



Committee: TE
Committee Review: At a future date
Staff: Jim Ogorzalek, Legislative Attorney
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #1A
July 15, 2025
Introduction

SUBJECT

Expedited Bill 27-25, Environmental Sustainability - Community Choice Aggregation (CCA) - Established

Lead Sponsor: Council President Stewart

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

Expedited Bill 27-25 would:

- (1) establish a community choice aggregator;
- (2) set forth certain requirements of the community choice aggregator's operations; and
- (3) generally amend the law regarding environmental sustainability in electricity supply.

SUMMARY OF KEY DISCUSSION POINTS

N/A

This report contains:

Staff Report	Pages 1–2
Expedited Bill 27-25	© 1
Lead Sponsor's Background Document	© 4
County Council Letter to Public Service Commission	© 7

*The Fiscal Impact Statement was not available from the Office of Management and Budget at publication of this staff report.

*The Economic Impact Statement, Climate Assessment, and Racial Equity & Social Justice Impact Statements were not available at the time of publication of this staff report. They can be found at the below address when available: [Racial Equity and Social Justice, Economic, and Climate Impact Statements - Office of Legislative Oversight-Montgomery County, Maryland \(montgomerycountymd.gov\)](https://montgomerycountymd.gov/legislativeservices/impactstatements/)

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MEMORANDUM

July 10, 2025

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

SUBJECT: Expedited Bill 27-25, Environmental Sustainability - Community Choice Aggregation (CCA) - Established

PURPOSE: Introduction – no Council votes required

Expedited Bill 27-25, Environmental Sustainability - Community Choice Aggregation (CCA) - Established, is scheduled for introduction on July 15, 2025. Its Lead Sponsor is Council President Stewart. A public hearing is tentatively scheduled for September 9, 2025, at 1:30 p.m.

Expedited Bill 27-25 would:

- (1) establish a community choice aggregator;
- (2) set forth certain requirements of the community choice aggregator's operations; and
- (3) generally amend the law regarding environmental sustainability in electricity supply.

Background

In 2021, the General Assembly passed HB 768, which authorizes Montgomery County to establish a Community Choice Aggregation Pilot Program, codified at Maryland Code § 7-510.3 of the Public Utilities Article. The Maryland Public Service Commission engaged in a rule-making process—at which time the County Council transmitted a letter to the Commission in support of the community choice aggregator—resulting in State regulations governing the creation and operation of a community choice aggregator. Among other requirements in state statute and regulation to establish a community choice aggregator, PU § 7-510.3(e)(3)(iii) requires Montgomery County to enact “a local law that provides that the county shall act as a community choice aggregator.”

Bill Specifics

The bill would establish a community choice aggregator (“CCA”) within the Department of Environmental Protection and designates the Director of the Department of Environmental Protection as the responsible entity for its operations and functions. The bill would require the

CCA to have the capacity to serve as the electricity supplier for all residential and small commercial electric customers in the County and provide its customers a percentage of renewable content that exceeds the amount required by the State’s renewable energy portfolio standards. The Bill would also require the CCA to prioritize sustainability, cost-efficiency, stability, and predictability in the provision of electricity. The bill would exempt the purchase of electric supply from the County’s procurement laws and require the CCA to transmit to the County Council a copy of its Aggregation Plan or any Aggregation Plan Changes prior to filing them with the Public Service Commission.

<u>This packet contains:</u>	<u>Circle #</u>
Expedited Bill 27-25	1
Lead Sponsor’s Background Document	4
County Council Letter to Public Service Commission	7

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Expedited Bill No. 27-25
Concerning: Environmental Sustainability
- Community Choice Aggregation
(CCA) - Established
Revised: 7/2/2025 Draft No. 1
Introduced: _____
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Stewart

AN EXPEDITED ACT to:

- (1) establish a community choice aggregator;
- (2) set forth certain requirements of the community choice aggregator's operations; and
- (3) generally amend the law regarding environmental sustainability in electricity supply.

By adding

Montgomery County Code
Chapter 18A, Environmental Sustainability
Article 8, Community Choice Aggregation
Sections 18A-51, 18A-52, 18A-53, and 18A-54

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Article 8 (Sections 18A-51, 18A-52, 18A-53, and 18A-54) of Chapter**
2 **18A is added as follows:**

3 **ARTICLE 8. COMMUNITY CHOICE AGGREGATION**

4 **18A-51. Definitions.**

5 In this Article, the following words have the meanings indicated:

6 Community Choice Aggregator or CCA has the meaning set forth in Maryland Code
7 § 1-101 of the Public Utilities Article, as amended.

8 Director means the Director of the Department of Environmental Protection.

9 **18A-52. Established.**

10 (a) There is within the Department of Environmental Protection a
11 Community Choice Aggregator, as authorized under Maryland Code § 7-
12 510.3 of the Public Utilities Article, as amended, to promote and facilitate
13 the provision of clean and renewable energy to residential and small
14 commercial electric customers within the County.

