$100 monthly commodity bill (excluding delivery and taxes) is divided as follows: 100% means that \$100 goes to the solar/wind farm.

The \$100 commodity price includes the purchase of a REC which could be anywhere from \$1 to \$15. The consumer is not informed.

What may happen is that a \$100 monthly bill might be:

1. \$10 for the REC
 - a. \$5 to marketing/broker
 - b. \$1 to certifying agency
 - c. \$4 to wind/solar farm
2. \$90 for energy
 - a. \$80 for burning coal and methane
 - b. \$10 for wind/solar

So reasonable customers are misled. They think that \$100 is paid to a solar/wind farm, whereas the solar/wind farm may only get \$14 (\$4 + \$10).

Thinking that I was purchasing 100% wind power and believing that 100% of my commodity bill went to a wind farm, I too got hoodwinked!

The following is an analysis of misleading claims from a leading Maryland energy supplier.

Misleading video on WGL website 1/22/2024

<https://youtu.be/tbitdsfWotE?si=uNjpBLXb7Ya1wMfl>

WGL Consumer YouTube

Why Misleading



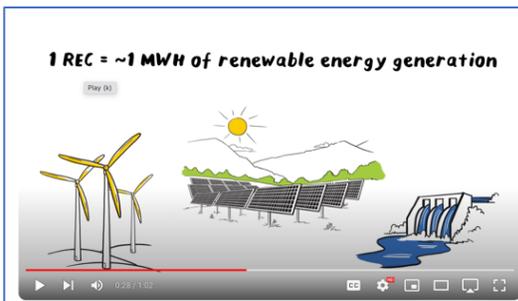
*“Are you concerned about climate change, but you're not sure how you can help. One of the **best ways** to help is to **support clean energy.**”*

1. It's misleading to claim that a REC is *“one of the best ways.”*
2. Notice that throughout lawyers are clever enough to use the term *“support”* green energy, while the marketing copy writers are clearly implying the customer is *“buying”* clean energy.



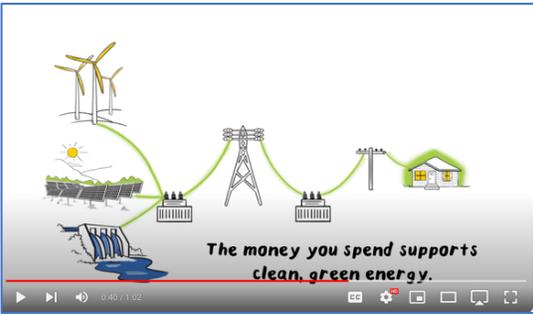
*“WGL energy can help you make an **immediate impact** by purchasing **renewable energy certificates** also known as **credits or RECs** on your behalf.”*

3. *“Immediate impact”* on climate change is misleading. A REC does not provide an *“immediate impact.”* A REC's impact on slowing climate change is negligible.
4. They are selling you an unbundled REC, which is just a piece of paper, implying that it is a bundled REC, which is actual energy.



*“A REC is a credit for energy generated through a **renewable source like wind solar or hydropower.**”*

5. The visual is misleading. It implies *“your energy comes from wind, solar or hydro”* – when in reality most energy from unbundled RECs comes from burning fossil fuel and generating harmful greenhouse gas (GHG).



*“A REC **certified through third parties** such as your local grid operator or companies like Green E are uniquely numbered and tracked to ensure the **money you spend supports clean green energy.**”*

- 6. *“Certified and uniquely numbered” gives a misleading sense of quality. It’s OK to certify and uniquely number if the REC were bundled with actual energy.*
- 7. *“Money you spend supports green energy” is misleading. Actuality it’s a **donation** to corporate profits!*



*“So you can **rest easy** knowing the money you spend on RECs supports the environment.”*

- 8. *“Rest easy” misleads customer into thinking they are slowing climate change, even though their carbon footprint is unchanged. If misleading claims are “approved” by government agencies, the false sense of “rest easy” a danger to society.*



*“Call us today to learn more about **reducing your carbon footprint.**”*

- 9. *An unbundled REC is an electronic document. It is not actual energy. It does not “**reduce your carbon footprint.**”*

	<p>10. “Preserve our world” is terribly misleading. It gives false hope and increases danger of climate change.</p>
<p>“It's not too late to preserve our world for future generations. Support green energy now.”</p>	

The solution is simple. Require energy companies to fully disclose the fee structure of RECs.

Respectfully submitted:

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References:

Peltier, L. (2022, September 16). *Retail Energy’s Greenwashing: How fictional renewable energy certificates became “100% renewable” electricity*. https://issuu.com/greenlaurel7/docs/retail_energy_greenwashing

Gillenwater, M. (2008). *Redefining RECs—Part 1: Untangling attributes and offsets*. Energy Policy. <https://doi.org/10.1016/j.enpol.2008.02.036>.

Gillenwater, M. (2008b). *Redefining RECs—Part 2: Untangling certificates and emission markets*. Energy Policy. <https://doi.org/10.1016/j.enpol.2008.02.019>