



**Committee:** TE  
**Committee Review:** At a future date  
**Staff:** Jim Ogorzalek, Legislative Attorney  
**Purpose:** To receive testimony – no vote expected

AGENDA ITEM #5  
September 9, 2025  
**Public Hearing**

## SUBJECT

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

Lead Sponsor: Council President Stewart

Co-Sponsors: Councilmembers Glass, Friedson, Sayles, Council Vice President Jawando, and Councilmembers Balcombe, Luedtke, Mink, Katz, and Fani-González

## EXPECTED ATTENDEES

Members of the public

## 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
Fiscal Impact Statement	© 9
Climate Assessment	© 11
Racial Equity and Social Justice Impact Statement	© 16

\*The Economic Impact Statement was not available at the time of publication of this staff report. It 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 \(montgomerycountymd.gov\)](#)

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## **MEMORANDUM**

September 4, 2025

TO: County Council

FROM: Jim Ogorzalek, Legislative Attorney

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

PURPOSE: To receive testimony – no Council vote expected

Expedited Bill 27-25, Environmental Sustainability - Community Choice Aggregation (CCA) - Established, was introduced on July 15, 2025. Its Lead Sponsor is Council President Stewart. The bill's co-sponsors are Councilmembers Glass, Friedson, Sayles, Council Vice President Jawando, and Councilmembers Balcombe, Luedtke, Mink, Katz, and Fani-González. A public hearing will occur on September 9, 2025, at 1:30 p.m. A worksession of the Transportation and Environment (TE) Committee is tentatively scheduled for October 6, 2025, at 9:30 a.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.

## SUMMARY OF IMPACT STATEMENTS\*

**Fiscal impact.** According to the Office of Management and Budget, “[t]he bill could have a small impact on both County revenues and expenditures, but according to the Department of Environmental Protection (DEP), the amount of the impact is difficult to estimate until the specific details of the Community Choice Aggregation’s (CCA) operations are defined in the future.”

**Climate assessment.** “The Office of Legislative Oversight (OLO) anticipates Expedited Bill 27-25 will likely have a positive impact on the County’s contribution to addressing climate change as it would allow the County to create a program where the County’s electricity supply would come from more renewable sources, therefore decreasing the County’s greenhouse gas emissions associated with energy consumption.”

**Racial equity and social justice.** “The Office of Legislative Oversight (OLO) anticipates Expedited Bill 27-25 will have a positive impact on racial equity and social justice (RESJ) in the County. All community members across race and ethnicity would benefit from the environmental and economic benefits of establishing a Community Choice Aggregation (CCA) program in the County. Lower utility rates from CCA would particularly benefit community members with lower incomes who are more likely to be Black and Latinx and help reduce racial disparities in energy burden.”

<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
Fiscal Impact Statement	9
Climate Assessment	11
Racial Equity and Social Justice Impact Statement	16

\*The Economic Impact Statement was not available at the time of publication of this staff report. It 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/legislativeservices/Pages/Racial-Equity-and-Social-Justice-Economic-and-Climate-Impact-Statements.aspx)

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

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Lead Sponsor: Council President Stewart  
Co-Sponsors: Councilmembers Glass, Friedson, Sayles, Council Vice President Jawando, and  
Councilmembers Balcombe, Luedtke, Mink, Katz, and Fani-González

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**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

<b>Boldface</b>	<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 15<sup>th</sup> and August 31<sup>st</sup> 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 30<sup>th</sup> of the same year. If the Director transmits an Aggregation Plan or Aggregation Plan Changes to the County Council between November 15<sup>th</sup> and December 31<sup>st</sup> 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 31<sup>st</sup> 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.<sup>1</sup>

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.

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<sup>1</sup> 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,<sup>2</sup> 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.

