

HOUSE BILL 974

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By: **Delegates Chisholm, Adams, Arentz, Arikan, Beauchamp, Bouchat, Buckel, Ciliberti, Fisher, Grammer, Hartman, Hornberger, Kipke, R. Long, Mangione, McComas, Metzgar, Miller, M. Morgan, Nawrocki, Nkongolo, Rose, Schmidt, Szeliga, Tomlinson, and Valentine**

Introduced and read first time: February 6, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity and Gas – Retail Supply**
3 **(Freedom From Monopolies Act)**

4 FOR the purpose of repealing certain provisions related to energy salespersons and energy
5 vendors, residential electricity supplier license terms, electric cooperatives and
6 standard offer service, the sale of certain electricity supply and gas supply, a
7 mechanism for a customer to request and receive a certain replacement number, the
8 placement of certain customers on a certain list, certain reports submitted by certain
9 billing entities, the adoption of certain regulations regarding residential energy
10 retailer notice and disclosure requirements, cost recovery by electric companies and
11 gas companies, green energy, renewable energy credits, and a certain training and
12 education program; altering the amount of a certain assessment charge, the scope of
13 a certain training and educational program, the list of entities that are required to
14 hold a license as an electricity supplier for certain purposes, the authority of the
15 Public Service Commission to take certain actions related to persons holding an
16 electricity supplier license, and the contents of a certain status report and certain
17 reports submitted to the Commission from each electricity supplier; changing the
18 name of the Education and Protection Fund to the Retail Choice Customer Education
19 and Protection Fund; modifying the purpose and uses of the Fund; altering and
20 repealing certain civil penalties; abolishing a certain division within the
21 Commission; providing for the transfer of certain employees; and generally relating
22 to retailing energy supply.

23 BY repealing
24 Article – Public Utilities
25 Section 1–101(l–1) and (l–2), 7–315 through 7–318, 7–603.1, 7–604.2, and 7–707
26 Annotated Code of Maryland
27 (2025 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,
2 Article – Public Utilities
3 Section 1–101(a), 2–110(a), and 13–201(a)
4 Annotated Code of Maryland
5 (2025 Replacement Volume and 2025 Supplement)

6 BY repealing and reenacting, without amendments,
7 Article – Public Utilities
8 Section 2–110(b)
9 Annotated Code of Maryland
10 (2025 Replacement Volume and 2025 Supplement)
11 (As enacted by Chapters 7 and 19 of the Acts of the General Assembly of the 2025
12 Special Session)

13 BY repealing and reenacting, with amendments,
14 Article – Public Utilities
15 Section 2–110(c)(12)
16 Annotated Code of Maryland
17 (2025 Replacement Volume and 2025 Supplement)
18 (As enacted by Chapters 7 and 19 of the Acts of the General Assembly of the 2025
19 Special Session)

20 BY repealing and reenacting, with amendments,
21 Article – Public Utilities
22 Section 7–310, 7–311, 7–507, 7–510, 7–602, 7–603, 7–604, 7–605, 7–705(a), and
23 13–201(e)(3)
24 Annotated Code of Maryland
25 (2025 Replacement Volume and 2025 Supplement)

26 BY repealing
27 Chapter 537 of the Acts of the General Assembly of 2024
28 Section 5

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
30 That Section(s) 7–315 through 7–318, 7–603.1, 7–604.2, and 7–707 of Article – Public
31 Utilities of the Annotated Code of Maryland be repealed.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
33 as follows:

34 **Article – Public Utilities**

35 1–101.

36 (a) In this division the following words have the meanings indicated.

1 [(1-1) (1) “Energy salesperson” means an individual who is licensed by the
2 Commission to sell:

3 (i) electricity or electricity supply services to residential retail
4 electric customers on behalf of an electricity supplier as an employee or agent of the
5 electricity supplier; or

6 (ii) gas or gas supply services to residential retail gas customers on
7 behalf of a gas supplier as an employee or agent of the gas supplier.

8 (2) “Energy salesperson” does not include:

9 (i) the Department of General Services when the Department of
10 General Services sells energy under § 7-704.4 of this article;

11 (ii) the Washington Suburban Sanitary Commission when the
12 Washington Suburban Sanitary Commission sells energy under Division II of this article;

13 (iii) a community choice aggregator under § 7-510.3 of this article; or

14 (iv) an employee or contractor of an electric company when the
15 employee or contractor is performing duties specific to standard offer service.

16 (1-2) “Energy vendor” means a person that has a contract or subcontract to provide
17 energy sales services to an electricity supplier or a gas supplier that provides electricity
18 supply services or gas supply services, respectively, to a residential customer.]

19 2-110.

20 (a) In this section, “public service company” includes an electricity supplier and a
21 gas supplier as those terms are defined in § 1-101 of this article.

22 (b) (1) The costs and expenses of the Commission, the Strategic Energy
23 Planning Office, and the Office of People’s Counsel shall be borne by the public service
24 companies that are subject to the Commission’s jurisdiction.

25 (2) The costs and expenses shall be assessed as provided in this section.

26 (3) The Commission shall pay the money that it collects for the assessment
27 under this section into the Public Utility Regulation Fund in the State Treasury established
28 under § 2-110.1 of this subtitle to reimburse the State for the expenses of the Commission,
29 the Strategic Energy Planning Office, and the Office of People’s Counsel.

