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HB 397 Electricity and Gas - Energy Suppliers - Assisted Customers
Senate Finance Committee
FAVORABLE
February 4, 2021

Good Afternoon Chairman Davis and Members of the House Economic Matters Committee. My name is Tammy Bresnahan. I am Director of Advocacy for AARP Maryland. As you know, AARP Maryland is one of the largest membership-based organizations, encompassing almost over 850,000 members. AARP MD overwhelmingly support **397 Electricity and Gas - Energy Suppliers - Assisted Customers**. We thank Senator Washington for sponsoring this important legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

HB 397 requires the Public Service Commission, by January 1, 2022, to establish an administrative process to approve supply offers for electricity or gas for households in the State that receive energy assistance from the Office of Home Energy Programs. The bill prohibits, Third-party energy supplier serving households on Maryland state energy assistance in the previous 12 month period to charge the same, or lower, electric and natural gas rates as the account's regulated utility. Retail supplier must pre-enroll with the Public Service Commission to participate and guarantee savings for Maryland's most financially vulnerable households.

The presence of third party energy suppliers is a direct result of a wide-sweeping energy deregulation law signed in 1999. This legislation opened the door to energy retail competition and allowed consumers to purchase their electricity or natural gas supply from third-party suppliers, as well as from their local utility. The idea was that a deregulated energy market would provide consumers with choices, spark competition, and save everyone money. That is not happening.

Many vulnerable Marylanders are looking for cheaper utilities because they have limited to fixed incomes. Once the introductory rates expire--variable rates go into effect and for this population, your constituents face turn off notices and may in some cases, even lose their residency if they can't keep the lights on.

AARP
Real Possibilities

If this all seems a bit confusing, imagine what your constituents think. AARP Maryland noticed that our members are being heavily marketed. Worse, we noticed many are paying higher prices for the same electric/gas offered by BGE, Pepco, Delmarva, Potomac Edison or SMECO.

AARP believes that policymakers should ensure consumers have access to reliable, safe, and high-quality utility electric and gas services. Services should be offered at just and reasonable rates. Fair terms and conditions, as well as minimum service standard protections, must be included.

AARP also believes that policymakers should prohibit unfair, deceptive, or abusive acts or practices. These include unfair early termination penalties and misleading marketing practices.

For these reasons, we ask for a FAVORABLE report on HB 397. If you have questions, please contact Tammy Bresnahan at tbresnahan@arp.org or by calling 410-302-8451.