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<sup>2</sup> SB1, 2024 session: [https://mgaleg.maryland.gov/2024RS/chapters\\_noln/Ch\\_537\\_sb0001E.pdf](https://mgaleg.maryland.gov/2024RS/chapters_noln/Ch_537_sb0001E.pdf)



	<b>Boston, MA</b>	<b>Columbus, OH</b>
<b>Program Purpose</b>	Provide electricity with more renewable content at competitive rates.	Provide electricity with more renewable content at competitive rates.
<b>Local Authorization</b>	<a href="#">Boston City Council Resolution 2017-1063</a>	<a href="#">Ordinance 1642-2020</a>
<b>Initial Date of Power Delivery</b>	February 2021	June 2021
<b>Number of Customers</b>	+/- 220,000	+/- 190,000
<b>Current Pricing Structure</b>	Offers three tiers: <ul style="list-style-type: none"> <li>· Optional Basic – renewable content equivalent to MA RPS</li> <li>· Standard (Default) – renewable content 15 percentage points greater than MA RPS</li> <li>· Green 100 - 100% renewable content</li> </ul>	Only provides 100% renewable electricity
<b>Program Management</b>	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.
<b>Primary Staff</b>	<ul style="list-style-type: none"> <li>· Assistant Director, Communications &amp; Engagement, Sustainable Columbus</li> <li>· Community Relations Coordinator, Sustainable Columbus</li> <li>· Consultants</li> </ul>	<ul style="list-style-type: none"> <li>· BCCE Program Manager</li> <li>· BCCE Engagement Coordinator</li> <li>· Consultants</li> </ul>
<b>Other Program Information</b>	<ul style="list-style-type: none"> <li>· Staff and consultants paid from fees in electricity charges</li> <li>· Aggregation supplier provides \$100K/year for outreach</li> <li>· Had working group that met for about a year before the Program launched that helped guide the Program</li> </ul>	<ul style="list-style-type: none"> <li>· Consultants paid from fees in electricity charges</li> <li>· 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</li> </ul>



**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



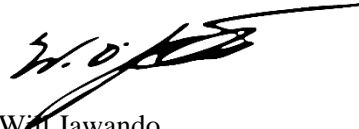
Kate Stewart  
Councilmember District 4



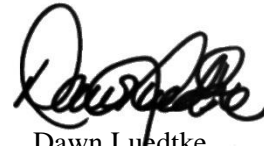
Natali Fani-Gonzalez  
Councilmember District 6



Andrew Friedson  
Council Vice President



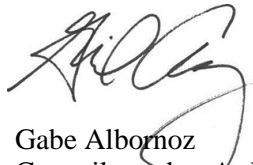
Will Jawando  
Councilmember At-Large



Dawn Luedtke  
Councilmember District 7



Laurie-Anne Sayles  
Councilmember At-Large



Gabe Albornoz  
Councilmember At-Large



# Fiscal Impact Statement

Office of Management and Budget

<b>Bill 27-25</b>	
<b>Environmental Sustainability - Community Choice Aggregation (CCA) - Established</b>	
<b>Bill Summary</b>	Bill 27-25 would: establish a community choice aggregator; set forth certain requirements of the community choice aggregator's operations; and generally amends the law regarding environmental sustainability in electricity supply.
<b>Fiscal Impact Summary</b>	The bill could have a small impact on both County revenues and expenditures, but according to the Department of Environmental Protection (DEP) the amount of the impact is difficult to estimate until the specific details of the Community Choice Aggregation's (CCA) operations are defined in the future. See the Fiscal Impact Analysis section for more detail.
<b>Fiscal Impact Analysis</b>	<p>According to DEP, CCAs are self-sustaining operations. Typically, a CCA (in this case the County) retains the services of an aggregation supplier to obtain the electricity needed to supply the CCA's customers. The aggregation supplier also provides a variety of back-office services needed to maintain the CCA's operation. The aggregation supplier's costs of providing electricity, as well as the cost of their services, are recovered through electricity charges paid by customers, so DEP anticipates that the County would not expend any funds to pay for electricity or for the services provided by the aggregation supplier. In some CCAs, the cost of electricity also includes a component that raises some revenue to support other ancillary energy-related services that the jurisdiction wants to provide. Some CCAs have staff or operating costs to implement the CCA, although in many cases these costs are also covered completely or in part by a component of the electricity cost to customers. Ancillary costs could affect the competitiveness of the cost of electricity, which might cause customers to opt out of participating in the CCA.</p> <p>Accordingly, revenue and expenditure estimates covering the next six fiscal years cannot be determined until the details of the CCA's operations are defined. However, DEP anticipates that revenues and expenditures are likely to be small and generally within the control of the County to regulate.</p>
<b>Staff Impact</b>	To date, existing DEP staff have managed the initial steps necessary to support the implementation of CCA. The time required has varied depending on the stage of the implementation process. The County may decide to add additional staff as electricity delivery nears, although DEP anticipates that the cost of this staff could potentially be offset by a fee on electricity. DEP notes that the bill is one step of many required to implement CCA and should not affect the workload of current staff.
<b>Actuarial Analysis</b>	The bill is not expected to impact retiree pension or group insurance costs.
<b>Information Technology Impact</b>	The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.
<b>Other Information</b>	
<i>Later actions that may impact revenue or expenditures if future spending is projected</i>	There are no provisions in the legislation that would explicitly affect future revenues and expenditures.



