

Buying Green Electricity for Your Home

A Guide Prepared by the Montgomery County Faith Alliance for Climate Solutions

Why Green Electricity?

An important way to combat global warming is to switch our electricity supply to “green” electricity (generated from wind- and solar-powered sources, both of which do not emit carbon dioxide). Electricity generation is the single largest source of U.S. carbon dioxide emissions. Electricity sold by Pepco in Maryland in 2017 was generated mostly by coal (32.2%), natural gas (26.7%), and nuclear (35.9%) – only 2.8% comes from wind and solar. Scientists tell us we need to switch to clean electricity without delay. By buying electricity from wind and solar power, and/or by supporting community solar power projects, you are helping support the stronger U.S. green electricity industry essential for that transition.

What This Guide Covers and What It Doesn't

Many people equate buying green electricity with having solar panels on their rooftop and think that they cannot buy green electricity because they do not have a rooftop in full sun or are apartment dwellers. This guide is focused on helping residents of Montgomery County who cannot install (or prefer not to install) rooftop solar to buy green electricity (by purchasing their electricity with renewable energy certificates from wind and solar facilities) or to support the development of solar power in Maryland by being part of a community solar project.

Recommended Suppliers of Renewable Electricity

Many suppliers offer green electricity for purchase by Montgomery County residents, but their offerings can be difficult to compare – due to differing terms, conditions, and other relevant considerations. A subgroup of the Montgomery County Faith Alliance for Climate Solutions (MC-FACS) has reviewed current offerings from all known suppliers for Montgomery County. It has provided the following recommended options for anyone considering making the switch to green electricity. Terms and facts briefly mentioned in the “Considerations” column are explained in the next section on “What to Consider in Buying Green Electricity.”

Supplier, Product Name, Renewable Content, and Web Address	Price	Considerations
CleanChoice Energy <i>Clean 12 Month Rate Lock</i> (99% Wind + 1% Solar) https://cleanchoiceenergy.com/	11.60 cents/kWh	CleanChoice is a local firm, a B Corporation, and is certified by the Montgomery County Green Business Certification Program (see next page for explanation). 12-month contract, but you can cancel at any time, for any reason, without paying any penalty. BBB rating = A+
AEP Energy <i>ECO-Advantage 100% Renewable Fixed Price Offer</i> (100% Wind) https://www.aepenergy.com/residential/renewable-energy/	7.99 cents/kWh	AEP is a large multistate utility. 36-month contract, but you can cancel at any time, for any reason, without paying any penalty. Only available for Pepco customers, not BG&E or Potomac Edison customers. No MC-FACS member experience with this supplier and there are customer complaints about AEP's Ohio affiliate on Yelp. BBB rating = A+
Groundswell/WGL Energy Services <i>100% National Wind Power</i> (100% Wind) https://groundswell.org/wind-power/	8.50 cents/kWh (12-month) 8.30 cents/kWh (24-month)	Groundswell is a local renewable energy non-profit with a supply agreement with WGL Energy Services, an affiliate of Washington Gas Light. 12-month or 24-month contracts; WGL Energy's penalty for early cancellation is \$10 for each month remaining on the contract (so potentially a larger penalty for 24-month contracts). BBB Rating = A+

What to Consider in Buying Green Electricity

Under Maryland law, you can choose a supplier for your electricity other than Pepco (or BG&E or Potomac Edison if you live in the part of Montgomery County that they serve). Your monthly electric bill will then have two parts – a smaller continuing payment to Pepco/BG&E/Potomac Edison (as the distributor) to maintain the electric wires in your neighborhood, and a payment for your “electric supply” that goes to the supplier you choose. The process of signing up for a supplier is done

online and is simple – you will need to consult a copy of your electrical bill to provide your current utility account number as part of the sign-up process.

The cost of green electricity is slightly higher than what Pepco/BG&E/Potomac Edison will charge for the “electric supply” part of your bill. For that reason, it is important to know that the green electricity you are paying extra for is really “green.” EPA recommends buying green electricity from suppliers that have undergone third-party validation – in the United States, the non-profit organization that provides that independent check is known as “Green-e.” **All the options in the above table are “Green-e” certified.**

When you sign up for a green electricity option, you will sign a fixed-price contract for a specific term (typically between 1 and 3 years). Some suppliers make you pay a penalty if you want to switch to another source of electricity before the contract term is up. If you want the flexibility to switch based on finding a better price, then you may want to pay attention to termination fees and consider a supplier that allows easy cancellation.

There are other differences among the types of suppliers in the marketplace that may be important to you. Some suppliers of green electricity are large multistate utilities. They may have lower prices for green electricity. Others are smaller, more local firms that are explicitly organized to operate on socially responsible business principles in addition to making a profit (“B Corporations”) or that have been certified for environmentally responsible business practices (for example, through the Montgomery County Green Business Certification Program). Their prices may be higher, but if you want your electricity purchase to serve to develop more companies of this type in the marketplace, in addition to buying green electricity, you may want to pay attention to these company attributes and consider a supplier that has them.

Shortly before the end of your contract, your green electricity supplier must inform you of your options, going forward. If you do nothing at that point, some suppliers will automatically renew you for another fixed term at a different fixed rate that may be higher. Some will put you on a variable rate that changes from month to month, which will likely also be higher. Some will just return you to Pepco/BG&E/Potomac Edison as your supplier. It is important to pay attention to your options at the end of your contract term (be it 1 year from now or 3 years from now), so that you make a choice at that point that continues to provide you with the lowest cost.

Finally, if you live in Takoma Park, the City of Takoma Park has a program for purchasing green electricity for its residents that offers low rates and good environmental value. For more information, go to its website at <https://takomaparkmd.gov/government/sustainability/renewable-energy-challenge/>.

Supporting Community Solar Projects

A complementary strategy to the above is to support the development of solar generation facilities in Maryland through community solar projects. Maryland has a new program to allow you to support such projects and receive a financial credit on your monthly electricity bill that is greater than the amount you pay to the community solar organizer. The first such project, now soliciting subscribers (organized by Neighborhood Sun -- see below table), is offering credits to subscribers on their electricity bills that will be 5% greater than what they paid Neighborhood Sun, resulting in an overall savings on the subscribers’ utility bills. As a legal matter, you are not buying the solar power generated by the facility itself, but you are directly incentivizing such facilities in Maryland while saving money overall. You can combine this support with buying your personal renewable energy through one of the suppliers in the first table. Information on groups organizing community solar projects in Maryland is provided in the following table.

Community Solar Organizer	Web Address
Neighborhood Sun	https://neighborhoodsun.solar/
Groundswell	https://groundswell.org/community-solar/subscribe/
Solar United Neighbors of Maryland (Maryland SUN)	https://www.solarunitedneighbors.org/maryland/learn-the-issue-s-in-maryland/community-solar-in-maryland/

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