



HoCoClimateAction.org
Howard County, Maryland

SB0001: Electricity and Gas - Retail Supply - Regulation and Consumer Protection

Hearing Date: March 26, 2024

Bill Sponsor: Senator Augustine

Committee: Economic Matters Committee

Submitting: Liz Feighner for HoCo Climate Action

Position: FAVORABLE for SB0001 AS AMENDED BY THE SENATE

[HoCo Climate Action](#) is a [350.org](#) local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the [Climate Justice Wing](#) of the [Maryland Legislative Coalition](#).

We urge support for this bill as amended by the Senate to increase Maryland regulation of third party providers, provide rate oversight and reporting, and include provisions to protect vulnerable populations. As amended we understand SB0001 will cover residential, not commercial customers. Additionally, Green power retail energy offers rates will be reviewed and approved by PSC. Retail energy CAN offer "green power" but the PSC will gain its first-ever authority to review why it's "green power" and approve the supplier's offer in an effort to price it fairly. This oversight has been lacking as we will discuss below..

HoCoClimateAction has been providing climate crisis education and advocacy in Howard County for over 15 years. For a large part of that time we unwittingly thought we could address the climate crisis by urging our audience to change from utilities' standard offer service (SOS) to a third party provider. We regret to say our organization's leaders switched over to "wind" "solar"/green rec offers and we convinced many members to switch over as well.

We stopped urging this switch a few years ago. In fact we advised people not to choose third party providers promoting these so-called "green" energy plans and instead to choose to support community solar, install their own solar panels, and move to heat pumps.

The environmental community was told that supporting third party providers who provide "green energy" plans, would result in the creation of more renewable energy in the U.S., if not in Maryland. In fact, we now know that this rarely occurs. And the whole RECs system is so opaque to the public. It is virtually impossible for the average person to find a third party provider whose RECs create new truly renewable energy. However in Maryland the facts show that third party providers have swarmed to this state with poorly trained and duplicitous salespeople targeting low income neighborhoods and the elderly with offers that are in the long term far more expensive than SOS, enticing many to switch.

We learned from SOS & retail rate data sourced from the Department of Energy's EIA 861 files (<https://www.eia.gov/electricity/data/eia861/>) that Maryland customers who switch paid \$500 over SOS, the second highest rate in the US.

It would be hard to undo the deregulation set in place in 1999 in Maryland (and many other states) although given the data it is hard to see how "CHOICE" benefits customers when there is:

- Lax regulation
- In most cases no transparency both of the climate benefits claimed and
- No transparency about the ultimate cost

This is a national problem, but weak oversight and regulation in Maryland has resulted in the great exploitation of state residents. This bill, SB0001, can reduce exploitation of Marylanders in several important ways.

- Requiring licenses for retail choice energy salespersons
- Requiring improved (more accurate) green power marketing
- Improving PSC oversight.

This bill is an important step in stopping exploitation of Marylanders in the name of "CHOICE". There is no real choice when consumers cannot access the true facts (such as they are not funding expansion of green power and that most will end up paying much much more than SOS.)

Please untie the hands of Maryland agencies like the Public Service Commission and the Office of the People's Counsel to protect the best interests of Marylanders.

We ask that you vote Favorable for SB0001 as amended by the Senate.

Howard County Climate Action

Submitted by Liz Feighner Steering and Advocacy Committee

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