<i>Ranges of revenue or expenditures that are uncertain or difficult to project</i>	Revenue and expenditure estimates cannot be determined until the details of the CCA's operations are defined.
<i>Sources of information</i>	DEP analysis of current practices managing the initial steps to support implementation of a CCA, beginning in 2021.
<i>Contributors</i>	Stan Edwards, Department of Environmental Protection Payne Tarkenton, Office of Management and Budget



# Climate Assessment

## Office of Legislative Oversight

### EXPEDITED BILL 27-25: ENVIRONMENTAL SUSTAINABILITY – COMMUNITY CHOICE AGGREGATION (CCA) - ESTABLISHED

#### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 27-25 will likely have a positive impact on the County's contribution to addressing climate change as it would allow the County to create a program where the County's electricity supply would come from more renewable sources, therefore decreasing the County's greenhouse gas emissions associated with energy consumption.

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#### BACKGROUND AND PURPOSE OF EXPEDITED BILL 27-25

Community choice aggregation (CCA) is a program which allows local governments to procure electricity on behalf of residents who choose to participate in the program. A CCA can be run directly through local government or by a third party on behalf of the local government. CCAs give local governments the ability to determine the mix of sources used to supply electricity to their jurisdictions, oftentimes prioritizing larger mixes of renewable energy.<sup>1</sup>

CCAs can also use the purchasing power of residents within a county or municipality to provide economies of scale in wholesale markets and attain rates comparable or lower than utility companies. Most CCAs have an opt-out structure, meaning residents are automatically enrolled but can opt-out of the program.<sup>2</sup>

In 2021, the Maryland General Assembly passed a bill that authorized Montgomery County to pursue a CCA pilot program.<sup>3</sup> Expedited Bill 27-25 would authorize the Department of Environmental Protection (DEP) to move forward with the program. Specifically, the bill would require:

- The CCA to provide customers with a percentage of renewable energy sources which exceeds the amount required by Maryland renewable energy portfolio standards (50% by 2030);
- The CCA to prioritize sustainability, cost efficiency, stability, and predictability in procuring and providing electricity; and
- DEP to transmit the CCA's plan to the County Council prior to filing with the Public Service Commission (PSC).<sup>4</sup>

Expedited Bill 27-25 was introduced by the County Council on July 15, 2025.

## METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

**Methodology.** In order to write this climate assessment, OLO reviewed other CCA programs across the country, reviewed literature about CCAs, and reviewed the County's Climate Action Plan.

**Assumptions.** The CCA program will lower the County's greenhouse gas emissions associated with energy.

**Uncertainties.** It is uncertain what percentage of the mix of electricity available from CCA agreements will be from renewable sources. The aggregation plan is not finalized or publicized and will ultimately need to be approved by the PSC. However, Expedited Bill 27-25 includes language that states the CCA will "provide to its customers a percentage of renewable content that exceeds the amount required by the State's renewable energy portfolio standards." The mix of electricity from renewable resources will be more than Maryland's current requirements, which is 50% but it is not certain what the final required mix will be.

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## HOW COMMUNITY CHOICE AGGREGATION CAN LOWER GREENHOUSE GAS EMISSIONS ASSOCIATED WITH ENERGY

Community choice aggregation (CCA) is a model that allows local governments to procure electricity on behalf of local electricity customers. Generally, CCA is run directly through the local government or by a third party on behalf of the local government.<sup>5</sup> By using the purchasing power of residents within a county or municipality, local governments can provide economies of scale in wholesale markets. CCAs also determine the mix of sources used to supply electricity to their jurisdiction and can prioritize a larger percentage of renewable energy in the sources.<sup>1</sup>

