

March 10, 2026

## **HB 1494: Electricity and Retail Gas Supply – Customer Choice, Consumer Protection, and Green Power (Retail Energy Modernization and Consumer Choice Act)**

**Committee: Environment and Transportation**

**Position: Oppose**

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Southern Maryland Electric Cooperative (SMECO), a member-owned electric cooperative and not-for-profit organization based in Hughesville that provides electricity to more than 180,000 member accounts in Charles, St. Mary's, Calvert and southern Prince George's County, opposes HB 1494.

While we appreciate the bill's intentions to expand customer choice and encourage clean energy adoption, HB 1494 introduces significant operational, billing and consumer-protection risks that would adversely impact SMECO and the members we serve.

### **I. Supplier-Consolidated Billing Would Create Major Risks and Increased Implementation Costs**

HB 1494 allows "green power" products to include broad "emissions-reducing products or services," not just energy supply. This would enable third-party vendors to place non-commodity charges such as maintenance plans, home electrification services or subscription-based demand reducing products onto utility bills.

For SMECO members this raises several concerns:

- **Utility bills should not become a collection platform for third-party sellers.**

Allowing non-energy charges on utility bills risks exposing members to **service disconnection** for failure to pay charges that are unrelated to core electric service.

- **If such charges are permitted, they must be lowest-priority.**

Electric service should never be at risk because a customer disputes or cannot pay for non-essential, third-party services.

- **The bill's broad and ambiguous definition of "green power" invites confusion.**

SMECO is concerned that members may be misled about what they are purchasing, resulting in billing disputes and consumer harm, particularly for vulnerable households.

### **II. Reintroducing Purchase of Receivables (POR) Reverses Critical 2024 Consumer Protections**

The General Assembly's 2024 reforms in Senate Bill 1 removed the requirement that utilities purchase supplier receivables. SMECO and other Maryland utilities are already implementing new billing structures aligned with that law.

HB 1494 partially reinstates POR for a narrow subset of supply products, which would:

- Require significant new IT system investments
- Force utilities to maintain parallel payment-posting frameworks
- Increase administrative complexity and billing risk
- Be costly to implement, with no guarantee that suppliers will even participate

For a member-owned cooperative these expenses would fall directly onto our membership contradicting the bill's stated consumer-protection goals.

#### **V. HB 1494 Weakens the Consumer Protections Enacted Under SB 1**

Maryland enacted Senate Bill 1 to address significant consumer harm in the retail supply market. HB 1494 creates carve-outs that would exempt certain "green" products or emissions-reducing services from SB 1's safeguards.

This risks re-creating the very abuses that SB 1 was designed to eliminate, including:

- misleading contract structures
- opaque pricing
- predatory marketing
- unfair billing practices

SMECO strongly opposes rolling back hard-won protections for Maryland consumers.

#### **VI. Conclusion**

SMECO supports customer choice and clean energy, and we continually invest in programs that help our members manage their energy use and reduce emissions. However, HB 1494 would:

- Introduce significant operational, billing and IT burdens
- Increase costs borne by our members
- Create substantial consumer-protection gaps

For these reasons SMECO respectfully requests an UNFAVORABLE report on House Bill 1494.