

Bill: Senate Bill 1 – Electricity and Gas – Retail Supply – Regulation and Consumer Protection

Position: OPPOSE

Dear Chair Feldman, Vice Chair Augustine, and Committee Members:

My name is John Hanger. I am a former Legal Services attorney for low-income families in Philadelphia, a former Public Advocate for utility consumers in Philadelphia, a former Commissioner of the Pennsylvania Public Utility Commission nominated by Governor Casey, a former Secretary of the Pennsylvania Department of Environmental Protection in Governor Rendell's administration, and a former Secretary of Policy and Planning to Governor Wolf.

I oppose taking choices away from Maryland consumers, who include my mother, sister, nieces, nephews and brother-in-law who live in Maryland, but I support reforms of the market to improve its operations and protections for especially residential consumers.

In any market, the power of choice is the single most important consumer protection. That is the single most important lesson I have learned from 40 years working to improve services, products and prices available to electricity consumers.

Without the power to fire and hire suppliers, consumers have only the government to protect them. With all due respect, relying on the government alone to protect your business or family is never an optimal plan.

Competition works to put pressure on prices, as shown in the Philadelphia regional electricity market. Competition began there in 1996, when generation service cost a residential customer 8.6 cents per kilowatt-hour or about 17 cents in 2023 in inflation-adjusted dollars.

Those residential customers today can easily save 50% or more, compared to 1996 prices, by shopping. Indeed, they can pay less than they were paying 28 years ago for electricity!

Having said all of that, Maryland should enact electricity market reforms, if necessary. It also should provide oversight of electricity markets, including

removing licenses from any company that breaks repeatedly and intentionally consumer protections.

I care also about electricity competition and allowing all customers to choose their electricity generation company and product, because I care greatly about decarbonization.

Decarbonization is rightly a major goal of Maryland, and retail electricity competition can be a big way to decarbonize affordably.

Companies financed nationally the construction of 51 GWs through 2021 of new renewable generation capacity through signing power purchase agreements (PPAs). That is a huge contribution to replacing fossil fuels with zero CO2 generation.

But the power of choice to boost clean power goes beyond large companies like Google or Amazon. Homeowners and small businesses installed nationally 27 GWs of new solar at their homes and businesses through 2021. Millions of other retail customers buy green power products that help to keep operating existing new renewable plants and build more.

Retail consumers, big and small, choosing green power and paying for it accelerates decarbonization. It is an important tool that should be used more, not less.

When discussing green power products, let's also remember that utility default supply comes overwhelmingly from burning gas, which is the top cause of CO2 pollution on Maryland's grid and on the US electricity grid.

Unfortunately, recent problems with offshore wind procurement underline the challenge of cleaning up default supply. To accelerate affordable decarbonization, it is time to unleash and enable the retail customer to cut CO2 pollution.

Enable the retail customer to deploy Virtual Power Plants, which can cut bills and cut carbon by aggregating small solar, batteries, smart thermostats, water heaters and other demand-side assets.

Enable the retail customer to use their electricity vehicle battery to supply not only their homes but also the grid. Doing so will allow customers to cut carbon and cut their bills. Doing so will also increase the reliability of the grid.

Enable customers to sell their solar or battery energy into the wholesale market, when prices are high, enabling them to make rapidly \$500 or more. That both saves consumers money and cuts carbon.

Can this happen? Yes. Some of it is happening in Vermont, California and Texas. But much more can happen in Maryland.

For example, Octopus Energy already makes hundreds of dollars for their customers by enabling owners of solar systems to sell their power at optimal prices to maximize their solar revenues. See: [Texas Retail Provider Reports Amount Of Power It Purchased From Distributed Solar Customers In August Under New Pilot, Total Amount Paid To Customers -- EnergyChoiceMatters.com](#).

Another example is Tesla offering a \$25 per month electricity product to charge Tesla EVs and Powerwall home batteries in Texas. See: [Tesla Owners: \\$25/Month In Texas For Overnight Charging \(Unlimited\) - CleanTechnica](#).

Finally, Maryland won't affordably meet its decarbonization goals without empowering retail customers and boosting retail competition. The good news is no state money is needed to empower retail customers to cut carbon pollution affordably and reliably.

Please vote unfavorably on SB 1.

Sincerely,

John Hanger