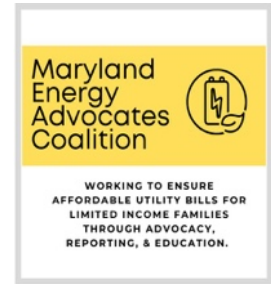


# Education, Energy & the Environment Committee 3/25/26



## HB 1532 Hearing **FAVORABLE WITH AMENDMENTS**

Hello Chairman Feldman, Vice Chair Kagan and members of the Education, Energy and the Environment Committee.

The Maryland Energy Advocates Coalition works to ensure that low-income families can afford their utility bills through our advocacy, reporting, and consumer education. Our comments are related to the Retail Energy portion of HB 1532.

Since 2019, our coalition reported extensive<sup>1</sup> data that Retail Choice 1.0 (1999-2024) cost rate payers more.

Retail Choice 1.0 is where alternate energy suppliers were energy middlemen. The 45 or so energy supplies that actively sold to credential buyers didn't generate, distribute, bill, or collect payment for their customer's home energy. These retail suppliers offered little to no innovation (maybe a cheap voluntary REC), no Time of Use rates, no new community solar, no new clean energy, they were a middleman that cost ratepayers a lot more for the same energy. After 26 years, it's time for Retail Choice 2.0, Maryland's beleaguered rate payers deserve that.

### MD Energy Advocates SUPPORTS two changes to 2024's SB1:

- 1) SB749's elimination of the 12-month trailing average, and
- 2) HB 1532's variable rate "meet or beat utility rates" month by month.

### **HB 1532's 10% premium with a 3-year max contract is a bad precedent and should be stricken from the HB 1532 bill:**

1. A codified, industry rate premium does not save rate payers.
2. It leaves a small number hidden in codified law forever that can easily be increased when we're long gone.
3. A codified premium supports the extensive Retail Choice data that Retail Choice 1.0 does not deliver savings.

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<sup>1</sup> <https://www.energysupplierhelpdesk.org/reports-press>

4. Given today's 16 ¢ / kWh supply rate & stable supply rates, an account would pay \$480 to \$ 768 more over 3 years for a hedging, insurance, peace-of-mind offer. That may be why every pro-supplier witness this session was in some form from industry or an energy expert. Everyday people don't know future energy prices & markets.

Retail Choice 1.0 cost rate payers about \$2 billion more when totaling all the utilities' costs, state lawsuits, 2000-2005 rate freeze debacle, PSC web site, and electric and gas rate payer overpayments (\$1.5 billion). For reference, Commercial customers saved \$650 million in 2024 alone.

The 1999 Electric Choice Act almost DID NOT<sup>2</sup> include residential retail energy. In 1999, Enron was touting that "competition" would be great. Even in '99 everyone knew that residential rate payers would, as then-Del. Billings quoted, "get screwed." The bizarre rate freezes were added to get Glendening to sign the bill.

2024's SB1 reformed Retail Choice 1.0. It saved over \$200 million and counting for rate payers since it was passed.

Nothing in the 4 retail bills introduced in 2026 bills, except HB 1494's battery part, is Retail Choice 2.0. Please find below the 20+ "fixes" industry suggested to amend SB1. They are all same, old, Retail Choice 1.0.

It's time for Retail Choice 2.0. Rate payers deserve that. Where suppliers use their market might and creativity to actually offer real savings and utilize the grid. The variable rate "meet or beat" utility SOS or gas commodity is kind of that. If a supplier can save a consumer, they service them; if not, the supplier drops them back to utility.

There are some innovative Retail Choice 2.0 products in Texas- rates are all-in, Delivery & Supply. Octopus Energy<sup>3</sup> (12.6 ¢ / kWh) and new battery offers<sup>4</sup>. Yet even Texas is mostly Retail Choice 1.0. NRG (17.2 ¢ / kWh), Vistra (17.6 ¢ / kWh) service 75% of Texas' 7 million account ERCOT market (concentration, not competition) and charged 22% more in 2024 (+\$403 more / account) compared to apple-to-apples El Paso Electric and Entergy Texas (13.6 ¢ / kWh). Constellation's 140,000 TX. accounts paid 15.9 ¢ / kWh.

