SB749 Residential Retail Customer and Retail Electricity Suppliers- Definition and Alterations

Energy, Environment and Education Committee
Hearing 2/26/26
Senator Gile
Unfavorable

Testimony from Laurel Peltier, Chair of Maryland Energy Advocates and AARP Maryland Utility Advocate
Sign on support from: Cancer Support Foundation, Howard County Climate Action, Maryland Legislative Coalition- Climate Justice Wing, and GEDCO

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee. My name is Laurel Peltier, and I am proud to volunteer for AARP Maryland and I also Chair the Maryland Energy Advocates Coalition. We work to ensure that limited-income families can afford their utility bills.

Based on retail supplier inputs during 2025, SB 749 seeks four modifications to SB1 (2024):

1. **Eliminate average trailing 12-month rate limit**. Require retail suppliers to price their offers to match or beat regulated default electric and gas rates at the time of contract.
2. **Require Utility Consolidated Billing** by regulated utilities, presumably without purchase of receivables payment systems.
3. **Expand the renewable energy certificates (RECs) geographical generation region for the 49%** to any US state that the PSC considers for a green energy rate cap. SB1 still requires retail suppliers to purchase voluntary unbundled RECs for all RECs purchased to be retired within the PJM-GATS REC system.
4. **Allow Commercial retail suppliers to enroll residential accounts** that appear to conduct some business activity at the address, even when the utility has coded the account in question as a residential account.

We support item 1, eliminating the trailing 12-month average.
We offer an amendment for item 2. We oppose 3 and 4.

It is our hope that retail energy suppliers begin making residential retail energy offers in Maryland that would benefit consumers and fulfill the original promise set out in 1999

(SB300) to "provide economic benefits for all customer classes." [1] Please find 2024 residential overpayment data for the other US retail energy markets. In 2024, 11.5 million US families paid on average $345 each above the price-to-compare. Residential retail energy netted $4 billion more in one year excluding gas premiums. SB1 reporting revealed gas rates charged were +50% premiums. Similar to Marylanders before SB1, today in most competitive energy markets, consumers are paying more for power.

US 2024 RESIDENTIAL RETAIL ENERGY VS. COMPARABLE PRICE-TO-COMPARE [2]
DATA SOURCED EIA 861

	# Accoutns as of 12/31/24	Avg Rate / kWh	Avg Percent above Utility Default or ERCOT Comparison kWh rates	Avg $ Each Family Paid in 2024 Over Regulated	Total Revenue Charged Aboce Regulated Electrcicity	Extra Paid Above Price-to-Copmare per Family
Texas	6,960,929	$0.167	22%	$403	$2,802,217,953	
Pennsylvania	1,272,946	$0.119	24%	$239	$303,819,000	
Illinois	1,097,239	$0.106	46%	$288	$316,481,000	
New York	636,626	$0.144	53%	$335	$212,493,850	
Ohio	628,385	$0.099	15%	$116	$72,853,874	
Massachusetts	300,000	$0.168	13%	$143	$81,000,000	
Maryland	286,000	$0.135	21%	$236	$67,430,000	
New Jersey	194,590	$0.178	38%	$351	$68,320,000	
Maine	67,000	$0.154	44%	$306	$21,000,000	
Wash DC	28,200	$0.178	63%	$481	$13,563,000	
	11,471,915				$3,959,178,677	$345

Background on SB1 (2024):

Via SB1 in 2024, Maryland reformed the residential retail energy market. The legislation happened after many years of efforts by regulators, advocates and legislators asking the industry to rein in direct sales issues and consistent residential overpayment compared to regulated electricity and gas default service rates. From 2014 to 2023, residential accounts that had switched to competitive energy had paid $1.4 billion more for electricity and gas than sticking with utility default standard offer service (SOS) supply rates.[3]

[1] 1999 SB300 https://mgaleg.maryland.gov/1999rs/bills/sb/sb0300e.PDF Section 7-504 line 32
[2] All states' retail energy prices paid were compared to regulated default standard rates using EIA 861 data, except Texas. In the Texas ERCOT competitive market, there are no incumbent utilities. Both El Paso Electric and Entergy Texas are good benchmarks to compare retail electricity rates – with reliable service.
[3] www.retailenergyrevealed.org With no state reporting, MEAC analyzed EIA861 files to determine results.

