



HB 1494 Electricity and Gas Supply - Customer Choice, Consumer Protection, and Green power (Retail Energy Modernization and Consumer Choice Act)

Environment and Transportation Committee 3/10/26 Unfavorable

Hello Chairman Korman, Vice Chair Guyton and members of the 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.

HB 1494 appears to be two new products that retail suppliers are considering offering.

The first product is a new idea that's popping up in Texas of sophisticated electricity charged home batteries. These individual batteries can be combined with other home batteries as a Virtual Power Plant that can be used to help consumers and also be drawn on by utilities for power during peak demand periods. Without a doubt this idea is visionary, sophisticated and may have great merit. It seems a good idea to bring regulated utilities, PSC and MEA to consider how Maryland analyze this idea. Yet, given this idea is being tested in Texas which doesn't have regulated utilities, it seems very complicated and it's unclear how this would actually work.

The second product is redefining residential green power products to includes re-instating purchase of receivables and utility consolidated billing, no rate caps, variable rates, contracts longer than 12 -months and using a nuclear power plant renewable energy certificated (REC) called an Emission Free Energy Certificate (EFEC) to be paired with grid electricity. This product is sold in DC and Constellation Energy charges a significant premium.

There are two issues with this second product in HB 1494. Dropping many of the 2024 SB1 reforms- price and truth-in-advertising. Digital certificate generated from decade's old nuclear power plants doesn't change anything for anyone - GGH emissions are not lowered, new nuclear power plants are not supported and people pay more for a product that is ineffective.

Most important HB 1494 as written opens the door for retail energy greenwashing and rate premiums just like New York State saw after their 2019 residential retail reforms. New York via a PUC order took decisive steps to reform their market: ban variable rates

unless the rate meets or neats the standard default rate, and fixed rate offers got 5% premium “adder” to their standard rate. New York did not place any price restrictions on “green power” which has to retail energy offers be at least 50% supported by Top shelf Tier-1 RECs from NYSERDA. At about \$30 / NYSERDA Tier-1 REC, a 50% offer adds about 4 RECs given their average 7,000 kWh / user. About \$120 in . In 2024, NY retail energy premiums were high, ranging from 21% to 300% more. New York’s premiums are basically the same level as pre-2019, about \$200,000,000 a year in overpayments as compared to pre-2019 retail energy reform. And new York states on their web site that the state is wondering if they should continue residential retail energy.

We do not support HB 1494

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