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HB 1532 – Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act
Education, Energy and the Environment Committee
March 25, 2026

FAVORABLE WITH AMENDMENTS

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, representing our 850,000 members across the state. Thank you for the opportunity to testify in support of House Bill 1532, with an important amendment related to retail choice pricing.

HB 1532 takes important steps to protect Maryland consumers by strengthening rate oversight and limiting excessive utility cost recovery. AARP Maryland testified favorably on many of the components of the bill that originated in other bills earlier in the legislative session. In particular, we strongly support mandating regional transmission organization (RTO) membership, the provisions to protect consumers from the impact of data centers, and the consolidation of the Office of Home Energy Programs in the Department of Human Services.

This new, comprehensive bill reflects a clear legislative intent: energy affordability, transparency, and consumer protection must come before excess profit-seeking.

AARP Maryland strongly supports that intent. However, to fully align the retail supply provisions with the bill's broader consumer-first framework, we respectfully request that the Committee amend the provision allowing retail electricity suppliers to charge up to 110% of the Standard Offer Service (SOS) rate.

As currently written, the bill allows retail suppliers to charge residential customers 10% above the utility's Standard Offer Service rate for non-green power. Often described as a modest margin necessary for competition, in reality, it represents something far more concerning.

Allowing a guaranteed margin is an admission that retail suppliers cannot compete on price across the board. Instead, the business model depends on extracting higher profits from some customers in order to offer promotional savings, or the illusion of savings, to others.

This is not genuine competition but rather a regulated profit guarantee.

In effect, the 10% allowance sanctions a system in which sophisticated or newly enrolled customers may see short-term discounts. Long-term, low-information, elderly, or fixed-income customers quietly pay more than they would have paid for default service. Excess profits are generated not through efficiency or innovation, but through customer confusion and churn.

That outcome directly conflicts with the consumer protection goals of HB 1532.

If retail suppliers can truly deliver value, they should be able to do so without charging more than the default service.

Removing the 10% allowance is the logical next step. It ensures that retail suppliers succeed only if they actually beat the utility price or provide demonstrable added value. In addition, this provision will never be enough for the industry. We will see it negotiated up and up every year, under the guise of competition.

Throughout HB 1532, the General Assembly makes a consistent policy choice. First, utilities may not over-earn under multi-year rate plans. Second, executive compensation and discretionary spending may not be recovered through rates. Third, large load customers must bear their own costs. Fourth, ratepayers should not shoulder unnecessary financial risk.

Allowing retail suppliers to systematically charge more than the default service cuts against these goals.

Requested Amendment

We respectfully request an amendment to HB 1532 to eliminate the provision allowing retail electricity suppliers to charge up to 110% of the Standard Offer Service rate and instead mandate that any non-green retail supply product offered to residential customers may not exceed the applicable SOS rate at any time during the contract term.

Conclusion

House Bill 1532 is an important step forward for Maryland's energy policy. With a narrow but critical amendment to the retail pricing provisions, the bill can fully deliver on its promise of fairness, affordability, and accountability.

For these reasons, AARP Maryland respectfully urges the Committee to issue a Favorable with Amendments report.

If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director at swestrick@aarp.org or by calling 410-310-0374.