SB1 Saved Residential Consumers an estimated $220 million since it was passed.
Based on the author's analysis, SB1 was a success and has saved consumers over $220 million since it was passed in 2024. (see Appendix) For at least 120,000 variable rates accounts that paid about 40% higher electricity rates than statewide utility default service and about 50,000 gas accounts paid 68% more for gas. **SB1 came at a good time**. January 2025's frigid temperatures increased usage and magnified today's high energy supply and delivery rates.

SB1 saved consumers money:

Savings Summary [4]

	Savings Value	**Why?**	**Data?**
2025 Savings	$122 M	120,000 variable rate contracts dropped. Premiums ~ +40%.	PSC reports
2024 Savings	$73 M	WGL & Constellation matched statewide rates. 2023 WGL was +24%, Const was +22%	EIA 2024 data
2025 BGE Gas Savings	$23 M	40k BGE variable rate gas contracts dropped. Premiums ~+60%	PSC reports
Total SB1 Savings	**$218 M**		

The Successes:

- SB1 **eliminated variable rate contracts by 1/1/25**. Based on PSC Orders, by March 31, 2026, roughly 120,000 variable rate contracts (out of about roughly 290,000) were dropped by their supplier back to utility default service. In 2025, this one action saved residential accounts roughly **$122 million**. If SB1 had not passed, these rate premiums would have occurred on higher 2025 January usage.

[4] Maryland had no retail energy rate reporting until April 2025 via PC67 which was required by SB1. MEAC pulls data from multiple sources: PSC enrolment report on gas, EIA 861 federal data, PC67, and through April 2025, a 25 ¢ / therm premium based on utility bill observations (that was correct and conservative).

- SB1 eliminated 50% of the BGE variable rated gas contracts saving BGE gas retail customers **$23M.** Over 10 years and thousands of bills, BGE retail energy gas premium ran about 75%. Once SB1 took effect on 1/1/25, 50% of BGE retail gas contracts dropped. And, the fixed rate contracts paid 68% more than regulated gas commodity rates. The $450M gas overpayment since 2014 is low, and it's a data black hole for the US because there are no publicly reported retail energy gas data, except SB1.
- It appears during 2024 during the SB1 scrutiny, **two suppliers brought their rates in line with regulated rates.** In 2024, both Constellation and WGL matched SOS rates (both firms that primarily enrolled and renewed fixed rate contracts). While the other 29 retail suppliers' average price paid resulted in $67 million in electricity overpayment compared to utility default service. The estimate is that about **$73 million was saved** presumably by the industry scrutiny during SB1 in 2024.

2025 Retail Energy Results Based on SB1 Reporting:

"Grandfathered" fixed rate electric and gas retail contracts that enrolled before 12/31/24 paid more than default service. On average, 10% more for electricity in 2025, and +50% for natural gas from April to December 2025.

By October 2025, with no new retail offers since, those pre-SB1 grandfathered electricity accounts still in service, finally began saving 2-4% as SOS climbed.[5]

Until April 2025, Maryland had no official residential retail energy reporting. Our coalition used DOE Energy Information Administration 861[6] to calculate overpayments and savings in some cases. SB1 required utilities to report monthly revenues, customer accounts and usage stats monthly. Until April 2026 via SB1 PC67 reporting, our coalition estimated gas premiums based on utility bill analysis. Estimates were conservative at 25 premium per therm.

Even though in the aggregate, the remaining fixed rate offers were higher than SOS by 10%, some self-reported they were saving. This subset expressed disappointment that retail suppliers made no active offers since January 1, 2025, and that as their contract expiry dates hit, and their supply accounts were dropped to default service.