30 (c) (12) The total amount that may be charged to a public service company
31 under this section for a State fiscal year may not exceed:

1 (i) [0.50%] **0.25%** of the public service company's gross operating
2 revenues derived from intrastate utility and electricity supplier operations in the preceding
3 calendar year, or other 12-month period that the Chairman determines, for the costs and
4 expenses of the Commission other than that of the Strategic Energy Planning Office and
5 the Office of People's Counsel; [plus]

6 (ii) 0.074% of those revenues for the costs and expenses of the
7 Strategic Energy Planning Office; plus

8 (iii) 0.074% of those revenues for the costs and expenses of the Office
9 of People's Counsel.

10 7-310.

11 (a) In this section, "Fund" means the **RETAIL CHOICE CUSTOMER** Education
12 and Protection Fund.

13 (b) There is [an] **A RETAIL CHOICE CUSTOMER** Education and Protection
14 Fund.

15 (c) The purpose of the Fund is to provide resources to improve the Commission's
16 ability to:

17 (1) educate customers on[:

18 (i)] retail electric and gas choice; and

19 [(ii) energy choices that help meet the State's climate commitments
20 under § 7-319 of this subtitle and § 2-1204.2 of the Environment Article;]

21 (2) protect customers from unfair, false, misleading, or deceptive practices
22 by electricity suppliers[, energy salespersons, energy vendors,] or gas suppliers[; and

23 (3) develop a training and educational program for electricity suppliers,
24 gas suppliers, energy salespersons, and energy vendors as provided under § 7-311 of this
25 subtitle].

26 (d) The Commission shall administer the Fund.

27 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of
28 the State Finance and Procurement Article.

29 (2) The State Treasurer shall hold the Fund separately, and the
30 Comptroller shall account for the Fund.

31 (f) The Fund consists of:

- 1 (1) revenue distributed to the Fund under § 13–201(e)(3) of this article;
- 2 (2) money appropriated in the State budget to the Fund; and
- 3 (3) any other money from any other source accepted for the benefit of the
4 Fund.

5 (g) The Fund may be used only to:

- 6 (1) educate retail electric or gas customers on retail choice [and energy
7 choices that help to meet the State’s climate commitments under § 7–319 of this subtitle
8 and § 2–1204.2 of the Environment Article]; AND
- 9 (2) improve customer protections for retail electric or gas customers[; and
- 10 (3) develop a training and educational program for electricity suppliers,
11 gas suppliers, energy salespersons, and energy vendors as provided under § 7–311 of this
12 subtitle].

13 (h) (1) The State Treasurer shall invest the money of the Fund in the same
14 manner as other State money may be invested.

15 (2) Any investment earnings of the Fund shall be credited to the General
16 Fund of the State.

17 (i) Expenditures from the Fund may be made only in accordance with the State
18 budget.

19 7–311.

20 (a) The Commission shall develop a training and educational program for any
21 entity or individual that is licensed by the Commission as an electricity supplier[,] OR a
22 gas supplier[, an energy salesperson, or an energy vendor].

23 (b) The Commission shall develop the program in consultation with interested
24 stakeholders, including electricity suppliers[,] AND gas suppliers[, energy salespersons,
25 and energy vendors].

26 (c) The program shall require that a designated representative of each licensed
27 electricity supplier[,] OR licensed gas supplier[, licensed energy vendor, or licensed energy
28 salesperson] demonstrate a thorough understanding of the Commission’s regulations
29 regarding:

30 (1) sales;

1 (2) consumer protection; and

2 (3) any other matter the Commission deems appropriate.

3 (d) At the conclusion of the training, the Commission shall:

4 (1) conduct an examination; and

5 (2) on a satisfactory score, certify that the designated representative of the
6 licensed electricity supplier[,] OR licensed gas supplier[, licensed energy salesperson, or
7 licensed energy vendor] has successfully completed the training.

8 (e) (1) The Commission shall determine the schedule and frequency by which
9 a designated representative of a licensed electricity supplier[,] OR licensed gas supplier[,
10 licensed energy salesperson, or licensed energy vendor] must complete the training and
11 certification.

12 (2) A designated representative of a new electricity supplier[,] OR gas
13 supplier[, energy salesperson, or energy vendor] shall complete the training and
14 certification prior to the issuance of a license.

15 (f) The Commission may adopt regulations that include appropriate penalties or
16 sanctions for failure to comply with this section.

17 (g) (1) The Commission shall use the [following funding sources]
18 **ASSESSMENTS COLLECTED IN ACCORDANCE WITH § 2-110 OF THIS ARTICLE** for the
19 initial development of the training and educational program[:

20 (i) the assessments collected in accordance with § 2-110 of this
21 article; or

22 (ii) funds deposited into the Education and Protection Fund in
23 accordance with § 7-310 of this subtitle].

24 (2) The Commission may establish reasonable fees to pay for the costs of
25 the program.

26 7-507.

27 (a) A person, other than an electric company providing standard offer service
28 under § 7-510(c) of this subtitle, a municipal electric utility serving customers solely in its
29 distribution territory, [the Department of General Services selling energy under § 7-704.4
30 of this title,] or a community choice aggregator under § 7-510.3 of this subtitle, may not
31 engage in the business of an electricity supplier in the State unless the person holds a
32 license issued by the Commission.

