



Montgomery County

Office of Intergovernmental Relations

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SB 1

DATE: January 24, 2024

SPONSOR: Senator Augustine

ASSIGNED TO: Education, Energy, and the Environment Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Support with Amendment (Department of Environmental Protection)

Electricity and Gas - Retail Supply - Regulation and Consumer Protection

This bill would strengthen requirements applicable to the licensing, sales tactics, and services of energy supply companies and energy salespeople, as well as tools available to the Public Service Commission to address non-compliant practices. It would limit retail energy supply contract lengths and eliminate auto-renewal provisions and early termination fees. The bill would also require any renewable energy sold and marketed as such by retail suppliers be generated within the PJM Interconnection electricity grid region.

Most importantly, this legislation seeks to establish a rate cap for energy provided by retail energy supply companies. While establishing a specific benchmark for that rate cap may be challenging, this concept holds tremendous potential to protect consumers in Maryland, especially our most economically vulnerable residents. Retail suppliers have particularly targeted their marketing to low-income households, convincing many to sign up for energy service contracts that have ended up costing them far more than they would be paying for standard offer service. Consumer protection reform is needed.

While we support the general intent of this legislation, we request amendments to clarify that the provisions of this bill apply to retail energy suppliers, and not to community choice aggregation (CCA) programs. House Bill 768, enacted during the 2021 Maryland legislative session and codified in PUA § 7-510.3 ("the CCA statute"), explicitly states that a CCA is not an electricity supplier. While CCA programs are primarily addressed elsewhere in State statute, certain language proposed in this bill may create unintentional confusion. Suggested amendment language is attached.

With the inclusion of these amendments, we would respectfully encourage the Education, Energy, and the Environment Committee to give this bill a favorable report.

cc: Members of the Education, Energy, and the Environment Committee

AMENDMENTS TO SENATE BILL 1

(First Reading File Bill)

On page 17, in line 14, after "STANDARD OFFER SERVICE" add "OR SERVICE PROVIDED BY A COMMUNITY CHOICE AGGREGATION PROGRAM AUTHORIZED BY THE PUBLIC SERVICE COMMISSION".

On page 18, renumber paragraph (E) which begins on line 13 to be listed as number (6) under section (D) immediately preceding.

On page 18, renumber paragraph (F) which begins on line 19 to be listed as number (7) under section (D) immediately preceding.

or

On page 18, in line 20 after "EACH ELECTRICITY SUPPLIER" add "WITH THE EXCEPTION OF A COMMUNITY CHOICE AGGREGATION PROGRAM AUTHORIZED BY THE PUBLIC SERVICE COMMISSION".