

Testimony for: SB0749 – Residential Retail Customer and Retail Electricity Suppliers
- Definition and Alterations
Committee: Education, Energy and the Environment
Person Submitting: Deborah A. Cohn
Hearing Date: February 26, 2026
Position: Unfavorable

Dear Chair Feldman and Committee Members:

I am submitting unfavorable testimony today on SB0749 because it undermines the important consumer protections of SB001- Electricity and Gas - Retail Supply - Regulation and Consumer Protection, which the General Assembly enacted in 2024 and which I had strongly supported.

Fortunately, several years ago when my family had considered how we could acquire an electricity supply that would provide us electricity from wind or solar, I was warned by fellow-minded members of my faith congregation that I should subscribe to a pilot community solar project in the PEPSCO service area which would actually represent incremental solar energy generation in Maryland. I was warned that retail energy suppliers who claimed they would provide us renewable energy would most likely only be purchasing old wind renewable energy certificates generated in Texas or other states outside of our PJM system.

SB001 reformed the Maryland residential retail energy market to protect people with goals similar to ours but who lacked the sage advice of those with greater appreciation of the energy generation market.

SB001 has saved residential customers an estimated \$220 million since it was passed. These savings were greatest for retail customers with variable rate accounts who paid about 40% higher electricity rates than statewide utility default service and about 50,000 gas accounts that paid 68% more for gas.

SB0749 includes four modifications to SB001, the first of which is reasonable and the remaining three of which are problematic. SB0749 would:

1. eliminate average trailing 12-month rate limit;
2. require utility consolidated billing for retail suppliers (presumably without purchase of receivables payment systems);
3. expand the renewable energy certificates (RECs) geographical generation region to include any state in the US
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).

Striking the 12-month trailing average language is reasonable because it is difficult to compete with the trailing average when utility rates have increased astronomically as they have recently due to PJM supply issues. Retail supply offers, other than green power offers, would be required to be at or below utility standard offer service (SOS) rates.

Requiring consolidated billing systems is problematic due to the cost of creating yet another new billing system. Ratepayers have already paid for utility consolidated billing (UCB) with purchase of receivables (POR) required in 2009 and for the supplier consolidated billing (SCB) system approved by the PSC in 2019, which cost over \$10 million. Retail suppliers have yet to use the SCB system. Ratepayers should not have to pay for creating yet another UCB billing system (presumably without POR) for retail suppliers.

Based on my own situation, the third change is galling. I simply cannot support a change in law that could result in Maryland ratepayers unwittingly paying more for supposed incremental wind or solar electricity generation that would not further their likely goal of supporting new green energy supply sources within their local PJM grid. They would most likely actually be paying more than standard offer service for inexpensive wind RECs from Texas and Kansas. Maryland has yet to meet our solar energy generation goals. Legislation has been introduced in this Session that would incentivize or otherwise encourage new, renewable electricity generation in Maryland or within the PJM or an alternative system. These are the types of initiatives that Maryland should pursue.

The fourth change would allow commercial retail suppliers to enroll residential accounts that appear to conduct some business activity at the address. The PSC Order in December 2024 made clear that SB001 applies to all residential accounts. Some buildings or accounts include both residential and business uses, e.g., physical therapists, hairdressers, small family day care providers and other personal service providers that operate a small business from their residence. Utility companies may have coded the account retail rather than residential. SB0749 would allow a commercial retail energy supplier to make an offer to an account primarily used as a residence because someone coded the account as a residential account. If the account holder can demonstrate that the primary energy use of the property is commercial, a preferable solution might be to reclassify the account as a business account to better reflect the building use, and thus its energy use. Otherwise, the account should be treated as a residential account for utility rates and SB001 protections.

For these reasons, I urge an unfavorable report for SB0749 unless the bill is modified to include only the 12-month trailing average changes.