1 (b) [(1)] An application for an electricity supplier license shall:

2 [(i)] (1) be made to the Commission in writing on a form adopted
3 by the Commission;

4 [(ii)] (2) be verified by oath or affirmation; and

5 [(iii)] (3) contain information that the Commission requires,
6 including:

7 [1.] (I) proof of technical and managerial competence;

8 [2.] (II) proof of compliance with all applicable
9 requirements of the Federal Energy Regulatory Commission, and any independent system
10 operator or regional or system transmission operator to be used by the licensee;

11 [3.] (III) a certification of compliance with applicable federal
12 and State environmental laws and regulations that relate to the generation of electricity;
13 and

14 [4.] (IV) payment of the applicable licensing fee.

15 [(2) (i) The term of a residential electricity supplier license is 3 years.

16 [(ii) The terms of licenses may be staggered as determined by the
17 Commission.

18 [(iii) Unless a license for a residential electricity supplier is renewed
19 for a 3-year term in accordance with this subsection, the license expires on the date that
20 the Commission sets.

21 [(iv) A licensee may renew a license for a 3-year term before the
22 license expires if the licensee:

23 1. otherwise is entitled to be licensed;

24 2. submits to the Commission a renewal application on the
25 form that the Commission provides; and

26 3. pays to the Commission the applicable renewal fee set by
27 the Commission.]

28 (c) The Commission shall, by regulation or order:

29 (1) require proof of financial integrity;

1 (2) require a licensee to post a bond or other similar instrument if, in the
2 Commission's judgment, the bond or similar instrument is necessary to insure an electricity
3 supplier's financial integrity;

4 (3) require a licensee to:

5 (i) provide proof that the licensee is qualified to do business in the
6 State with the Department of Assessments and Taxation; and

7 (ii) agree to be subject to all applicable taxes; and

8 (4) adopt any other requirements the Commission finds to be in the public
9 interest, which may include different requirements for:

10 (i) electricity suppliers that serve only large customers; and

11 (ii) the different categories of electricity suppliers.

12 (d) A license issued under this section may not be transferred without prior
13 Commission approval.

14 (e) The Commission shall adopt regulations or issue orders to:

15 (1) protect consumers, electric companies, **AND** electricity suppliers[,
16 energy salespersons, and energy vendors] from anticompetitive and abusive practices;

17 (2) require each electricity supplier[, each energy salesperson, and each
18 energy vendor] to provide, in addition to the requirements under § 7-505(b)(5) of this
19 subtitle, adequate and accurate customer information to enable customers to make
20 informed choices regarding the purchase of any electricity services offered by the electricity
21 supplier;

22 (3) establish reasonable restrictions on telemarketing;

23 (4) establish procedures for contracting with customers;

24 (5) establish requirements and limitations relating to deposits, billing,
25 collections, and contract cancellations;

26 (6) establish provisions providing for the referral of a delinquent account
27 by an electricity supplier to the standard offer service under § 7-510(c) of this subtitle; and

28 (7) establish procedures for dispute resolution.

29 (f) In accordance with regulations or orders of the Commission, electricity bills,
30 for competitive and regulated electric services, provided to consumers may provide, in

1 addition to the requirements of § 7-505(b)(5) of this subtitle and subsection (e)(2) of this
2 section, the following information:

3 (1) the identity and phone number of the electricity supplier of the service;

4 (2) sufficient information to evaluate prices and services; and

5 (3) information identifying whether the price is regulated or competitive.

6 (g) (1) An electricity supplier[, an energy salesperson, an energy vendor,] or
7 any person or governmental unit may not, without first obtaining the customer's
8 permission:

9 (i) make any change in the electricity supplier for a customer; or

10 (ii) add a new charge for a new or existing service or option.

11 (2) The Commission shall adopt regulations or issue orders establishing
12 procedures to prevent the practices prohibited under paragraph (1) of this subsection.

13 (h) (1) An electricity supplier[, an energy salesperson, or an energy vendor]
14 may not discriminate against any customer based wholly or partly on race, color, creed,
15 national origin, gender identity, disability, sexual orientation, or sex of an applicant for
16 service or for any arbitrary, capricious, or unfairly discriminatory reason.

17 (2) An electricity supplier[, an energy salesperson, or an energy vendor]
18 may not refuse to provide service to a customer except by the application of standards that
19 are reasonably related to the electricity supplier's economic and business purposes.

20 (i) An electricity supplier[, an energy salesperson, and an energy vendor] shall
21 be subject to all applicable federal and State environmental laws and regulations.

22 (j) An electricity supplier shall post on the Internet information that is readily
23 understandable about its services and rates for small commercial and residential electric
24 customers.

