



**TESTIMONY FOR SB0001
ELECTRICITY AND GAS – RETAIL SUPPLY – REGULATION AND CONSUMER
PROTECTION**

Bill Sponsor: Senator Augustine

Committee: Economic Matters

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE AS AMENDED BY THE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE

I am submitting this testimony in favor of SB0001 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Consumers in Maryland have the option of choosing their electric supplier. However, choice does not always equal informed choice. Many Marylanders have been taken in by the predatory practices of the electric supply companies, who have provided misleading information about green energy and have charged exorbitant prices for those products.

This bill, if enacted, would require retail supply salespersons to get a license from the Public Service Commission (PSC) in order to offer or sell electricity or gas supply agreements to customers in Maryland. The license will be good for three years and then must be renewed.

The bill also requires a retail supplier to offer electric service only at a price that does not exceed the trailing 12-month average of an electric utility's standard offer service; 2) for a term not to exceed 12 months at a time; 3) at a fixed rather than variable rate (other than for adjustments for seasonal variation and not more than twice a year); and 4) without an automatic contract renewal or early cancellation fee. Additionally, a retail supplier may not pay a commission or other incentive-based compensation to their salespersons for enrolling customers.

The bill will support vulnerable populations by prohibiting a retail supplier from offering or providing electricity supply to a customer who receives energy assistance. Also, each electric company and electricity supplier must allow a customer to indicate a preference to remain on utility standard offer service indefinitely; in essence a "do-not-call" list to prevent future direct marketing by retail suppliers. Finally, the bill restricts an electric company from purchasing "receivables" (i.e., the electricity commodity) from an electricity supplier. In other words, the supplier won't be paid until the utility is paid. The existing "purchase of receivables" (POR) practice has enabled retail suppliers to price-gouge low-income consumers, while the utility bore all the risk of non-payment.

For optional green power products, an electricity supplier must purchase renewable energy credits (RECs) for each year they offer green power for sale to residential customers, beginning January 1, 2025 and thereafter. These RECs must be: 1) generated in the PJM region (i.e., Maryland's independent grid operator region) or outside the PJM region only if the electricity is delivered into the region; and 2) retired in a PJM Environmental Information Services, Inc., generation attribute tracking system reserve subaccount accessible by the PSC. Any claims by the retail supplier to residential customers that they will be purchasing green power must include a disclosure, approved by the PSC, describing what the customer is purchasing. This change should cut down on retail suppliers who purchase cheap, dirty RECs from outside the PJM region and sell them as "green power" at a price many times higher than what they paid for the REC.

We appreciate the legislature's efforts to ensure that predatory energy practices in Maryland will be curtailed. We support this bill and recommend a **FAVORABLE AS AMENDED BY THE SENATE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE** report in committee.