[5] PC67 reports. This is monthly SB1 public reporting for retail energy aggregated rates charged. Individual supplier rates are reported to the PSC, yet considered proprietary.
[6] https://www.eia.gov/electricity/data/eia861/ Sales_Ult_Cust file 2024

Who Paid What in Maryland on 1/1/25.[7]

Contract Type	# Contracts	% of Total Retail Energy Contracts	% Premium Utility Default Service (SOS)
Variable rated	120,000	41%	+41%
Fixed rates	170,000	59%	+10%
2024 MD Electricity	**290,000**	**100%**	**+21%**

SB749:

We recognize that two things can be true at the same time. New laws can help some and may be negative for others. Responding to constituent concerns that retail energy suppliers made no new offers, SB749 was developed.

Please find MEAC's positions and suggestions below:

1. **We agree that eliminating the trailing 12- month rate requirement is a reasonable idea**. The last 12 months average is difficult to compete with when rates have increased in an unprecedented manner given the PJM supply issues. If SB1 is changed, the regulation states the contract rate will remain fixed from the direction of the 1 year contract length. This will mean that if and when supply rates fall, retail energy rates will be higher than SOS rates until the contract is renewed.
2. **Our chief concern in requiring our state utilities to develop utility consolidated billing (UCB) without purchase of receivables (POR) mechanism, as SB1 required, is that Maryland ratepayers will fund a *third* retail energy billing. To support this position, retail suppliers would be required to pay for the billing changes at utilities.** 2009 with the "UCB/POR" PSC regulation, all rate payers funded the unknown, yet assumed to be in the millions, cost to develop that billing system. Then, beginning in

[7] 2025 Grandfathered fixed-rate contracts' rate premium was steady each month between 9-11% above SOS rates. With EIA data, we can back into an approximate level of premiums comparing variable contracts to fixed rate contracts. Bottomline, overall, no one saved.

2019, the PSC approved another Retail Energy billing system to offer their customers invoices on their letterhead, called Supplier's Consolidated BILling (SCB). That cost ran well over $10,000,000. When the PSC required retail suppliers to re-pay utilities a portion of the cost with a per bill fee, no supplier stepped up. That second SCB billing system is available today for the industry to use, and as they claim, "own their customers." We think it is not prudent for rate payers to fund a third billing system for a private industry, some of the largest energy corporations in the world, without some skin in the game.

3. **This change is unclear what it accomplishes. Given that PUA 7-707(a) in conjunction with 7-707(e) requires that all electricity marketed as "green power" has to be retired in GATS, this change does not open the remaining 49% of "green energy" to RECs from non PJM GATS generation.** SB1's goal with green energy was to support RECs from energy that is generated in or transmitted to the PJM regions so that consumers aren't tricked into thinking the "green" offer they were buying makes our own grid cleaner. Plus, it didn't make sense to let a company market its product as "green" unless their product is doing at least marginally more than our own RPS standard to clean up our own grid. If retail energy wants to make green energy claims supported by cheap wind RECs from Texas and Kansas for the remaining 49%, that is leaning into greenwashing. With PSC oversight, the goal is that "green energy" buyers have truth in advertising and pay commensurate rates for the quality of RECs supporting retail energy green offers claims. Pricing premiums were significant and often (see 2024 results in Appendix) for questionable RECs. According to our research, only two offers included Green-e certification (Ambit & WGL CleanSteps) while most RECs bought on behalf of suppliers before SB1 were cheap, from unknown sources. At this time, SB1 requires no consumer disclosure for residential buyers to know what REC generation, type, age or state generated, that supports their retail energy contract.

4. **Oppose changing definition for a SB1 residential account:** Our coalition agrees with the PSC Order in December 2024 that SB1 applies to all utility residential accounts. It does seem to be an open issue and one raised in the PC59 Limited-income mechanism working group that there may be a blind spot in utility coding. That blind spot is that some buildings, or accounts, are both residential users and business users (hairdressers, day care facilities, churches run from a residence, etc). We've heard from the retail energy industry this is an issue yet have seen no data on the volume. We commit to working with the PSC and stakeholders to figure out how to identify and resolve this issue. The current language in SB749 would mean that a Commercial

retail energy offer could legally apply to a residential account because someone said that a utility residential account is really a small business account. In the real world, we can't think of that working. The bigger issue is that Maryland should re-classify these accounts so that all users better know what type of user resides, or conducts business, in that building.