25 (k) (1) [Subject to subsection (r) of this section, for just cause on the
26 Commission's own investigation or on complaint of the Office of People's Counsel, the
27 Attorney General, or an affected party, the Commission may:

28 (i) deny a license to, or revoke, suspend, or refuse to renew the
29 license of, an electricity supplier, an energy salesperson, or an energy vendor;

30 (ii) impose a civil penalty or other remedy;

31 (iii) order a refund or credit to a customer; or

1 (iv) impose a moratorium on adding or soliciting additional
2 customers by the electricity supplier, energy salesperson, or energy vendor] **THE**
3 **COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF AN ELECTRICITY**
4 **SUPPLIER, IMPOSE A CIVIL PENALTY OR OTHER REMEDY, ORDER A REFUND OR**
5 **CREDIT TO A CUSTOMER, OR IMPOSE A MORATORIUM ON ADDING OR SOLICITING**
6 **ADDITIONAL CUSTOMERS BY THE ELECTRICITY SUPPLIER FOR JUST CAUSE ON THE**
7 **COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF THE OFFICE OF**
8 **PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED PARTY.**

9 (2) A civil penalty may be imposed in addition to the Commission's decision
10 to [deny,] revoke[,] **OR** suspend, [or refuse to renew] a license or impose a moratorium.

11 (3) Just cause includes:

12 (i) intentionally providing false information to the Commission;

13 (ii) switching, or causing to be switched, the electricity supply for a
14 customer without first obtaining the customer's permission;

15 (iii) failing to provide electricity for its customers;

16 (iv) committing fraud or engaging in deceptive practices;

17 (v) failing to maintain financial integrity;

18 (vi) violating a Commission regulation or order;

19 (vii) failing to pay, collect, remit, or calculate accurately applicable
20 State or local taxes;

21 (viii) violating a provision of this article or any other applicable
22 consumer protection law of the State;

23 (ix) conviction of a felony by the licensee or principal of the licensee
24 or any crime involving fraud, theft, or deceit; **AND**

25 (x) [denial,] suspension[,] or revocation of [or refusal to renew] a
26 license by any State or federal authority[; and

27 (xi) commission of any of the acts described in items (i) through (x) of
28 this paragraph by a person that is an affiliate of the licensee or that is under common
29 control with the licensee].

30 (l) (1) An electricity supplier[, an energy vendor, or any other] **OR** person[,
31 except for an energy salesperson,] selling or offering to sell electricity in the State in

1 violation of this section [or § 7–318 of this title], after notice and an opportunity for a
2 hearing, is subject to:

3 (i) a civil penalty of not more than ~~[\$25,000]~~ **\$10,000** for the
4 violation; **OR**

5 (ii) license ~~[denial,]~~ revocation~~[,]~~ or suspension [or refusal to renew
6 the license; or

7 (iii) both].

8 (2) [An energy salesperson selling or offering to sell electricity in the State
9 in violation of this section or § 7–317 of this title, after notice and an opportunity for a
10 hearing, is subject to license denial, revocation, or suspension or refusal to renew the
11 license.

12 (3) Each day [or part of a day] a violation continues is a separate violation.

13 [(4) Each customer to whom electricity is sold or offered in violation of this
14 section is a separate violation.

15 (5) (3) The Commission shall determine the amount of any civil penalty
16 after considering:

17 (i) the number of previous violations of any provision of this division
18 [by the electricity supplier, energy vendor, or other person];

19 (ii) the gravity of the current violation; **AND**

20 (iii) the good faith of the electricity supplier[, energy vendor, or
21 other] **OR** person charged in attempting to achieve compliance after notification of the
22 violation[; and

23 (iv) any other matter that the Commission considers appropriate and
24 relevant].

25 (m) In connection with a consumer complaint or Commission investigation under
26 this section [or § 7–317 or § 7–318 of this title, an electricity supplier, an energy
27 salesperson, energy vendor, and any other person selling or offering to sell electricity in the
28 State], **AN ELECTRICITY SUPPLIER** shall provide to the Commission access to any
29 accounts, books, papers, and documents that the Commission considers necessary to resolve
30 the matter at issue.

1 (n) The Commission may order the electricity supplier[, energy salesperson, an
2 energy vendor, or other person] to cease adding or soliciting additional customers or to
3 cease serving customers in the State.

4 (o) The Commission shall consult with the Consumer Protection Division of the
5 Office of the Attorney General before issuing regulations designed to protect consumers.

6 (p) The People's Counsel shall have the same authority in licensing, complaint,
7 and dispute resolution proceedings as it has in Title 2 of this article.

8 (q) Nothing in this subtitle may be construed to affect the authority of the
9 Division of Consumer Protection in the Office of the Attorney General to enforce violations
10 of Titles 13 and 14 of the Commercial Law Article or any other applicable State law or
11 regulation in connection with the activities of electricity suppliers[, energy salespersons,
12 and energy vendors].

13 [(r) The Commission may not impose a civil penalty on an energy salesperson
14 under subsection (k) or (l) of this section.]

15 7-510.

16 (a) (1) Subject to subsection (b) of this section, the phased implementation of
17 customer choice shall be implemented as follows:

18 (i) on July 1, 2000, one-third of the residential class in the State of
19 each electric company shall have the opportunity for customer choice;

20 (ii) on January 1, 2001, the entire industrial class and the entire
21 commercial class in the State of each electric company shall have the opportunity for
22 customer choice;

23 (iii) on July 1, 2001, two-thirds of the residential class in the State
24 of each electric company shall have the opportunity for customer choice;

25 (iv) on July 1, 2002, all customers of each electric company shall have
26 the opportunity for customer choice; and

27 (v) by July 1, 2003, under a separate schedule adopted by the
28 Commission, all customers of each electric cooperative shall have the opportunity for
29 customer choice.