The structure of a CCA and the options it gives customers differs from program to program. Some CCAs focus on lowering rates for their customers compared to utilities that serve the local population while others provide multiple options for customers to increase the mix of renewable energy in their electricity portfolio.<sup>6</sup> For example, many CCAs have a minimum requirement for a certain percentage of total energy procured from renewable resources. As residential energy use is often the largest contributor to greenhouse gas emissions for municipalities, this can lower the greenhouse gas emissions associated with energy use.<sup>7</sup>

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<sup>1</sup> CCAs allow residents to opt out of the CCA program. Opt-out structures usually have higher participation rates than opt-in structures, so CCAs can accrue, or "aggregate" larger customer bases which decreases costs for everyone who has opted into the program.

Further, CCAs can use their purchasing power to drive demand for renewable energy in their local energy markets. There is evidence that CCAs have driven demand for renewable energy in their respective states and jurisdictions such as:

- In 2021, despite only 5% of New York State’s population being served by a CCA, CCAs accounted for more than 30% of New York’s renewable energy voluntarily purchased;<sup>8</sup>
- Many CCAs in California cite the development of local renewable energy projects as a core goal and offer incentives for medium and large-scale local solar projects;<sup>9</sup> and
- The City of Newton, MA established a CCA which provides its participants with electricity that is made up of 95% renewable sources, which is higher than the state’s requirements (27% in 2025).<sup>10</sup>

So far, there are 10 states that have enacted legislation that allows local governments to establish CCAs.<sup>11</sup> This includes a bill passed by the Maryland General Assembly in 2021 which authorized Montgomery County to pursue a CCA pilot program. Bill 27-25E would authorize DEP to move forward with the pilot program. The Bill would require the CCA “to provides its customers a percentage of renewable content that exceeds the amount required by the State’s renewable energy portfolio standards.”

Currently, the state is required to have 50% of retail energy sales come from renewable energy sources by 2030, with 14.5% of the sales coming from in-state solar.<sup>12</sup> Maryland generates about 60% of the electricity consumed in state, with the rest being purchased from regional grids, such as the PJM.<sup>2 13</sup> In 2023, 13% of Maryland’s total in-state electricity generated was renewable energy, with half of this renewable energy coming from solar generated in state.<sup>14</sup>

At the moment, if Montgomery County residents want to increase the percentage of renewable energy sources in their electricity mix, they must opt into specific programs through a third party licensed by the Maryland Public Service Commission, such as Arcadia Energy.<sup>15</sup> These programs procure electricity with renewable energy certificates from wind and solar facilities for their customers. However, as it is an opt-in program, it is likely to not reach the number of participants a CCA with an opt-out option.

The CCA would include all Montgomery County residents initially, with an option for opting out of the program. As stated in the Bill’s staff report, the opt-out design allows for increased purchasing power which would lower the cost of electricity for participants in the CCA, especially compared to retail suppliers that have offered energy portfolios with more renewable energy. The CCA would prioritize sourcing electricity from renewable resources.<sup>16</sup> This would lower the County’s contribution to greenhouse gas emissions, residential and commercial building energy use accounts for the largest greenhouse gas emissions in the County (50% of all emissions).<sup>17</sup> The County’s Climate Action Plan cited that establishing a CCA is one of the most important actions in ensuring 100% of the County’s electricity consumption is carbon-free, in addition to promoting policies to increase the number of public and private solar photovoltaic systems in the County.<sup>18</sup>

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<sup>2</sup> The PJM, or the Pennsylvania-New Jersey-Maryland Interconnection is a regional transmission organization which administers the transmission grid regionally and operates a wholesale electricity market that provides wholesale electricity to 13 states.



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## ANTICIPATED IMPACTS

Residential and commercial building energy use accounts for 50% of all the County's emissions. Establishing a CCA which would prioritize sourcing electricity from renewable resources and increase the mix of renewable energy consumption in the County would lower greenhouse gas emissions associated with energy consumption. OLO anticipates Expedited Bill 27-25 would have a positive impact on the County's contribution to greenhouse gas emissions.

