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**SB 749 – Residential Retail Customer and Retail Electricity Suppliers –  
Definition and Alterations  
Education, Energy and the Environment Committee  
February 26, 2026  
UNFAVORABLE**

Good afternoon, Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee. My name is Sara Westrick, and I am the Advocacy Director for AARP Maryland and a resident of Anne Arundel County.

AARP Maryland represents more than 850,000 members across the state, making it one of the largest membership-based organizations advocating for older Marylanders. We are a nonpartisan, nonprofit organization dedicated to empowering people to live their best lives as they age. Our work focuses on issues that matter most to older adults and their families, including affordable utilities and financial security. Nationally, AARP offices in all deregulated states have been active participants in leveling the regulatory playing field so that residents do not pay higher power bills.

We respectfully offer this unfavorable testimony. We recognize that the sponsors are responding to pressure from their constituents to take action to address today's extraordinarily high electricity bills.

First, let me take this opportunity to thank this Committee, the General Assembly, and the Governor for recognizing the need for creating a standard for honest business practices in this industry through SB 1 in 2024. During those hearings, you heard directly from consumers who were duped into signing up for savings that never materialized, and worse, resulted in huge overcharges.

The result was that those in the industry who could not compete honestly in the marketplace left. The bill stopped exploitative billing practices, eliminated predatory variable rates, and restored fairness to the market. The result was historic consumer savings, totaling over \$220 million, with \$71 million saved in 2024 alone and \$122 million saved by ending 120,000 variable-rate contracts from 2025 to 2026. Between January 1, 2025, and March 31, 2025, roughly 120,000 Maryland households dropped to regulated Standard Offer Service (SOS) and gas commodity rates, ending significant overpayments.<sup>1</sup>

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<sup>1</sup> Noah Dormady et al. "Efficiency and consumer welfare under retail electricity deregulation: Analysis of Ohio's retail choice markets," *Journal of Critical Infrastructure Policy* 6, no 1 (December 2024): <https://onlinelibrary.wiley.com/doi/full/10.1002/jci3.12031>

Research from numerous states<sup>2</sup> shows that these suppliers left because their business models rely on inattentive and uninformed consumers to pay high energy rates. SB1's consumer protections better regulated sales practices, including door-to-door sales, green energy offers, and auto-renewals. These auto-renewals resulted in unsuspecting customers migrating to unfavorable, evergreen contracts in which they paid significantly more than regulated default service rates.

A retail energy market that only functions when consumers are confused is not good public policy. Maryland should not roll back protections simply to entice back suppliers whose profits depended on overcharging families.

### **Support for Removing the Trailing 12-month SOS Average Requirement**

SB 749 includes one beneficial change: removing the trailing 12-month SOS average requirement. This update helps ratepayers by ensuring prices reflect current electricity market conditions, improving transparency, and simplifying compliance for suppliers without harming consumers.

If supplier rates meet or beat SOS and gas commodity rates, then the 1999 Electric Choice Act has achieved its goal of "economic benefits for all consumer classes." AARP's steadfast mission is to work for no surcharges, truth-in-advertising, and affordable and reliable home energy.

### **Unfavorable Components of SB 749**

To protect ratepayers, we cannot support the following provisions:

- Consolidated billing introduces a new retail energy billing platform that will incur utility costs that may be passed through to all rate payers, regardless of whether they choose retail energy. We respectfully request that retail suppliers, utilities, and the PSC find a path to move the ready-to-go Supplier's Consolidated Billing platform forward.
- Rather than codifying the green energy change, we urge a Working Group to analyze the consequences of removing the state generation information for renewable energy certificates.
- Lastly, we support the PSC's findings in the 2024 Order that residential accounts cannot be enrolled into Commercial or Small Business retail energy contracts.

### **Conclusion**

On behalf of Maryland ratepayers, AARP Maryland urges the Committee to issue an Unfavorable report on SB 749. If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director, at [swestrick@aarp.org](mailto:swestrick@aarp.org) or by calling 410-310-0374.

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<sup>2</sup> Jenya Kahn-Lang. "Competing for (In)attention: Price Discrimination in Residential Electricity Markets," Energy Institute at Haas, (November 2022): <https://haas.berkeley.edu/energy-institute/research/abstracts/wp-333>