

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.

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.¹

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.²

In 2021, the Maryland General Assembly passed a bill that authorized Montgomery County to pursue a CCA pilot program.³ 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).⁴

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.

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.⁵ 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.¹

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.⁶ 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.⁷

¹ 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;⁸
- 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;⁹ 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).¹⁰

So far, there are 10 states that have enacted legislation that allows local governments to establish CCAs.¹¹ 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.¹² Maryland generates about 60% of the electricity consumed in state, with the rest being purchased from regional grids, such as the PJM.^{2 13} 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.¹⁴

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.¹⁵ 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.¹⁶ 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).¹⁷ 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.¹⁸

² 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.

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.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.¹⁹ 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.

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.

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.

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

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

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

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

⁵ [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.](#)

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

⁷ [Ibid.](#)

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

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

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

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

¹² [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.](#)

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

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

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

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

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

¹⁸ [Ibid.](#)

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