30 (2) (i) In accordance with this paragraph, the Commission may adopt a
31 separate schedule for municipal electric utilities for the implementation of customer choice.

32 (ii) A municipal electric utility may not be required to make its
33 service territory available for customer choice unless it elects to do so.

1 (iii) If a municipal electric utility elects to allow customer choice, the
2 municipal electric utility shall file a proposed plan and schedule with the Commission.

3 (iv) The Commission may approve each municipal electric utility
4 plan and schedule after considering the features that distinguish the municipal electric
5 utility from other electric companies.

6 (v) Nothing in this subtitle may be construed to require the
7 functional, operational, structural, or legal separation of the regulated and nonregulated
8 operations of the municipal electric utility.

9 (3) If a municipal electric utility serves customers outside its distribution
10 territory, electricity suppliers licensed under § 7-507 of this subtitle may serve the
11 customers in the distribution territory of the municipal electric utility.

12 (b) For good cause shown and if the Commission finds the action to be in the
13 public interest, the Commission may:

14 (1) accelerate or delay the initial implementation date of July 1, 2000, by
15 up to 3 months; or

16 (2) accelerate any of the other implementation dates and phase-in
17 percentages in subsection (a) of this section.

18 (c) (1) Beginning on the initial implementation date, an electric company's
19 obligation to provide electricity supply and electricity supply service is stated by this
20 subsection.

21 (2) (i) Electricity supply purchased from a customer's electric company
22 is known as standard offer service.

23 (ii) A customer is considered to have chosen the standard offer
24 service if the customer:

25 1. is not allowed to choose an electricity supplier under the
26 phase in of customer choice in subsection (a) of this section;

27 2. contracts for electricity with an electricity supplier and it
28 is not delivered;

29 3. cannot arrange for electricity from an electricity supplier;

30 4. does not choose an electricity supplier;

31 5. chooses the standard offer service; or

1 6. has been denied service or referred to the standard offer
2 service by an electricity supplier in accordance with § 7–507(e)(6) of this subtitle.

3 (3) (i) An electric company has the obligation to provide standard offer
4 service to residential and small commercial customers at a market price that permits
5 recovery of the verifiable, prudently incurred costs to procure or produce the electricity plus
6 a reasonable return.

7 (ii) 1. On or before December 31, 2008, and every 5 years
8 thereafter, the Commission shall report to the Governor and, in accordance with § 2–1257
9 of the State Government Article, to the General Assembly on the status of the standard
10 offer service [and], the development of competition, **AND THE TRANSITION OF STANDARD**
11 **OFFER SERVICE TO A DEFAULT SERVICE.**

12 **2. THE COMMISSION SHALL ESTABLISH, BY ORDER OR**
13 **REGULATION, THE DEFINITION OF “DEFAULT SERVICE”.**

14 (4) (i) 1. On or before July 1, 2001, the Commission shall adopt
15 regulations or issue orders to establish procedures for the competitive selection of wholesale
16 electricity suppliers, including an affiliate of an electric company, to provide electricity for
17 standard offer service to customers of electric companies under paragraph (2) of this
18 subsection, except for customers of electric cooperatives and municipal electric utilities.

19 2. Unless delayed by the Commission, the competitive
20 selection shall take effect no later than July 1, 2003.

21 (ii) 1. Under the obligation to provide standard offer service in
22 accordance with this subsection, the Commission, by regulation or order, and in a manner
23 that is designed to obtain the best price for residential and small commercial customers in
24 light of market conditions at the time of procurement and the need to protect these
25 customers from excessive price increases:

26 A. shall require each investor–owned electric company to
27 obtain its electricity supply for residential and small commercial customers participating
28 in standard offer service through a competitive process in accordance with this paragraph;
29 and

30 B. may require or allow an investor–owned electric company
31 to procure electricity for these customers directly from an electricity supplier through one
32 or more bilateral contracts outside the competitive process.

33 2. A. As the Commission directs, the competitive process
34 shall include a series of competitive wholesale bids in which the investor–owned electric
35 company solicits bids to supply anticipated standard offer service load for residential and
36 small commercial customers as part of a portfolio of blended wholesale supply contracts of
37 short, medium, or long terms, and other appropriate electricity products and strategies, as
38 needed to meet demand in a cost–effective manner.

1 B. The competitive process may include different bidding
2 structures and mechanisms for base load, peak load, and very short-term procurement.

3 C. By regulation or order, as a part of the competitive process,
4 the Commission shall require or allow the procurement of cost-effective energy efficiency
5 and conservation measures and services with projected and verifiable energy savings to
6 offset anticipated demand to be served by standard offer service, and the imposition of other
7 cost-effective demand-side management programs.

8 3. A. In order to prevent an excessive amount of load
9 being exposed to upward price risks and volatility, the Commission may stagger the dates
10 for the competitive wholesale auctions.

11 B. By regulation or order, the Commission may allow a date
12 on which a competitive wholesale auction takes place to be altered based on current market
13 conditions.