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## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>19</sup> OLO does not offer recommendations or amendments as Expedited Bill 27-25 is likely to have a positive impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

# CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

<sup>1</sup> [U.S. Environmental Protection Agency \(EPA\), "Community Choice Aggregation", Accessed 8/25/2025.](#)

<sup>2</sup> [Local Energy Aggregation Network \(LEAN\), "What is CCA \(Community Choice Aggregation\)", Accessed 8/25/2025.](#)

<sup>3</sup> [Maryland General Assembly, "Montgomery County - Community Choice Energy - Pilot Program MC 17-21", Effective Date June 1, 2021.](#)

<sup>4</sup> [Montgomery County Council, "Introduction Staff Report for Expedited Bill 27-25, Environmental Sustainability - Community Choice Aggregation - Established", Introduced July 15, 2025.](#)

<sup>5</sup> [Energy Research and Social Science, Hsu, D., "Straight out of Cape Cod: The origin of community choice aggregation and its spread to other states", April 2022.](#); [National Renewable Energy Laboratory: U.S. Department of Energy, "Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets", February 2019.](#)

<sup>6</sup> [National Renewable Energy Laboratory: U.S. Department of Energy, "Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets", February 2019.](#)

<sup>7</sup> [Ibid.](#)

<sup>8</sup> [Local Energy Aggregation Network \(LEAN\), "New York", Accessed 8/25/2025.](#)

<sup>9</sup> [Local Energy Aggregation Network \(LEAN\), "California", Accessed 8/25/2025.](#)

<sup>10</sup> ["Mayor's Newton Update: Newton Power Choice", City of Newton, May 25, 2023.](#)

<sup>11</sup> [Local Energy Aggregation Network \(LEAN\), "CCA by State", Accessed 8/25/2025.](#)

<sup>12</sup> [Maryland Department of Natural Resources, "Final Report Concerning the Maryland Renewable Portfolio Standard as Required by Chapter 393 of the Acts of the Maryland General Assembly of 2017", 2019.](#)

<sup>13</sup> [Federal Energy Regulatory Commission, "PJM", Accessed 8/26/2025.](#)

<sup>14</sup> [U.S. Energy Information Administration, "Maryland Profile Analysis", Last Updated January 16, 2025.](#)

<sup>15</sup> [Maryland Public Service Commission, "Green Options", Accessed 8/25/2025.](#); [MD Electric Choice, "FAQ: What is electric customer choice?", Accessed 8/25/2025.](#)

<sup>16</sup> [Montgomery County Council, "Introduction Staff Report for Expedited Bill 27-25, Environmental Sustainability - Community Choice Aggregation - Established", Introduced July 15, 2025.](#)

<sup>17</sup> [Montgomery County Government, "Montgomery County Climate Action Plan", June 2021.](#)

<sup>18</sup> [Ibid.](#)

<sup>19</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## EXPEDITED BILL 27-25: ENVIRONMENTAL SUSTAINABILITY - COMMUNITY CHOICE AGGREGATION (CCA) - ESTABLISHED

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 27-25 will have a positive impact on racial equity and social justice (RESJ) in the County. All community members across race and ethnicity would benefit from the environmental and economic benefits of establishing a Community Choice Aggregation (CCA) program in the County. Lower utility rates from CCA would particularly benefit community members with lower incomes who are more likely to be Black and Latinx and help reduce racial disparities in energy burden.

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### PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.<sup>1</sup> This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.<sup>2</sup>

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### PURPOSE OF EXPEDITED BILL 27-25

Community choice aggregation (CCA) is a program that allows local governments to procure electricity on behalf of residents. A CCA can be run directly through local government or by a third party on behalf of the local government. CCAs give local governments the ability to determine the mix of sources that are used to supply electricity to their jurisdictions. Oftentimes, local governments prioritize larger mixes of renewable energy with CCAs.<sup>3</sup>

CCAs can also use the purchasing power of residents within a county or municipality to provide economies of scale in wholesale markets. This allows them to attain rates comparable or lower than utility companies. Additionally, most CCAs have an opt-out structure. This means that residents are automatically enrolled but can opt out of the program.<sup>4</sup>

In 2021, the Maryland General Assembly passed a bill that allowed Montgomery County to pursue a CCA pilot program.<sup>5</sup> The purpose of Expedited Bill 27-25 is to allow the Department of Environmental Protection (DEP) to move forward with the program. If enacted, Bill 27-25 would:<sup>6</sup>

- Require the CCA to provide a percentage of renewable energy sources that exceeds the amount required by Maryland's renewable energy portfolio standards (50% by 2030);
- Require the CCA to prioritize sustainability, cost efficiency, stability, and predictability in procuring and providing electricity; and
- Require DEP to transmit the CCA's plan to the County Council prior to filing with the Public Service Commission (PSC).