Lastly, we offer these amendment references:

Delete from SB749
1. 1-101(a)(DD)-1)(2)
2. 7-510(d0(2)(vii)
3. 7-707(d)(2) (C-D) and (3) (ii) and changes to (4) and (5)

For these reasons, we request additional amendments to this bill in the hopes that Maryland's residential ratepayers will continue to see SB1 protections.
Laurel Peltier Chair, Maryland Energy Advocates Coalition
greenlaurel7@comcast.net

APPENDIX 1:

MARYLAND'S RESIDENTIAL HISTORICAL RESULTS SINCE 2014- 1ST POLAR VORTEX

MARYLAND RESIDENTIAL RETAIL ENERGY HISTORICAL SUMMARY

Year	# Residential Accounts	MD Retail Energy Market Share	Electricity Overpayments (Millions $)	Gas Overpayments (Millions $)	Avg. ELECTRICITY Overpay / Family	Avg Electric Premium VS. Regulated SOS
2013	530,000	28%	$7	$36	$12	1%
2014	484,000	24%	$77	$53	$161	14%
2015	451,000	22%	$69	$47	$156	15%
2016	440,000	21%	$50	$41	$120	11%
2017	447,000	20%	$59	$39	$148	16%
2018	438,000	19%	$73	$44	$188	20%
2019	430,000	19%	$108	$40	$248	29%
2020	423,782	18%	$106	$36	$251	29%
2021	403,968	17%	$117	$34	$290	33%
2022	368,589	15%	$178	$27	$483	50%
2023	313,554	13%	$138	$25	$442	45%
2024	286,202	12%	$67	$24	$236	21%
			$1,049	$446		
			OVERPAY TO REGULATED	$1,495,000,000		

Laurel Peltier. Chair, MEAC. 11/30/25. Source: EIA861 for Electricity. Gas is estimate 25 cents / therm

APPENDIX 2:

MEAC'S ANALYSIS SUMMARY FOR SB1 SAVINGS

Estimated SB1 Savings: 2023 Pre SB1 vs. Post SB1 July 2024

		Electricity Customer Count	Avg. Premium to SOS	Avg. EXtra Paid / Family	Yearly Overpayment to SOS	Estimated Savings since 2023	
Data Source:	ELECTRICITY Year	Year End Counts					
EIA	2020	425,000	29%	$250	$106,250,000		
EIA	2021	405,000	33%	$290	$117,450,000		
EIA	2022	370,000	50%	$485	$179,450,000		
EIA	2023	315,000	45%	$440	**$138,600,000**	<<—-baseline to compare	
EIA	2024	285,000	21%	$236	$67,260,000	$71,340,000	SB1 Passes May 2024
PSC PC67	2025	11,000	10%	$132	$16,000,000	$122,600,000	
		GAS					
	GAS Year	Retail Energy Deca Therms Sold	Premium to Reg Gas Rate / there	Estimated Overpay to Regulated Gas		Estimated Savings since 2023	
PSC / Estimate	2020	14,200,903	$0.25	$35,502,258			
PSC / Estimate	2021	13,570,719	$0.25	$33,926,798			
PSC / Estimate	2022	13,883,749	$0.25	$34,709,373			
PSC / Estimate	2023	10,909,803	$0.25	**$27,274,508**			
PSC / Estimate	2024	9,932,560	$0.25	$24,831,400		$2,443,108	
PSC PC67	2025	3,000,000	$0.22	$6,600,000	FIXED RATE CONTRACTS	$20,674,508	
						$217,057,615	

APPENDIX 3:

2024 RETAIL ENERGY VERSUS REGULATED DEFAULT SERVICE FOR ELECTRICITY BY SUPPLIER

MARYLAND 2024 RESIDENTIAL ELECTRICITY RATES - REGULATED VS. RETAIL ENERGY

Residential retail electricity market continues systematic customer overpayments compared to regulated default service.