14 4. By regulation or order, the Commission may allow an
15 investor-owned electric company to refuse to accept some or all of the bids made in a
16 competitive wholesale auction in accordance with standards adopted by the Commission.

17 5. The investor-owned electric company shall publicly
18 disclose the names of all bidders and the names and load allocation of all successful bidders
19 90 days after all contracts for supply are executed.

20 (5) An electric company may procure the electricity needed to meet its
21 standard offer service electricity supply obligation from any electricity supplier, including
22 an affiliate of the electric company.

23 (6) In order to meet long-term, anticipated demand in the State for
24 standard offer service and other electricity supply, the Commission may require or allow
25 an investor-owned electric company to construct, acquire, or lease, and operate, its own
26 generating facilities, and transmission facilities necessary to interconnect the generating
27 facilities with the electric grid, subject to appropriate cost recovery.

28 (7) (i) To determine whether an appropriate phased implementation of
29 electricity rates that is necessary to protect residential customers from the impact of
30 sudden and significant increases in electricity rates, the Commission in the case of an
31 increase of 20% or more over the previous year's total electricity rates, shall conduct
32 evidentiary proceedings, including public hearings.

33 (ii) 1. A deferral of costs as part of a phased implementation of
34 electricity rates by an investor-owned electric company shall be treated as a regulatory
35 asset to be recovered in accordance with a rate stabilization plan under Part III of this
36 subtitle or any other plan for phased implementation approved by the Commission.

1 2. A deferral of costs under this paragraph must be just,
2 reasonable, and in the public interest.

3 (iii) The Commission shall approve the recovery of deferred costs
4 under subparagraph (ii) of this paragraph as:

5 1. long-term recovery in accordance with a rate stabilization
6 plan under Part III of this subtitle; or

7 2. short-term recovery through a rate proceeding
8 mechanism approved by the Commission.

9 (iv) The Commission may approve a phasing in of increased costs by:

10 1. placing a cap on rates and allowing recovery over time; or

11 2. allowing rates to increase and providing for a rebate to
12 customers of any excess costs paid.

13 (8) (i) An electric cooperative that as of July 1, 2006, supplied its
14 standard offer service load through a portfolio of blended wholesale supply contracts of
15 short, medium, and long terms, and other appropriate electricity products and strategies,
16 as needed to meet demand in a cost-effective manner, may choose to continue to use a
17 blended portfolio:

18 1. as approved and modified by the electric cooperative's
19 board of directors; and

20 2. with appropriate review for prudent cost recovery as
21 determined by the Commission.

22 (ii) The Commission may not set or enforce a termination date for
23 the procurement of supply through a managed portfolio previously approved by the
24 Commission.

25 (9) (i) The Commission, on request by an electric cooperative or on its
26 own initiative, shall initiate a proceeding to investigate options for a rate stabilization plan
27 to assist residential electric customers to gradually adjust to market rates over an extended
28 period of time.

29 (ii) If an electric cooperative determines that total electric rates for
30 residential customers are anticipated to increase by more than 20% in a 12-month period
31 resulting from an increase in the cost of generation, the electric cooperative shall survey its
32 membership to determine whether to make a request to the Commission to initiate a
33 proceeding under subsection (a) of this section.

1 (iii) Notwithstanding subparagraphs (i) and (ii) of this paragraph, as
2 approved by the Commission, an electric cooperative may receive a modification in
3 distribution and transmission rates.

4 [(10) (i) This paragraph does not apply to a member-regulated
5 cooperative as defined in § 5-601 of the Corporations and Associations Article.

6 (ii) An electric cooperative may advertise, market, and promote
7 standard offer service and related products in its service territory, including availability,
8 price, and other terms, in compliance with appropriate consumer protections consistent
9 with those that apply to electricity suppliers under § 7-507 of this subtitle.

10 (d) (1) This subsection applies to residential electricity supply other than
11 supply offered through:

12 (i) standard offer service;

13 (ii) the Department of General Services' sale of energy under §
14 7-704.4 of this title; or

15 (iii) a community choice aggregator under § 7-510.3 of this subtitle.

16 (2) A residential electricity supplier:

17 (i) may offer electricity, other than green power, only at a price that
18 does not exceed the trailing 12-month average of the electric company's standard offer
19 service rate in the electric company's service territory as of the date of agreement with the
20 customer;

21 (ii) may offer residential electricity supply only for a term not to
22 exceed 12 months at a time;

23 (iii) may, for electricity supply other than green power, automatically
24 renew the term only if the electricity supplier provides notice to the customer 90 days before
25 and 30 days before renewal;

26 (iv) may offer green power that meets the requirements of § 7-707 of
27 this title, but may not automatically renew the term with the customer;

28 (v) subject to paragraph (3) of this subsection, may not offer a
29 variable rate other than a rate that adjusts for seasonal variation not more than twice in a
30 single year; and

31 (vi) may not pay a commission or other incentive-based
32 compensation to an energy salesperson for enrolling customers.

1 (3) Paragraph (2)(v) of this subsection does not prohibit the offer and use
2 of time-of-use rates that establish different rates for periods within a single day.

3 (4) A residential electricity supplier may not sell to an electric company,
4 and an electric company may not purchase from the electricity supplier, accounts
5 receivable.