The Council introduced Expedited Bill 27-25 on July 15, 2025.

# RESJ Impact Statement

## Expedited Bill 27-25

### ENERGY JUSTICE, COMMUNITY CHOICE AGGREGATION, AND RACIAL EQUITY

Environmental justice means “everyone – regardless of race, color, national origin, or income – [having] the same environmental protections and benefits, as well as meaningful involvement in policies that shape their communities.”<sup>7</sup> The environmental justice movement was organized by BIPOC activists during the 1980s to combat environmental racism.<sup>8</sup> Environmental racism is the disproportionate exposure of BIPOC and people with low incomes throughout the U.S. to harmful environmental conditions.<sup>9</sup> Environmental racism has largely resulted from a legacy of government decision-making that has disregarded the needs and priorities of BIPOC community members.<sup>10</sup> “[E]qual protection, community involvement and healthy living environments” are enduring themes of the environmental justice movement today.<sup>11</sup>

Rooted in the principles of environmental justice and the subsequent climate justice movement, energy justice specifically focuses on developing an equitable energy system.<sup>12</sup> Centering BIPOC and other frontline communities who are most impacted by pollution and climate change, energy justice aims to:<sup>13</sup>

- Achieve equity in both the social and economic participation in the energy system;
- Remediate social, economic, and health burdens on those disproportionately harmed by the energy system; and
- Make energy accessible, affordable, renewable, and democratically managed for all communities.

**Community Choice Aggregation.** Across the U.S., local governments have adopted CCA as a strategy to more effectively use the energy system to meet climate action goals. Ten states, including Maryland, have enacted legislation that allows local governments to establish CCA programs.<sup>14</sup>

Research shows that CCA programs can promote energy justice by “expanding access to more affordable and cleaner energy.” However, regulatory barriers can limit the ability of CCA programs to make broader advancements towards energy justice.<sup>15</sup> Advocates working on the ground have also found there are more opportunities for CCA programs to advance energy justice. For instance, in *Building a Just Energy Future: A Framework for Community Choice Aggregators to Power Equity and Democracy in California*,<sup>16</sup> the California Environmental Justice Alliance – a statewide coalition of grassroots, environmental justice organizations – put forth several recommendations to advance energy justice in California’s CCA programs, which have existed in the state since 2010.<sup>17</sup> Their recommendations promote:

- Coordination with local community-based organizations;
- Accessible information and outreach;
- Community-driven, local program design;
- Transparent decision-making; and
- Local and state accountability.

**Energy insecurity.** Particularly through reducing energy costs, CCAs can address energy insecurity. Energy insecurity – which is one of the core components of energy justice – is the inability to adequately meet basic household energy needs, including heating, cooling and lighting.<sup>18</sup> Some difficulties experienced by households that are energy insecure include rationing energy usage (sometimes to unsafe levels) to lower utility costs, accumulating utility debt, and experiencing utility shut offs.<sup>19</sup> Research shows that energy insecurity has negative impacts on physical and mental health and can be fatal.<sup>20</sup> Because of racial inequities in various domains, including in economic security and housing,<sup>21</sup> BIPOC throughout the U.S. are disproportionately impacted by energy insecurity.<sup>22</sup>

# RESJ Impact Statement

## Expedited Bill 27-25

One of the main indicators of energy insecurity is energy burden. Energy burden is the percentage of household income that is spent on energy bills. A household's energy burden is considered high if it exceeds 6 percent of their income and severe if it exceeds 10 percent.<sup>23</sup>

Income level is a direct determinant of energy burden. As of 2019, the median energy burden for households with lower incomes in the U.S. was 8.3 percent, nearly three times the overall median of 2.9 percent.<sup>24</sup> Locally, households with extremely low incomes are the most energy burdened. In 2022, the energy burden of households with incomes below 30 percent of the area median income (AMI) was 11 percent, compared to between 1 and 4 percent for households with incomes above this threshold.<sup>25</sup>