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<sup>2</sup> Party like it's 1999. How One Bill Reshaped Maryland's Energy Market. <https://baltimorefishbowl.com/stories/no-party-in-1999-when-the-seeds-of-marylands-electricity-crisis-were-sown/>

<sup>3</sup> <https://octopusenergy.com/>

<sup>4</sup> <https://investors.nrg.com/news-releases/news-release-details/sunrun-and-nrg-energy-announce-partnership-harness-power>

# Here is a Retail Choice 1.0 historical summary:

## 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	NOTES:
2013	530,000	28%	\$7	\$36	\$12	1%	POR WITH UTILITY BILLING STARTED 2010
2014	484,000	24%	\$77	\$53	\$161	14%	2013 WAS PEAK CUSTOMER PARTICIPATION
2015	451,000	22%	\$69	\$47	\$156	15%	JANUARY '24 POLAR VORTEX- 3k RETAIL PSC Complaints
2016	440,000	21%	\$50	\$41	\$120	11%	SALES CHURN HITS +100% in 2016 (more cancels than sales)
2017	447,000	20%	\$59	\$39	\$148	16%	
2018	438,000	19%	\$73	\$44	\$188	20%	AS CHURN INCREASES, SO DO RETAILE ENERGY RATES
2019	430,000	19%	\$108	\$40	\$248	29%	RETAIL ENERGY MARKET SHARE SLIDES
2020	423,782	18%	\$106	\$36	\$251	29%	PANDEMIC. NO PRICE BREAKS FOR RETAIL ENERGY CONSUMERS
2021	403,968	17%	\$117	\$34	\$290	33%	PSC LAUNCHES MAX-ENFORCEMENT PERIOD FEB 2022
2022	368,589	15%	\$178	\$27	\$483	50%	MD. 3RD HIGHEST PREMIUMS, BEHIND NJ & DC
2023	313,554	13%	\$138	\$25	\$442	45%	ENERGY ASSISTANCE ACCOUNTS DROPPED (2021 HB397/SB31)
2024	286,202	12%	\$67	\$24	\$236	21%	SB1 PASSED MAY 2024
			<b>\$1,049</b>	<b>\$446</b>			
			<b>OVERPAY TO REGULATED \$1,495,000,000</b>				

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



## 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	<b>\$1.06 B</b>	<b>\$417 M</b>	<b>\$1.5 B</b>

MD ENERGY ADVOCATES COALITION | Laurel 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.

This General Assembly 2026, retail suppliers made the following suggestions in four bills. This extensive list erases the protection SB1 put in place. Reverts to Retail Choice 1.0.

Bill #	Proposed Changes to 2024's SB1
SB 749	Drop trailing 12-month average rate to SOS and gas
SB 749	Allows RECs fro remaining 49% of offer to be Nationwide not PJM
SB 749	Allow SB accounts that claim their residential to not be subject to SB1
SB 749	Require Utility Consolidated Billing with Regulated Utility ratepayers to pay cost
HB 1494	Battery backup, fed through grid
HB1494	Allow a Nuclear Energy REC (EFEC) offer w/ no rate cap and with POR, Longer contracts than 12-months, variable rates. Cybersecurity protocols, Require utilities to interconnect
HB974	Remove any liability whatsoever or work for energy sales person or 3rd part energy vendor. Keeps it at the retail supplier level, where it was before.
HB974	Reduce from .5% to .25% the for the OPC and PSC
HB974	Rename the Education & Protection Fund to include name Retail Choice Customer
HB974	Discontinue the energy supplier training program
HB974	Reduce the cicil penalty amount back to \$10,000 from SB1'a \$25,000 level
HB974	PSC to define daft service and establish default service
HB974	Eliminates most of SB1's consumer rate and contract protections: Removes 12-month contract, green power rates, variable rate prohibition, removes no commission for sales people, adds back in POR, Removes blocking of Choice ID, removes reporting.
HB974	Removes reporting of the type and amount of RECs to PSC for amoutns above RPS
HB 1443	Removes energy salesperson from everything leaving suppliers and vendors.
HB 1443	PSC shall start an Energy Choice Multimedia Program that includes one billing insert directing accountholder to PSC energy web site fro Retail Choice
HB 1443	License remains valid while application renewal is pending.
HB 1443	Report new sales vendors to PSC 10 days after new vendor is acquired
HB 1443	Allow "due process" before taking action to suspend or revoke a license. Mens using court systems?
HB 1443	Shall provide a written notice is price increases more than 10% within 30 days before effective date of a contract

<b>Bill #</b>	<b>Proposed Changes to 2024's SB1</b>
HB 1443	Reinstate POR.
HB 1443	Removes the no commission for sales people