6 (e) (1) This subsection does not apply to:

7 (i) the Department of General Services' sale of energy under §
8 7-704.4 of this title; or

9 (ii) a community choice aggregator under § 7-510.3 of this subtitle.

10 (2) An electric company and a residential electricity supplier shall
11 establish a mechanism for a customer whose account number or customer choice
12 identification number has been compromised to receive a replacement account number or
13 customer choice identification number on request, subject to verification in a manner
14 approved by the Commission.

15 (f) (1) This subsection does not apply to:

16 (i) the Department of General Services' sale of energy under §
17 7-704.4 of this title; or

18 (ii) a community choice aggregator under § 7-510.3 of this subtitle.

19 (2) Except as provided in paragraph (3) of this subsection, as approved by
20 the Commission by regulation or order, each electric company and each residential
21 electricity supplier shall allow a customer to indicate the customer's intention to remain on
22 standard offer service indefinitely and not to receive directed marketing contacts from
23 electricity suppliers through the implementation of a "do not transfer" list onto which the
24 customer may request to be placed.

25 (3) A residential electricity supplier may contact a customer on a "do not
26 transfer" list until the electricity supply agreement entered into between the electricity
27 supplier and the customer expires.

28 (g) (1) In this subsection, "billing entity" means an electric company, a licensed
29 electricity supplier, or any other entity that is responsible for issuing an electric bill to a
30 residential customer.

31 (2) On or before the 15th day of each month, each billing entity shall submit
32 a report to the Commission on customer choice in its service territory for the preceding
33 month, including:

1 (i) the total kilowatt-hours distributed to customers purchasing
2 electricity from a third-party electricity supplier;

3 (ii) the total supply cost charged to customers purchasing electricity
4 from a third-party electricity supplier;

5 (iii) the total cost that customers specified in item (ii) of this
6 paragraph would have paid under standard offer service;

7 (iv) the net third-party total cost compared to the net standard offer
8 service cost;

9 (v) the total third-party average rate;

10 (vi) the standard offer service average rate;

11 (vii) the difference between the total third-party average rate and the
12 standard offer service average rate;

13 (viii) the third-party average residential rates broken out by supplier
14 and the variance between each of these rates and the standard offer service average rate;

15 (ix) the third-party average general service nondemand rates broken
16 out by supplier and the variance between each of these third-party rates and the standard
17 offer service average rate;

18 (x) the third-party average general service demand rates broken out
19 by supplier and the variance between each of these third-party rates and the standard offer
20 service average rate;

21 (xi) the third-party average large power demand rates broken out by
22 supplier and the variance between each of these third-party rates and the standard offer
23 service average rate; and

24 (xii) other pertinent information the Commission considers
25 appropriate.]

26 **[(h)] (D)** The Commission shall, by regulation or order, adopt procedures to
27 implement this section, **INCLUDING THE ALLOCATION OF ANY UNUSED OPPORTUNITY**
28 **FOR CUSTOMER CHOICE AMONG CUSTOMER CLASSES.**

29 **[(i)] (E)** Except as provided in § 7-510.3 of this subtitle, a county or municipal
30 corporation may not act as an aggregator unless the Commission determines there is not
31 sufficient competition within the boundaries of the county or municipal corporation.

32 7-602.

1 The General Assembly finds and declares that the purpose of this subtitle is to:

2 (1) clarify existing law regarding the provision of competitive retail gas
3 supply and gas supply services in the State;

4 (2) require the Commission to license gas suppliers[, energy salespersons,
5 and energy vendors];

6 (3) authorize the Commission to adopt complaint procedures;

7 (4) establish certain requirements relating to the competitiveness of retail
8 gas supply and gas supply services markets; and

9 (5) establish standards for the protection of consumers.

10 7-603.

11 (a) The Commission shall license gas suppliers[, energy salespersons, and energy
12 vendors] and shall have the same authority as the Commission has under [§§ 7-317,
13 7-318, and 7-507] **§ 7-507** of this title for electricity suppliers, [energy salespersons, and
14 energy vendors,] including the authority to:

15 (1) [deny,]revoke[,] **OR** suspend[, or refuse to renew] a license;

16 (2) impose a moratorium, civil penalty, or other remedy; or

17 (3) order a refund for or credit to a customer.

18 (b) The Commission shall adopt licensing requirements and procedures for gas
19 suppliers[, energy salespersons, and energy vendors that protect consumers, the public
20 interest, and the collection of all State and local taxes, consistent with the requirements for
21 electricity suppliers under Subtitle 5 of this title and energy salespersons and energy
22 vendors under Subtitle 3 of this title] **THAT PROTECT CONSUMERS, THE PUBLIC
23 INTEREST, AND THE COLLECTION OF ALL STATE AND LOCAL TAXES.**

24 7-604.

25 (a) On or before July 1, 2001, the Commission shall adopt consumer protection
26 orders or regulations for gas suppliers[, energy salespersons, and energy vendors] that:

27 (1) protect consumers from discriminatory, unfair, deceptive, and
28 anticompetitive acts and practices in the marketing, selling, or distributing of natural gas;

29 (2) provide for contracting, enrollment, and billing practices and
30 procedures; and

1 (3) the Commission considers necessary to protect the consumer.