On average, 286,202 residential customers purchased electricity from competitive suppliers in 2024.
The statewide regulated average supply rate was **$0.112 / kWh.**
The average retail supply rate paid by customers was **$0.135 / kWh**, a 21% premium over regulated electricity.

Total excess revenue paid above regulated rates: **$67.4 million** in 2024

Average extra cost per retail customer: **$236 per household** per year

Market Share	Parent Co.	Utility Name	Customer Count	Avg. Retail Supplier kWh Rate	% Premium to Regulated Electricity	Revenue Above Regulated Default	Avg. Extra $ / Account Above Regulated
		Md. Statewide Regulated Avg Rate	2,082,181	$0.112		$0	
		RETAIL SUPPLIER SUMMARY:					
1		**Constellation**	68,033	$ 0.113	1%	$501,445	$7
2	NRG	**Direct Energy Services**	19,359	$ 0.125	11%	$2,621,622	$146
2	NRG	**Reliant Energy Northeast LLC**	16,099	$ 0.153	36%	$7,007,298	$435
2	NRG	**XOOM Energy Maryland, LLC**	7,165	$ 0.148	32%	$2,623,364	$366
2	NRG	**Energy Plus Holdings LLC**	1,626	$ 0.160	43%	$811,100	$499
2	NRG	**Stream Energy Maryland, LLC**	2,852	$ 0.158	41%	$1,417,280	$497
2	NRG	**Green Mountain Energy**	1,873	$ 0.153	36%	$785,540	$419
		NRG BRANDS	48,974	$ 0.141	26%	$15,466,205	$316
3	Alta	**WGL**	27,043	$ 0.111	-1%	-$366,033	-$14
4	Rythym	**Inspire Energy**	25,372	$ 0.155	38%	$11,425,160	$450
5		**CleanChoice Energy, Inc.**	20,822	$ 0.167	49%	$10,109,891	$486
6	IGS	**Just Energy Solutions Inc.**	17,230	$ 0.134	19%	$3,952,950	$229
7	VISTRA	**Ambit Energy Holdings, LLC**	5,298	$ 0.150	33%	$2,231,625	$421
7	VISTRA	**Energy Harbor Corp.**	2,208	$ 0.100	-11%	-$360,625	-$163
7	VISTRA	**Viridian Energy PA LLC**	1,654	$ 0.165	47%	$901,276	$545
7	VISTRA	**Energy Services Providers, Inc**	5,083	$ 0.160	42%	$2,286,844	$450
			14,243	$ 0.146	29%	$5,058,119	$355
8	Genie	**IDT Energy, Inc.**	8,215	$ 0.174	55%	$3,555,201	$433
9		**SFE Energy Maryland, Inc.**	6,585	$ 0.119	6%	$426,444	$65
10		**MPower Energy NJ LLC**	5,857	$ 0.185	65%	$2,559,908	$437
11		**INDRA / PALMCO**	3,776	$ 0.223	99%	$2,398,042	$635
12		**Titan Gas LLC**	3,438	$ 0.160	43%	$1,689,544	$491
13	Spark	**Major Energy Electric Services**	2,836	$ 0.155	38%	$1,050,667	$370
14		**AEP Energy**	2,781	$ 0.103	-8%	-$388,331	-$140
15		**Tomorrow Energy Corp.**	2,755	$ 0.193	72%	$1,750,008	$635
16		**Public Power & Utility**	2,697	$ 0.111	-1%	-$19,900	-$7
17		**SmartEnergy**	2,657	$ 0.112	0%	-$2,954	-$1
18		**Spring Energy R**	2,534	$ 0.161	43%	$820,017	$324
19	SFE	**StateWise Energy Maryland LLC**	1,758	$ 0.110	-2%	-$50,222	-$29
20		**Spark Energy, LP**	1,754	$ 0.163	45%	$853,442	$487
21		**Eligo Energy, LLC**	1,439	$ 0.182	62%	$986,178	$685
22		**IGS**	1,312	$ 0.123	9%	$112,686	$86
23		**Median Energy Corp.**	1,276	$ 0.178	58%	$553,889	$434
24		**Energywell LLC**	1,276	$ 0.111	-1%	-$14,035	-$11
25		**Clearview Electric Inc.**	1,258	$ 0.190	69%	$983,780	$782
26		**Greenlight Energy Inc.**	1,247	$ 0.137	22%	$311,473	$250
27		**Nordic Energy Services, LLC**	1,157	$ 0.142	27%	$203,765	$176
28		**North American**	1,138	$ 0.163	45%	$676,018	$594
29		**Atlantic Energy LLC**	1,133	$ 0.177	58%	$638,598	$564
30		**National Gas & Electric, LLC**	1,075	$ 0.130	16%	$214,172	$199
31		**Rushmore Energy, LLC**	1,013	$ 0.118	5%	$52,757	$52
		MD RETAIL ENERGY TOTAL 2024	**286,202**	**$ 0.135**	**21%**	**$67,423,665**	**$236**

