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February 14, 2024

To: The Honorable C.T. Wilson
Chair, Economic Matters Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 236 – Public Service Commission – Electricity Supply and Consumer
Protections - Regulations and Orders (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 236, a Departmental bill submitted by Chair C.T. Wilson at the request of the Maryland Energy Administration. This bill establishes a licensing procedure for salespersons for electricity and gas suppliers and further sets standards for the sale of retail energy supply contracts.

The Consumer Protection Division receives numerous complaints about door-to-door and telephone solicitations by retail energy suppliers. These complaints allege misrepresentations about savings being offered when, in fact, the contracts generally cost more than BGE Standard Offer Service. In addition, consumers complain that they are being switched without their consent. Although the Division has concurrent authority with the Public Service Commission to bring enforcement action against suppliers and salespeople that engage in deceptive practices, licensing of these salespersons will help to enhance the PSC's ability to ensure compliance by sellers of retail energy supply contracts. It will also help to reduce the number of anticompetitive and abusive practices that currently occur in the marketplace.

In addition to licensing of salespersons, the bill prohibits a supplier from offering service through a commission-based system, which could further reduce the frequency of deceptive practices. It sets limits on the length of contracts that may be offered, requires that variable price contracts revert to Standard Offer Service upon expiration, and requires that offers and contracts for

residential supply include information about Standard Offer Service, including the price. Each of these measures increases the chance that consumers are treated fairly and equitably in accordance with their desired preferences for electric choice.

For these reasons, the Consumer Protection Division asks that the Economic Matters Committee return a favorable report on this bill.

Cc: The Honorable Paul G. Pinsky, Maryland Energy Administration
Members, Economic Matters Committee