Because of the overrepresentation of BIPOC among households with lower incomes, they are most impacted by high energy burdens. For instance, Black and Latinx community members have median incomes that are more than \$30,000 less than the County median and are nearly three times more likely to experience poverty than White community members in the County (Table A, Appendix). However, regardless of income, housing disparities rooted in structural racism (embedded by racial inequities such as segregation) drive significantly increased energy burdens in Black communities across the U.S.<sup>26</sup>

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### ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 27-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 27-25:

- **Community members at-large** would benefit from the environmental and economic benefits of establishing a CCA program in the County. As found in the Climate Assessment for Bill 27-25, establishing a CCA would have a positive impact on the County's contribution to addressing climate change.<sup>27</sup> Further, several studies have found that communities with CCA programs tend to have lower utility rates.<sup>28,29</sup>

Lower utility rates would particularly benefit Black and Latinx community members who are energy burdened. As previously discussed, households in the County with incomes below 30 percent of the AMI experience severe energy burdens. Because Black and Latinx community members are more likely to have lower incomes and live below the poverty level (Table A, Appendix), they are most likely to experience high energy burdens. Further, regardless of income, Black community members often experience higher energy burdens because of housing disparities rooted in structural racism.

- **Energy suppliers** would experience offsetting impacts from establishing a CCA program in the County. Existing suppliers would be burdened by revenue losses from the County shifting to new suppliers. However, this shift will benefit new energy suppliers with revenue increases. There is not enough information to determine the demographics of existing energy suppliers and new energy suppliers by race and ethnicity. However, available data suggests local business ownership in the broader utilities sector is predominantly White (Table B, Appendix).

OLO anticipates Bill 27-25 will have a positive impact on RESJ in the County. All community members across race and ethnicity would benefit from the environmental and economic benefits of establishing a CCA program in the County.

# RESJ Impact Statement

## Expedited Bill 27-25

Lower utility rates from CCAs would particularly benefit community members with lower incomes who are more likely to be Black or Latinx and help reduce racial disparities in energy burden.

### RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.<sup>30</sup> OLO anticipates Expedited Bill 27-25 will have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers one option for Council consideration:

- **Require DEP to develop Aggregation Plan in collaboration with BIPOC community groups.** Developing any policy or program that advances RESJ, including energy justice,<sup>31</sup> requires community engagement that centers the needs and priorities of BIPOC community members.<sup>32</sup> The Council could require DEP to develop the Aggregation Plan for the CCA program in collaboration with BIPOC community groups, especially those advocating for environmental, climate, and/or energy justice. The DEP-community collaborative could consider recommendations from researchers and advocates in other jurisdictions, including the California Environmental Justice Alliance, to develop CCA program guidelines to further advance energy justice.

### CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

### APPENDIX

**Table A. Median Household Income and Poverty Rate by Race and Ethnicity, Montgomery County**

Race or ethnicity <sup>33</sup>	Median Household Income	Poverty Rate
Montgomery County	\$128,733	7.1
Asian	\$144,493	6.0
Black	\$89,362	11.4
Native American	\$105,952	9.1
Pacific Islander	\$142,589	10.9
White	\$159,895	4.0
Latinx	\$94,619	10.7

Source: [Table S1903](#) and [Table S1701](#), 2023 American Community Survey 5-Year Estimates, Census Bureau.

# RESJ Impact Statement

## Expedited Bill 27-25

**Table B. Percent of Utilities Employer Firms by Race and Ethnicity, Montgomery County**

Race or ethnicity	Utilities Business Owners (NAICS 22) <sup>34</sup>	All Sectors (NAICS 00)	Adult Population
Asian	-	21.8	16.0
Black	-	7.6	18.3
Native American	-	1.4	0.5
Pacific Islander	-	0.1	0.0
White	100.0	69.1	46.6
Latinx	-	10.0	18.7

Source: OLO analysis of [Table AB2200CSA01, 2022 Annual Business Survey](#) and [Table S2101, 2023 American Community Survey 5-Year Estimates](#), Census Bureau.

<sup>1</sup> Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., “Applying Racial Equity to U.S. Federal Nutrition Programs,” Bread for the World](#) and [Racial Equity Tools](#).

<sup>2</sup> Ibid.

