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Legislative District 43  
Baltimore City

Education, Health, and  
Environmental Affairs Committee

*Chair*  
Joint Committee on Ending  
Homelessness

*Chair*  
Joint Committee on Children,  
Youth, and Families



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## **SUPPORT – SB681** **Electricity Suppliers and Gas Suppliers – Consumer Protections**

Dear Madame Chair, Vice Chair Feldman and members of the Finance Committee,  
SB681, which would enact common sense reforms to protect consumers against third party energy supplier's often predatory practices.

There are 14 energy deregulated states (NY, NH, DC, MA, CT, IL, PA, NJ, DE, ME, OH, MD, TX) and most are way ahead of MD in that they have already reformed, or are reforming, residential high energy supply pricing results.

SB681 emulates what Illinois signed (no dissenting votes) in June 2019 called the HEAT Act:

One important thing to keep in mind in terms of why the need for this bill, is that what PSC has stated many times -- that they are regulators of supplier purchase transactions, but they do not regulate pricing.

### **SB681 would require:**

**No more variable rate renewals.** Suppliers will no longer be able to automatically switch someone from an introductory fixed rate to a variable rate unless the customer says it's ok. Today's problem is that buried within the fine print in terms and conditions and contracts -- which no one sees until after the sale because everyone is signed up using e-tablets that supplier sales reps carry around with them -- is a quiet clause that if a supplier doesn't hear back from customer in a certain amount of time after signing up, the supplier can convert the account to variable rates. So after a 1-3 month "teaser or promo" rate, customers are *auto renewed* for a new contract, sometimes for a year or even up to three years, with a higher, variable rate. BGE's rates are fixed and change twice a year. All suppliers use variable rates except WGL and Constellation (Exelon's). This bill would end this practice.

**Print "supplier math" on all utility bills.** We all know how difficult utility bills can be to figure out – In terms of what and how much you are actually billed for gas and electric each month. SB681 would ensure that utility bills clearly print the exact amount that a customer would have paid for electric and gas through a standard utility company versus what their third party supplier charged – shows loss/savings. This is something SMECO already does on all of their bills.

**Cap early cancellation fees at \$50.** Suppliers can set early cancellation fees at any amount they choose – something else buried in the terms and conditions and contracts. Customer get hijacked into staying into expensive contracts, paying more for their monthly energy, but they stay because they can't afford to pay the cancellation fee to get out of the contract. SB681 would cap these early cancellation fees at \$50.

Thank you for your time and I ask you for a favorable report on HB681.

In Partnership,

A handwritten signature in blue ink, appearing to read "Mary Washington". The signature is fluid and cursive, with a large loop at the end.

Mary Washington

For more information, please contact:

Senator Mary Washington

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