DATA SOURCE: D.O.E. EIA 861 SALES_ULT_CUST FILE. DATA FOR SUPPLIERS W/ 1,000 CUSTOMERS AND MORE

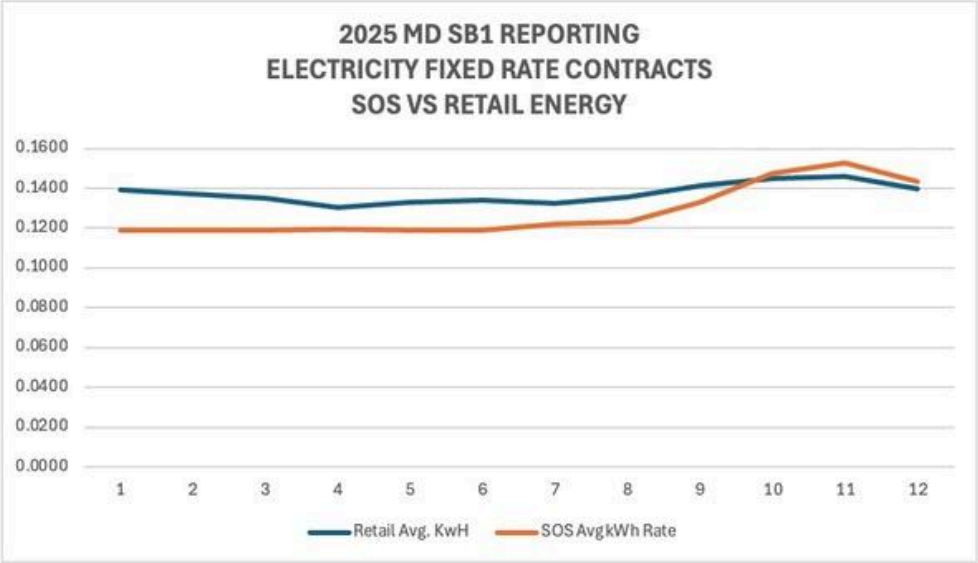
APPENDIX 4:

