

**SB 681 Electricity and Gas - Energy Suppliers –
Customer Protections
Senate Finance Committee
February 25th, 2020
Support**

Madame Chairwoman and members of the Senate Finance Committee.

When the Electric Choice Act was signed in 1999 I don't think legislators thought that 60 or so suppliers would be charging variable rates that change everyday and can be based on energy market trends and profit needs. An essential service that every household must sign up for, connection to a utility, should not be priced at risky variable rates.

To my knowledge, only Constellation and WGL renew their time limited contracts to fixed rates. All other suppliers, the other 48 found in EIA 861 data use variable rates. The chart

below takes this data from 2013 and separates out the rates on average that utilities charge for standard electricity, the rates Constellation and WGL charge on averaged, and the “other 48.” There is clear evidence that the firms charging variable rates are not providing economic benefits for their 275,000 customers. That’s 10% of Maryland households. Many have no idea they’re contract is on variable rates.

I support all aspects of SB681, including eliminating variable rates as an option when a contract is automatically renewed. Thank you for considering many of the provisions in SB681.

275,000 Households Enrolled with “Other 48 suppl
12% Have **Not Benefited from Choice on average**

