

**HOUSE BILL 974
ELECTRICITY AND GAS – RETAIL SUPPLY
(FREEDOM FROM MONOPOLIES ACT)**

FAVORABLE WITH AMENDMENTS

ENVIRONMENT AND TRANSPORTATION COMMITTEE

March 4, 2026

The Energy Artisans submit these comments in **favor with amendments** to **HB 974 – Electricity And Gas – Retail Supply (Freedom From Monopolies Act)**.

Energy Artisans is an established membership organization formed in 2017 that is comprised of industry experts to serve various client needs. The group is anchored by individuals who have decades of energy market experience in general purchasing, wholesale and behind-the-meter power plant development and operation, as well as bulk and retail energy delivery, fuel purchasing and delivery, efficiency measures, and direct participation at the membership and stakeholder level in PJM.

We have reviewed this Bill and support changes to the existing Statute with amendments suggested in the following categories: Pricing and Term limitations, Purchase of Receivables (POR), and Sales Agent responsibility that are consistent with my testimony on February 24, 2026 on SB 749.

Pricing and Term Limitations

The Bill, as proposed, removes quantitative limits on both price and contract terms offered by retail electric and natural gas suppliers that have no market basis. Such artificial limits are arbitrary and capricious. They have no market basis and result in higher energy consumer price offerings in falling markets and no price offerings in rising markets. This is precisely why there are no 3rd party suppliers willing to offer supply services in Maryland, i.e. residential customers have no choice but to buy standard offer service (“SOS” aka, Provider of Last Resort “PoLR”). At a personal level, I established 5-year contracts at my home in October 2023 for both electric and gas at a modest premium to the then current SOS rate, because I valued the price stability. Because of the operation of the 2024 SB1 my electric and gas contracts were cancelled. My commodity service rate went from \$105/MWh to the current SOS rate of about \$165/MWh. This will cost me over \$1,500 annually for the next 3 years, i.e., the remainder of my contract term. Clearly, the SOS rate was not, and is not known for 24 months, as was stated by Delegates in the 2024 hearings on this matter, and the 2024 Bill provided me with zero customer protection and just an extra \$4,500 cost. Imagine that this situation has been repeated across countless customer. Price, and term are value judgements by individuals, and cannot be effectively legislated.

The SOS rate is determined by an average of 24-month pricing for 25% at approximate 6-month intervals. It is particularly notable that the SOS rate covers a period of 24 months but the customer is limited to a period of 12 months under this Bill. Also notable is that the SOS rate is being used as an index against which to benchmark and limit supply offers. It is a poor index, as at any given point in time it does not represent actual current market conditions for future supply. This SOS rate represents a historical reference over the past 24 months and has no bearing on the current price to serve future customer load, i.e. like other markets, past performance is no indicator of future performance.

Position: We support the Removal of all 3rd party supply price and term limits for electric, natural gas contracts. Also, we support the elimination of the need for PSC review of any green power pricing. However, we support truth in advertising, i.e., any offering by a 3rd party supplier must be properly documented in clear, simple language so that customers understand the product.

Purchase of Receivables (POR)

POR was established to provide equal opportunity for all potential customers to choose a supplier regardless of income. Its use was to facilitate billing of current customer energy charges and should never include termination charges or any other charges not associated with current energy supply. This Bill does not appear to address the reinstatement of POR. Currently, only the SOS provider can recover credit losses, while a 3rd party supplier cannot. This is anticompetitive and gives the monopoly SOS provider an advantage over 3rd party supply. Per **Article 41** of the **Maryland Constitution**, *“That Monopolies are odious, contrary to the spirit of a free government and the principles of commerce, and ought not be suffered”*.

Position: Restore POR with an explicit provision that it may not be used to bill anything other than current customer supply charges per contract.

Sales Agent Responsibility

Markets control energy costs, and market education is the key to helping smaller consumers avoid unscrupulous energy marketers and spot unrealistic offers, not limiting what people can buy; that should be a personal choice. If people choose not to participate in markets, then that’s a particular person or company’s prerogative, but not a reason to eliminate that choice for all others. The SOS rate, aka PoLR, is intended to be just that, the rate for people who opt not to make a supply choice. It is not the most cost-effective choice for purchasing power. Sales agents who misrepresent products and their performance should be held personally accountable as well as the companies that they represent. This is akin to misrepresenting investments. There are Federal as well as Maryland-state securities laws that address this type of misrepresentation. This Bill appears to remove customer protections that were added in the 2024 Bill.

Position: Add personal responsibility for sales agents similar to securities law, e.g. personal and company fines and personal industry debarment.

In conclusion, we support SB 974 with these proposed amendments.

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