2 (b) In adopting orders and regulations under this section, unless the Commission
3 determines that the circumstances do not require consistency, the Commission shall:

4 (1) provide customers with protections consistent with applicable
5 protections provided to retail electric customers; and

6 (2) impose appropriate requirements on gas suppliers[, energy
7 salespersons, and energy vendors] that are consistent with applicable requirements
8 imposed on electricity suppliers[, energy salespersons, and energy vendors].

9 7-605.

10 (a) This subtitle may not be construed to:

11 (1) affect the authority of the Division of Consumer Protection of the Office
12 of the Attorney General to enforce violations of Titles 13 and 14 of the Commercial Law
13 Article or any other applicable State law or regulation in connection with the activities of
14 gas suppliers[, energy salespersons, or energy vendors]; or

15 (2) exempt gas companies[, AND gas suppliers[, energy salespersons, and
16 energy vendors] from otherwise applicable State or federal consumer protection and
17 antitrust laws.

18 (b) The Commission shall consult with the Consumer Protection Division of the
19 Office of the Attorney General before adopting regulations designed to protect consumers
20 of gas supply and gas supply services.

21 (c) The People's Counsel has the same authority in licensing, complaint, and
22 dispute resolution proceedings as the People's Counsel has under Subtitle 5 of this title and
23 Title 2 of this article.

24 (d) In connection with a consumer complaint or Commission investigation under
25 this subtitle, a gas supplier[, an energy salesperson, or an energy vendor] shall provide to
26 the Commission access to any accounts, books, papers, and documents that the Commission
27 considers necessary to resolve a matter in dispute.

28 7-705.

29 (a) [(1) Except as provided in paragraph (2) of this subsection, each] **EACH**
30 electricity supplier shall submit a report to the Commission each year in a form and by a
31 date specified by the Commission that:

1 **(1)** (i) [1.] demonstrates that the electricity supplier has complied
 2 with the applicable renewable energy portfolio standard under § 7–703 of this subtitle and
 3 includes the submission of the required amount of renewable energy credits; or

4 **[2.] (II)** demonstrates the amount of electricity sales by
 5 which the electricity supplier failed to meet the applicable renewable energy portfolio
 6 standard; **AND**

7 **[(ii)] (2)** documents the level of participation of minority business
 8 enterprises and minorities in the activities that support the creation of renewable energy
 9 credits used to satisfy the standard under § 7–703 of this subtitle, including development,
 10 installation, and operation of generating facilities that create credits[;

11 (iii) documents the amounts and types of generation associated with
 12 renewable energy credits purchased in compliance with § 7–707(c) of this subtitle during
 13 the reporting period; and

14 (iv) documents the amount of renewable energy certificates that do
 15 not qualify as renewable energy credits as defined in § 7–701 of this subtitle, including, for
 16 each certificate:

17 1. the energy source associated with the certificate, including
 18 its location, when it was constructed, and which electric distribution system received the
 19 energy;

20 2. whether the purchase of the certificate was bundled with
 21 a power purchase agreement from the energy source associated with the certificate;

22 3. whether the certificate was purchased directly from the
 23 operator of the energy source or through a third party; and

24 4. any other information required by the Commission.

25 **(2)** Paragraph (1)(iii) and (iv) of this subsection does not apply to:

26 (i) the Department of General Services' sale of energy under §
 27 7–704.4 of this subtitle; or

28 (ii) a community choice aggregator under § 7–510.3 of this title].

29 13–201.

30 (a) This section does not apply to a violation of the following provisions of this
 31 article:

32 (1) Title 5, Subtitle 4;

1 (2) Title 7, Subtitle 1;

2 (3) § 7–213 as it applies to electric cooperatives;

3 (4) Title 8, Subtitles 1 and 3;

4 (5) Title 9, Subtitle 3; and

5 (6) Title 8, Subtitle 4.

6 (e) (3) A civil penalty assessed for a violation of [§ 7–317, § 7–318,] §
7 7–505(b)(7), § 7–507, § 7–603, [§ 7–603.1,] § 7–604, **OR** § 7–606, [or § 7–707] of this article,
8 or a rule, an order, or a regulation adopted under any of those sections, shall be paid into
9 the **RETAIL CHOICE CUSTOMER** Education and Protection Fund under § 7–310 of this
10 article.

11 SECTION 3. AND BE IT FURTHER ENACTED, That the division within the Public
12 Service Commission established in accordance with Section 2 of Chapter 537 of the Acts of
13 the General Assembly of 2024 shall be abolished. Any Position Identification Numbers
14 (PINs) created in accordance with Section 2 of Chapter 537 of the Acts of the General
15 Assembly of 2024 shall remain with the Commission and any employee hired or assigned
16 to that division shall be reassigned to an equivalent position elsewhere within the
17 Commission. No employee affected by a reassignment in accordance with this Section shall
18 suffer any diminution in pay or benefits resulting from the reassignment.

19 SECTION 4. AND BE IT FURTHER ENACTED, That Section 5 of Chapter 537 of
20 the Acts of the General Assembly of 2024 be repealed.

21 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall be construed to
22 apply only prospectively and may not be applied or interpreted to have any effect on or
23 application to any electricity supply agreement or gas supply agreement that is in effect on
24 or before the effective date of this Act.

25 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2026.