

SB1
Favorable with Amendments

TO: The Honorable Brian J. Feldman, Chair
Senate Committee on Education, Energy and the Environment

FROM: Leslie Ford Weber
Associate Director, Maryland Government Affairs

DATE: January 25, 2024

RE: SB1: Electricity and Gas – Retail Supply – Regulation and Consumer Protection

Johns Hopkins supports with amendments **SB1: Electricity and Gas – Retail Supply – Regulation and Consumer Protection**. This bill seeks to strengthen consumer protections for utility customers who shop for electricity suppliers. Johns Hopkins appreciates the sponsor’s goal to reduce predatory behavior by some retail energy suppliers.

Since the establishment of the competitive retail energy market in Maryland more than 20 years ago, Johns Hopkins has saved millions of dollars by working with a variety of suppliers, often on long-term contracts. The Johns Hopkins Health System, for instance, worked with a broker in 2023 to purchase blocks of electric power for 2024 and 2025. The Johns Hopkins University uses advance purchases to ensure pricing stability for years in the future. These purchases are informed by experienced internal personnel and external consultants.

Johns Hopkins also notes the importance of long-term contracts to companies entering the alternative energy market. It will make it more challenging to advance our decarbonization goals if there are fewer companies able to absorb the risks of building out significant solar and wind installations because they are unable to secure long-term commitments from buyers. For instance, the health system entered into an advanced purchase agreement with a solar provider that will extend for 20 years.

However, those savings would not be possible if SB1 is enacted as written because terms exceeding 12 months are prohibited, nor could they be automatically renewed. We have also benefited from variable pricing agreements.

Johns Hopkins believes that goals of the bill could be accomplished by narrowing its scope to apply only to residential consumers.

Accordingly, Johns Hopkins respectfully requests a **FAVORABLE WITH AMENDMENTS** committee report on **SB1** to limit its applicability to the residential class, and not the commercial or industrial, classes.