15 (b) The Director, or their designee, is responsible for all operations and
16 functions of the CCA.

17 (c) The CCA must have the capacity to serve as the electricity supplier for
18 all residential and small commercial electric customers, as defined in
19 Maryland Code § 7-510.3 of the Public Utilities Article, as amended, in
20 the County and provide to its customers a percentage of renewable
21 content that exceeds the amount required by the State's renewable energy
22 portfolio standards, as set forth in Maryland Code § 7-703, as amended,
23 and applicable regulation.

24 (d) In its operations, the CCA must prioritize sustainability, cost-efficiency,
25 stability, and predictability in the provision of electricity.

26 **18A-53. Electricity supply procurement.**

The purchase of electric service by the CCA or by a contractor purchasing electric service on behalf of the CCA is exempt from Chapter 11B, other than Article XII.

18A-54. Aggregation Plan Notice to County Council.

(a) Except as provided in Section 18A-54(b), at least 30 days before filing an Aggregation Plan or Aggregation Plan Changes with the Maryland Public Service Commission for approval as required under Maryland Code § 7-510.3 of the Public Utilities Article and Code of Maryland Regulations Sections 20.63.11.02 and 20.63.11.03, the Director must transmit the proposed Aggregation Plan or Aggregation Plan Changes to the County Council.

(b) If the Director transmits an Aggregation Plan or Aggregation Plan Changes to the County Council between July 15th and August 31st of a calendar year, the Director must not file the Aggregation Plan or Aggregation Plan Changes with the Maryland Public Service Commission until after September 30th of the same year. If the Director transmits an Aggregation Plan or Aggregation Plan Changes to the County Council between November 15th and December 31st of a calendar year, the Director must not file the Aggregation Plan or Aggregation Plan Changes with the Maryland Public Service Commission until after January 31st of the next year.

Sec. 2. Effective Date. The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Community Choice Aggregation (CCA)
Council President Kate Stewart
7/8/2025

Background:

Changes to federal policy and funding of climate action work compounded by the uncertainty in energy prices from our regional transmission operator PJM and increased demand make it vital to explore options to stabilize energy costs for residents and continue at a local level to advance the County's climate work.

In February 2023, County Council sent a letter signed by all the current members of the council to the state Public Service Commission (PSC) favoring the PSC's adoption of framework regulations for a CCA pilot that a PSC workgroup of stakeholders including county residents developed. The PSC adopted the framework as the Council requested.

The 2021 County Climate Action Plan identifies Community Choice Aggregation (CCA) as the #1 most impactful climate action the county can take to reach its Climate goals by 2035. CCA provides the county and residents more options for competitive prices in an unstable energy market.

CCA is group purchasing of electricity that allows local governments to buy on behalf of residents, businesses, and municipal accounts. CCA works in partnership with the region's existing utilities, which continue to deliver electricity and maintain the grid.¹

In 2021 the state legislature passed House Bill 768 authorizing the county to pursue a pilot CCA program.

To move forward with CCA in the County the steps in the process include:

- Adopt a local law authorizing the creation of a CCA plan.
- Draft and receive Public Service Commission approval of an Aggregation Plan following these steps:
 - DEP prepares a draft Aggregation Plan
 - DEP presents to the Council with a draft Aggregation Plan for feedback
 - Publicize the revised Aggregation Plan for review by eligible electricity customers
 - Receive Commission approval of the Aggregation Plan
- Retain a professional Aggregation Supplier
- Once all the previous steps are completed, the Aggregation Supplier arranges for purchase of CCA electricity
- Provide opt-out notice and continue public outreach to all eligible electricity customers

This bill being introduced would authorize DEP to move forward with the pilot program the County Council supported in its earlier letter.

¹ CCA is sometimes referred to as CCE (Community Choice Energy).

Questions and Answers:

What is an aggregation plan, what will it include, and who will approve it?

The aggregation plan will include specifics on possible options including which are lower and higher costs and which are lower and higher portions renewable. The plan needs to follow the guidance already established by the PSC and must be approved by the PSC.

Why can't people who want different electricity supply use community solar or a retail supplier, and why is it opt out instead of opt in?

Following the passage of state legislation,² retail suppliers have largely withdrawn from the state, so only about 8% of residential customers use them, which continues to decline. Community solar is an option for some residents, but its current scale does not meet the current demand, so we import some of our electricity. CCA would offer options for more renewable-generated energy, with more competitive, stable pricing than what retail suppliers offer individuals. The larger the group of customers, the more purchasing power for energy.

How will we know what the aggregation plan is? Can it be revised?

