



SB 31 FAVORABLE

Hearing: February 2, 2020

Debbie Brown – Director at Fuel Fund of Maryland

Thank you, Chairman Kelley, and members of the Finance Committee. My name is Debbie Brown. I am honored to be the Director at the Fuel Fund of Maryland.

I am here today testifying **in support of SB 31** to establish an administrative process to approve supply offers for electricity or gas for households in the state of Maryland that receive energy assistance through the Office of Home Energy Programs; also known as OHEP.

Since 1981, the Fuel Fund has been a lifeline for our vulnerable Maryland neighbors struggling with a home utility hardship during a financial crisis. As a result of the COVID-19 pandemic, the mission of the Fuel Fund of Maryland has never been greater.

The consequences of an unpaid utility bill **can be disastrous**. Evictions can occur displacing parents and children. Lack of power means children are unable to learn remotely. Health: at any age, may decline further in an unpowered home where refrigerated medications cannot be stored safely, or special medical equipment requires electricity to function.

The mission of the Fuel Fund remains steadfast: to help the most vulnerable families in central MD pay off their BGE bills to avoid termination. As a result of COVID-19, more than 150,000 households will be navigating the energy assistance maze for the first-time.

Every household that the Fuel Fund assists has already received allocated state energy assistance grants. Yet that household still owes a balance to return their balance to \$0. More than 80% of Fuel Fund clients “claw and scratch” to pay down their balance to avoid a utility termination.

An average Fuel Fund household has a utility arrearage of over \$1,100 and are living paycheck to paycheck. As a result of COVID-19, many of the households we assist have not worked since March 2020 or work a minimum wage paying job.

Unfortunately, these households will continue to struggle today, tomorrow, and beyond because their BGE bill is affordable. They will never be able to break out of this financial crisis. **Therefore, they are perfect “prey” for third party suppliers for a quick fix to their financial utility struggles.**

In a few minutes, you will hear from Laurel Peltier. The BGE data she reports was collected at GEDCO CARES, a Baltimore City nonprofit support agency who assists the Fuel Fund with providing energy assistance to the most vulnerable city residents.

The third-party Fuel Fund energy supplier stats are sobering: About half of the clients are on third-party supply.



- 110 family's bills were collected and spent on average spent \$625 more than they would have staying with BGE.

The critical grants Fuel Fund gives are best used when helping to pay down the lowest utility bill possible. Inflated utility bills diminish our impact and financial support in the community.

The Fuel Fund of Maryland wants to be a partner in the solution to protect low-income households on deregulated energy who receive energy assistance. We feel SB 31 is a fiscally responsible solution that supports retail choice and protects not only energy assistance funds, but the most vulnerable as well.

On behalf of the Fuel Fund of Maryland, I respectfully urge a favorable report for SB 31. Thank you for the opportunity to testify. I would be happy to answer any questions.

