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February 4, 2021

To: The Honorable Dereck E. Davis
Chair, Economic Matters Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 397 – Electricity and Gas – Energy Supply Offers – Supply Offers
(SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 397 submitted by Delegate Brooke E. Lierman. This bill requires the Public Service Commission to establish a process for approval of offers of gas or electricity by third-party suppliers to households who receive energy assistance through the Office of Home Energy Programs and prevents the charge of a termination fee.

The Consumer Protection Division has received numerous calls and complaints about third-party energy suppliers misrepresenting the savings they claim to offer consumers or signing up consumers without authorization. While low-income consumers who receive energy assistance may seek their gas and electricity through a third-party supplier, the rates may be higher than what they would pay through standard offer service, whether or not the consumer realized this. When energy assistance is being used to pay all or part of the funds, the Public Service Commission has a vested interest in ensuring that the consumer's decision to contract with a third-party supplier is based on accurate information and the rate being charged to the consumers is both reasonable and competitive with standard offer service. By permitting the Commission to establish a process to evaluate these offers, the common good is ensured for all parties involved.

For these reasons, we ask that the Economic Matters Committee return a favorable report on this bill.

cc: The Honorable Brooke E. Lierman
Members, Economic Matters Committee