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## PUBLIC SERVICE COMMISSION

March 22, 2024

Chair CT Wilson  
House Economic Matters Committee  
231 House Office Building  
Annapolis, MD 21401

RE: SB 0001 – Favorable with Amendments - Electricity and Gas - Retail Supply - Regulation and Consumer Protection

Dear Chair Wilson and Committee Members:

In 1999, Maryland enabled customers of electric and gas utilities to purchase their supply from either their utility or a third party energy supplier. During the process of deregulation, the Public Service Commission (PSC) was given the responsibility of enforcing customer protections with regards to the practices of the third party energy suppliers. The PSC does not have regulatory authority over the prices these companies can charge their customers. Over the past 24 years, the PSC has issued millions of dollars in fines for violations of customer protections and required millions more in customer refunds. SB 0001 increases customer protections for Marylanders choosing their electric and gas supplier. The Commission is recommending a favorable vote for SB 0001, with a request for amendments.

SB 0001 makes several significant changes to the existing retail market structure in Maryland. The bill requires that energy salespersons, in addition to the supplier companies who are already licensed in the State, be licensed by the PSC. The Commission would need to develop a licensing and enforcement process for energy salespersons, as one does not currently exist. The number of energy salespersons that would need to be licensed is unknown. Furthermore, requiring supplier license renewal every three years would amend the current supplier licensing process to allow a periodic review of applicants' qualifications which are customarily only evaluated upon application, and would allow for the identification of any potential violations of Maryland statute and regulations. The restrictions imposed by the proposed Public Utilities Article § 7-510(D) could reduce abuses suffered by some customers due to the prohibited marketing practices of energy suppliers if infractions were detected more frequently.

The bill as amended by the Senate creates a process whereby retail suppliers may market and price their renewable energy products differently than standard products. The Public Service Commission has suggested an amendment that stands up the process for these offers to be vetted and approved at the Commission. We feel this process will provide consumer safeguards to prevent marketing and pricing abuses, while enabling retail supplies to offer “green” products.

In total, SB 0001 makes great strides in providing the PSC with more tools in the toolbox to protect Maryland ratepayers who wish to shop for their electric and gas supply. SB 0001 does position the PSC as a more active supervisor of this market. Retail energy competition can allow residential customers to select their energy supply based on innovative products and services, the environmental quality of the electricity or the commodity price. SB001 includes a detailed list of proposed reforms to the current retail energy supply market in Maryland. We look forward to working with the sponsors, the committee and interested parties on this legislation and possible amendments.

Sincerely,



Frederick H. Hoover, Chair  
Maryland Public Service Commission