

COMMISSIONERS

KUMAR P. BARVE
CHAIR

FREDERICK H. HOOVER, JR
BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN

STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: HB 974 – Unfavorable - Electricity and Gas - Retail Supply (Freedom From Monopolies Act)

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this testimony for HB 974. Based on the concerns detailed below, the Commission requests an unfavorable report on this bill. This bill would hinder the Commission’s ability to fulfill its regulatory and legislative duties by reducing the assessment that funds the agency and limiting its capacity to protect retail supply customers from predatory practices.

The Public Service Commission is funded primarily through an assessment on the public service companies it regulates. The current assessment cap is 0.50% of total jurisdictional revenues; HB 974 would reduce this cap to 0.25%. At a time when the Commission’s workload has increased substantially, including a record number of filings and hearings in 2025, such a reduction would significantly limit the agency’s operational capacity. If the Commission cannot be fully funded through the assessment, it would be forced to reduce staffing and resources, undermining its ability to provide necessary oversight of utilities.

The Commission would also note that the agency continues to interpret the statute as requiring the funding of the PSC with an assessment cap of 0.25%, the Strategic Energy Planning Office with an assessment cap of 0.074%, and the Office of People’s Counsel with an assessment cap of 0.074%. However, the removal of the word “plus” at § 2-110 (c)(12)(i) could change that interpretation. If the Commission is required to fund all three agencies with the 0.25% assessment cap, the budgets of each agency would need to be reduced significantly.

HB 974 also eliminates key retail supply customer protections recently enacted through SB 1 (2024), which established licensing requirements for energy salespersons and vendors in Maryland. These measures were adopted in response to a significant rise in consumer complaints stemming from misleading practices by employees of retail energy suppliers. Additionally, HB 974 reverses increased civil penalty caps, limiting the Commission’s ability to hold companies accountable for unlawful or deceptive conduct.

WILLIAM DONALD SCHAEFER TOWER · 6 ST. PAUL STREET · BALTIMORE, MARYLAND 21202-6806

410-767-8000

Toll Free: 1-800-492-0474

FAX: 410-333-6495

MDRS: 1-800-735-2258 (TTY/Voice)

Website: www.psc.state.md.us

The Public Service Commission appreciates the opportunity to provide testimony for your consideration for HB 974. We request an unfavorable report. Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kumar", with a stylized flourish at the end.

Kumar P. Barve
Chair, Maryland Public Service Commission