The aggregation plan would be publicized and reviewed three times before a supplier is retained: by the County Council, by eligible electricity customers, and by the state PSC. Ultimately the plan needs to be approved by the PSC.

The supplier retained by the county would be required to purchase electricity for the CCA according to the revised plan, and provide opt-out notice to all eligible electricity customers.

Does this power my home through different electrical infrastructure?

No. There would be no change to how electricity is distributed to your home, only in its source.

What if I don't want to participate?

Any resident can opt out and will be given thorough notice through public education efforts and direct mail from the supplier.

How is it working elsewhere?

Nine states and hundreds of localities nationwide have authorized and implemented CCAs since the 1990s. Boston, MA and Columbus, OH both have CCAs in place and have slightly different approaches. See the attached chart.

² SB1, 2024 session: https://mgaleg.maryland.gov/2024RS/chapters_noln/Ch_537_sb0001E.pdf

	Boston, MA	Columbus, OH
Program Purpose	Provide electricity with more renewable content at competitive rates.	Provide electricity with more renewable content at competitive rates.
Local Authorization	Boston City Council Resolution 2017-1063	Ordinance 1642-2020
Initial Date of Power Delivery	February 2021	June 2021
Number of Customers	+/- 220,000	+/- 190,000
Current Pricing Structure	Offers three tiers: <ul style="list-style-type: none"> · Optional Basic – renewable content equivalent to MA RPS · Standard (Default) – renewable content 15 percentage points greater than MA RPS · Green 100 - 100% renewable content 	Only provides 100% renewable electricity
Program Management	Under the Mayor, in the Municipal Energy Unit within the Environment, Energy, and Open Space Cabinet.	Under the Mayor, in the Sustainable Columbus section of the Department of Public Utilities.
Primary Staff	<ul style="list-style-type: none"> · Assistant Director, Communications & Engagement, Sustainable Columbus · Community Relations Coordinator, Sustainable Columbus · Consultants 	<ul style="list-style-type: none"> · BCCE Program Manager · BCCE Engagement Coordinator · Consultants
Other Program Information	<ul style="list-style-type: none"> · Staff and consultants paid from fees in electricity charges · Aggregation supplier provides \$100K/year for outreach · Had working group that met for about a year before the Program launched that helped guide the Program 	<ul style="list-style-type: none"> · Consultants paid from fees in electricity charges · Aggregation Supplier provides Clean Energy Workforce Funds as part of the Electric Supply Agreement; a Clean Energy Workforce Committee provides guidance of the use of these funds



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

February 15, 2023

Jason M. Stanek, Chair
Maryland Public Service Commission
6 St. Paul St., 16th Floor
Baltimore, Maryland 21202

Subject: RM80 – Montgomery County Community Choice Aggregation Pilot Program

Dear Mr. Stanek,

The Montgomery County Council appreciates the Public Service Commission's (PSC) efforts to establish a Community Choice Aggregation (CCA) pilot program. The program is essential for providing clean and renewable energy to county residents and businesses. The Montgomery County Council urges the PSC to support Montgomery County's proposed regulations for implementing the CCA pilot.

In November 2020, the Montgomery County Council voted unanimously to support local bill MC 17-21 - Community Choice Energy Pilot Program, which later passed the Maryland General Assembly as HB768 - Montgomery County – Community Choice Energy – Pilot Program.

In Montgomery County, 49% of all greenhouse gas emissions come from the residential and commercial sectors. In order to achieve 80% reductions by 2027 and achieve 100% reductions by 2035, Montgomery County needs regulations that will allow residents to have cleaner energy at more affordable rates.

The County's proposed regulations are similar to CCA regulations in states like Illinois, New York, New Hampshire, Massachusetts, and New Jersey where programs have been implemented successfully. A CCA is unique, and the regulations should clearly reflect a regulatory scheme that enables, rather than impedes, this program in Montgomery County, as intended by the Maryland General Assembly.

If the Commission must approve each procurement and set of electricity rates, as proposed by PSC Staff, then the County will be unable to take advantage of competitive electricity rates when they are available. This will likely result in higher prices, less renewable content, and possibly the failure of the CCA.

For these reasons, the Montgomery County Council respectfully urges you to support the County's version of the proposed regulations. Thank you for helping ensure utilities in Maryland provide robust, reliable and cleaner energy to our residents and for considering Montgomery County's position on this matter.

Sincerely,



Evan Glass
Council President



Kristin Mink
Councilmember District 5



Sidney Katz
Councilmember District 3



Marilyn Balcombe
Councilmember District 2



Kate Stewart
Councilmember District 4



Natali Fani-Gonzalez
Councilmember District 6



Andrew Friedson
Council Vice President



Will Jawando
Councilmember At-Large



Dawn Luedtke
Councilmember District 7



Laurie-Anne Sayles
Councilmember At-Large



Gabe Albornoz
Councilmember At-Large