

House Economic Matters Committee
January 22, 2021

House Bill 473 – Electricity - Change of Address - Maintenance of Subscriptions and Contracts

POSITION: SUPPORT WITH AMENDMENTS

Thank you, Chairman Davis and members of the House Economic Matters Committee, for the opportunity to comment on HB473.

WGL Energy has served Maryland customers for over 20 years, delivering a full spectrum of energy solutions to residential, commercial, and industrial customers, across several utility service territories in the state. Competitive markets enable customers to find answers for their energy needs, and a robust retail market spurs innovation, compelling industry to meet changing customer demands.

Among other benefits, HB473 would enable an existing electric supplier customer to relocate to another premise within the same service territory and remain in an existing contract with their supplier, rather than revert to standard offer service as a result of a move. This process is also referred to as “Seamless Moves.”

Seamless Moves is a critical feature to achieve a well-functioning competitive retail energy market. In a fully-functional competitive market, customers must be able to exercise choice, and if they have chosen to shop, that they be able to keep their contract with their supplier if they move residences within a service territory.

Under the implementation of Seamless Moves, and among additional benefits to both the customer and the supplier that it provides, the customer may derive value from maintaining the original contract at terms that are no longer available under current market conditions. At the same time, the supplier has procured supplies in reliance on the contract and would be harmed if the contract were unnecessarily terminated.

However, this Seamless Moves process is not the way it currently works in Maryland.

In Maryland’s market today, when an existing supplier customer moves within a utility service territory, they must cancel their contract with their chosen energy supplier,

establish a new account with their utility at the location they are moving to, and then re-enroll with their supplier.

The lack of Seamless Moves triggers antiquated thinking, confuses customers, and leads to negative shopping experiences. Mandating that a customer cancel their supplier contract if they move residences, is the opposite of “choice” and encourages the old mentality of thinking that the utility is the provider of first resort rather than the supplier of last resort.

Implementing Seamless Moves as proposed in HB473 is critical to advancing Maryland’s competitive retail electric market, for the benefit of Maryland energy consumers.

Lastly, and to ensure there is no customer or supplier confusion under this process, WGL Energy requests amending the language in section (B) in HB473 from “may” to “shall.” That way, if the customer wants to cancel, they can cancel. It also ensures the supplier that its existing customer’s contract will remain the same.

As a result, we respectfully ask the Committee for a favorable report with amendments to HB473.

Thank you for your consideration.

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