<sup>3</sup> [“Community Choice Aggregation,” U.S. Environmental Protection Agency, last updated July 22, 2025.](#)

<sup>4</sup> [“What is CCA \(Community Choice Aggregation\)?,” Local Energy Association Network.](#)

<sup>5</sup> [“Montgomery County - Community Choice Energy - Pilot Program MC 17-21”, Maryland General Assembly, Effective Date June 1, 2021.](#)

<sup>6</sup> [Introduction Staff Report for Expedited Bill 27-25, Montgomery County Council, Introduced July 15, 2025.](#)

<sup>7</sup> [Renee Skelton, Vernice Miller, and Courtney Lindwall, “The Environmental Justice Movement,” NRDC, August 22, 2023.](#)

<sup>8</sup> [“History,” Congressional Black Caucus Foundation.](#)

<sup>9</sup> [Maudlyne Ihejirika, “What is Environmental Racism,” NRDC, May 24, 2023.](#)

<sup>10</sup> Skelton, Miller, and Lindwall.

<sup>11</sup> [“Environmental Justice Matters: What is Environmental Justice?” Detroiters Working for Environmental Justice.](#)

<sup>12</sup> [Uche O. Ajene, “What Is Energy Justice? A Comprehensive Introduction,” Initiative for Energy Justice, June 10, 2025.](#)

<sup>13</sup> Ibid.

<sup>14</sup> [“CCA by State,” Local Energy Association Network.](#)

<sup>15</sup> [C.V. Diezmartínez and A. Zhang, “Powering just energy transitions: A review of the justice implications of community choice aggregation,” Energy Research & Social Science, September 2023, pg. 9.](#)

<sup>16</sup> [“Building a Just Energy Future: A Framework for Community Choice Aggregators to Power Equity and Democracy in California,” California Environmental Justice Alliance, November 24, 2020.](#)

<sup>17</sup> [“Community Choice Aggregation \(CCA\): What is it?” California Community Choice Association.](#)

<sup>18</sup> Ajene.

<sup>19</sup> [Eva Laura Siegel, et al., “Energy Insecurity Indicators Associated With Increased Odds Of Respiratory, Mental Health, And Cardiovascular Conditions,” Health Affairs, February 2024.](#)

<sup>20</sup> [Diana Hernandez, “Energy Insecurity and Health: America’s Hidden Hardship,” Health Policy Brief, Health Affairs, June 29, 2023.](#)

<sup>21</sup> [Elaine Bonner-Tompkins, et al., OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development, Office of Legislative Oversight, June 18, 2024.](#)

<sup>22</sup> Hernandez.

<sup>23</sup> [Uche Ajene, “Understanding Energy Burden: Why Some Communities Pay More,” Initiative for Energy Justice, June 12, 2025.](#)

<sup>24</sup> [Data Update: City Energy Burdens, American Council for an Energy-Efficient Economy \(ACEEE\), September 2024.](#)

<sup>25</sup> [Low-income Energy Affordability Data \(LEAD\) Tool, U.S. Department of Energy.](#)

<sup>26</sup> [George C. Homsy and Ki Eun Kang, “Energy burden: Exploring the intersection of race, income, and community characteristics across the United States,” Energy Research & Social Science, September 2025.](#)

<sup>27</sup> Climate Assessment for Bill 27-25, Office of Legislative Oversight, August 28, 2025.

<sup>28</sup> [Eric O’Shaughnessy, et al., “Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets,” National Renewable Energy Laboratory, U.S. Department of Energy, February 2019, pg. 13.](#)

# RESJ Impact Statement

## Expedited Bill 27-25

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<sup>29</sup> [Claire Dépit, et al., “Community Choice Aggregation: A Cost-Effective Policy Tool that Accelerates Competitive Renewable Power Addition and Carbon Reduction at Scale,” Local Energy Aggregation Network, June 2023, pg. 18.](#)

<sup>30</sup> [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)

<sup>31</sup> Ajene.

<sup>32</sup> [Janmarie Peña and Chitra Kalyandurg, OLO Report 2024-8: Community Engagement for Racial Equity and Social Justice, Office of Legislative Oversight, March 12, 2024.](#)

<sup>33</sup> For data points in Table A and B, race is inclusive of Latinx origin. For Table A, margins of error for Native American and Pacific Islander estimates are large.

<sup>34</sup> Margins of error may be large. Estimate includes employer firms that are classifiable by race and ethnicity.