

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 595 (Senator Washington)
 Finance

Residential Electricity and Gas Supply Billing Information - Reports

This bill requires electric companies, gas companies, and specified electricity and gas suppliers to submit monthly reports to the Public Service Commission (PSC) on the supply of electricity and gas to their residential customers. The first report must be submitted no later than July 1, 2022, and must contain information for the previous 12 months. PSC must make each report available to the Office of People’s Counsel and the Office of Home Energy Programs (OHEP) in the Department of Human Services (DHS). OHEP must use the reports to analyze information relating to low-income customers – those receiving energy assistance benefits from OHEP. PSC, in consultation with OHEP, must provide a related overview report to the General Assembly each year and publish the report on its website.

Fiscal Summary

State Effect: Special/federal fund expenditures for DHS/OHEP increase by \$25,000 annually beginning in FY 2023. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
SF/FF Exp.	0	25,000	25,000	25,000	25,000
Net Effect	\$0	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Each monthly report must contain, broken down by electricity or gas supplier and categorized by income, the total (1) kilowatt-hours or therms billed; (2) dollar amount billed; and (3) number of customers billed.

Current Law: The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland. The resulting system of customer choice allows the customer to purchase electricity from a competitive supplier or to continue receiving electricity under standard offer service (SOS). Default SOS electric service is provided by a customer's *electric company* (e.g., Baltimore Gas and Electric Company or Pepco). Competitive electric supply is provided by competitive *electricity suppliers*. In either case, the electric company delivers the electricity and recovers the costs for delivery through distribution rates. Gas supply and delivery are similarly restructured with gas suppliers and gas companies.

Energy Assistance

OHEP within DHS administers a variety of energy assistance programs and services for residential customers using local administering agencies, including local departments of social services, in each county and Baltimore City. These programs include the Electric Universal Service Program bill payment assistance, the Maryland Energy Assistance Program bill payment assistance (heating source), and gas and electric arrearage assistance programs. The income eligibility for each of these programs is 175% of the federal poverty level.

State Expenditures: DHS does not have the relevant staff expertise to analyze data as required under the bill. The deadline for the first data report due to PSC, which must then share the data with OHEP to be analyzed in preparation for an annual report to the General Assembly, is July 1, 2022. Therefore, special/federal fund expenditures for DHS/OHEP increase by about \$25,000 annually, beginning in fiscal 2023, for consultant costs.

PSC can generally analyze data and report annually to the General Assembly using existing budgeted resources.

Small Business Effect: Generally, electricity and gas suppliers bill customers through electric or gas companies. While those companies must ultimately comply with the bill's reporting requirement, suppliers may have additional costs associated with providing information to the companies. Additionally, to the extent that a particular supplier does not bill through a gas or electric company, and is a small business, the supplier must comply with the bill's monthly reporting requirements. This assumes that the bill's application to

“each electricity or gas supplier that bills residential customers for supplying electricity or gas” applies to *direct* billing. If this is not the case, then more suppliers, many of which are small businesses, are affected.

Additional Information

Prior Introductions: HB 260 of 2020, an identical bill as amended, passed the House and was referred to the Senate Finance Committee, but no further action was taken. Its cross file, SB 686, received an unfavorable report from the Senate Finance Committee. SB 716 of 2019, a similar bill, received an unfavorable report from the Senate Finance Committee.

Designated Cross File: None.

Information Source(s): Public Service Commission; Department of Human Services; Office of People’s Counsel; Department of Legislative Services

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rh/lgc

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