MARYLAND'S RESIDENTIAL RETAIL ENERGY OVERPAYMENTS VS. REGULATED ELECTRIC & GAS DEFAULT RATES

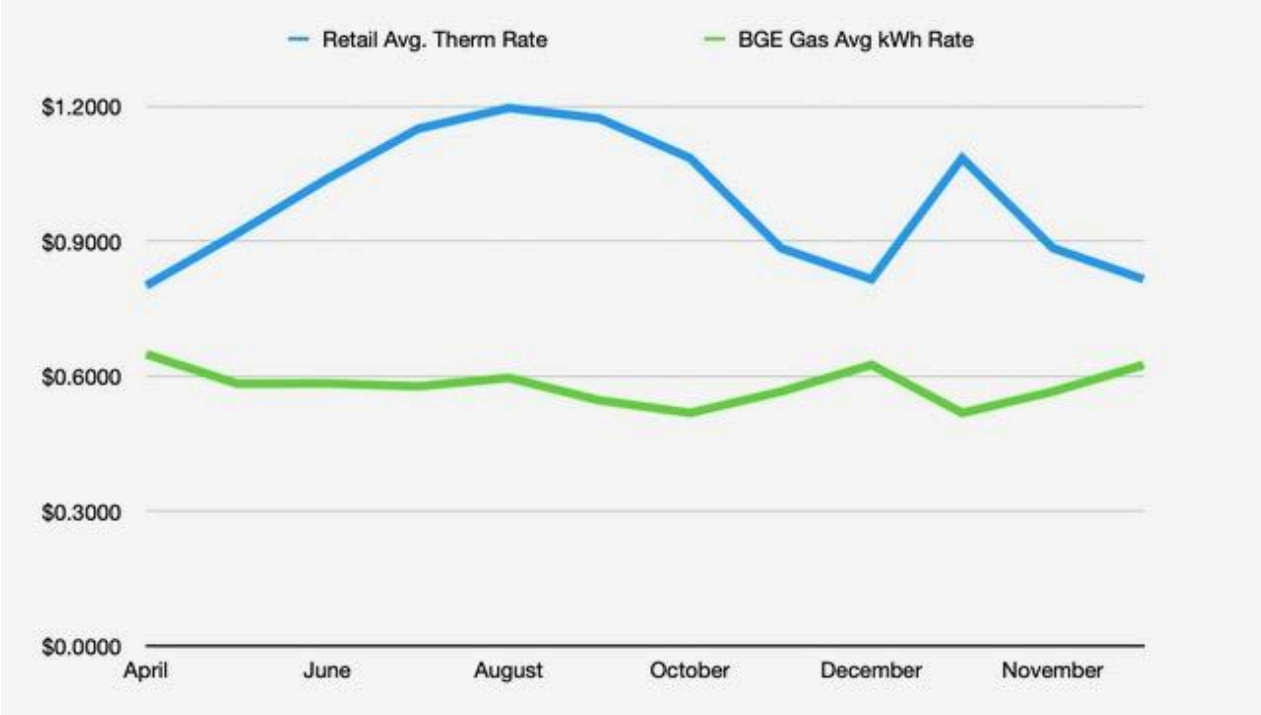
YEAR	Residential Electricity +	Residential Gas =	Electric & Gas Overpayment
2014	$77 M	$53 M	$130 M
2015	$69 M	$47 M	$116 M
2016	$50 M	$41 M	$91 M
2017	$59 M	$39 M	$98 M
2018	$73 M	$44 M	$117 M
2019	$108 M	$40 M	$148 M
2020	$106 M	$36 M	$142 M
2021	$117 M	$34M	$151 M
2022	$178 M	$27 M	$205 M
2023	$138 M	$25 M	$163 M
2024	$67 M	$24M	$91 M
'25 SB1 starts	$16 M	$7 M	$23 M
2014 - 2025 Overpayment Total	$1.06 B	$417 M	$1.5 B

MD ENERGY ADVOCATES COALITION Lurel Peltier 2/22/26 greenlaurel7@comcast.net
Electricity Data source is US D.O.E. EIA861 through 2024. MD PSC PC67 reports for 2025.
Gas is estimated at 25¢ markup for retail therms sold.

APPENDIX 5: The following charts are sourced from monthly PC67 SB1 reporting. Quarter 1 could be estimated given EIA data.



BGE PC67 RETAIL ENERGY GAS RATES APRIL THROUGH DECEMBER 2025



WASHINGTON GAS PC67 RETAIL ENERGY GAS RATES APRIL TO DECEMBER 2025

IT APPEARS THAT RETAIL ENERGY GAS RATES IN WASHINGTON GAS MAY HAVE BEEN BELOW GAS COMMODITY RATES, BUT THERE IS NO DATA TO PROVE OR DISPROVE THAT.

THE BLUE LINE IS DATA FOR WASHINGTON GAS UTILITY, NOT WGL, THE 3RD PART SUPPLIER