

**HB1494 Testimony.Final.pdf**

Uploaded by: Jeffrie Long

Position: FAV

JEFFRIE E. LONG, JR.  
*Legislative District 27B*  
Calvert and Prince George's Counties

Environment and Transportation  
Committee

*Vice Chair*  
Southern Maryland Delegation



The Maryland House of Delegates  
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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

March 10, 2026

Chair Korman, Vice Chair Korman, and Members of the Environment and Transportation Committee,

Thank you for the opportunity to present House Bill 1494, Retail Energy Modernization and Consumer Choice Act. Across Maryland, families are increasingly concerned about the cost of keeping their homes powered and heated. Utility bills are not optional expenses. When those costs rise, the burden falls most heavily on seniors, working families, and residents living on fixed incomes.

House Bill 1494 addresses one of the key drivers of rising electricity costs: short periods of extremely high demand on the power grid. When demand spikes, utilities must rely on the most expensive sources of electricity and maintain infrastructure capable of meeting those brief peak moments. Over time, the cost of building and maintaining that capacity is passed on to ratepayers.

This bill allows Maryland's electricity system to operate more efficiently by enabling pricing structures and energy products that better reflect how electricity is used throughout the day. By encouraging energy use to shift away from the most expensive peak periods, the system can reduce strain on the grid and lower overall system costs.

The Retail Energy Modernization and Consumer Choice Act allows electricity supply to be paired with distributed energy resources, such as battery storage, demand response tools, and technologies that can reduce or shift energy use during high-demand hours. These tools help the grid respond in real time when demand begins to rise, reducing the need to rely on the most expensive electricity generation.

In addition to lowering wholesale electricity costs, these modern energy tools can help avoid or delay major infrastructure upgrades. Utilities often must invest in new transmission capacity and grid expansions to meet peak demand, and those investments are ultimately recovered through customer rates. When demand can be managed more efficiently, some of those costly upgrades can be postponed or avoided.

Finally, the bill directs the Public Service Commission to establish clear standards for billing practices, cybersecurity, and interconnection. These safeguards ensure that as Maryland

modernizes its energy system, innovation occurs within a transparent regulatory framework that protects consumers.

House Bill 1494 moves Maryland toward a more flexible and resilient energy system, one that manages demand more intelligently and helps control long-term costs for Maryland households.

For these reasons, I respectfully request a favorable report on House Bill 1494.

Very Truly Yours,

*Jeffrie E. Long, Jr.*  
Delegate Jeffrie E. Long, Jr.

**HB1494\_VistraWrittenTestimony\_FAV.docx.pdf**

Uploaded by: Katie Nash

Position: FAV



Maryland House Environment and Transportation Committee  
Vistra Submitted Testimony in Support of HB1494  
March 10, 2026

Chairman Korman, Vice Chair Guyton and members of the Environment and Transportation Committee, Vistra appreciates the opportunity to submit these written comments in **support of HB 1494 (Long)**, which is being heard in your committee March 10, 2026.

Vistra<sup>1</sup> is a leading Fortune 500 integrated retail electricity and power generation company providing essential energy resources for customers, commerce, and communities. Vistra combines an innovative, customer-centric approach to retail combined with safe, reliable, diverse, and efficient power generation. Vistra is one of the largest competitive electricity providers in the country and offers over 50 renewable energy plans across the markets we serve. Through its family of retail brands, Vistra serves approximately 5 million residential, commercial, and industrial retail customers.

While Vistra does not own electric generation in Maryland, the company is also the largest competitive power generator in the U.S. with a capacity of approximately 44,000 megawatts powered by a diverse portfolio, including natural gas, nuclear, solar, and battery energy storage facilities. Vistra continues to grow its zero-carbon resources, operating the second-largest fleet of competitive nuclear power plants in the country, substantial battery energy storage capacity, and a growing number of solar facilities. Over 7,500 MW of that generation serves the PJM region, of which Maryland is a part.

Vistra supports HB 1494 (Long) because the legislation helps carve a path for private sector companies, like Vistra, to provide products and services that can assist Maryland in creating solutions for resource adequacy and the implementation of additional carbon-neutral technologies.

Vistra recommends a technical change to the legislation on page 4, line 2, where we recommend striking "on-peak" (7-510(d)(3)(I)(3)). Retention of the "on-peak" language could place a limitation on the market's ability to offer effective time-of-use products due to the 12-month trailing average cost cap provisions that were enabled in 2024.

Vistra strongly supports consumer protection and the preservation of Marylanders' right to choose their electricity supplier. Maryland's competitive market is effectively monitored by the Public Service Commission, who have the authority to discipline bad actors. Unfortunately, product restrictions enacted as part of SB 1 have essentially eliminated the Maryland market. Vistra asks that the legislature ultimately review the 2024 legislative action that created artificial and inaccurate market and price signals and severely restricted the ability for good actors in the market, like Vistra, to offer products that consumers desire and like.

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<sup>1</sup> Learn more about our environmental, social, and governance efforts and read the company's sustainability report at <https://www.vistracorp.com/sustainability/>.



Vistra also respectfully requests that the legislature take action on utility consolidated billing. Unfortunately, simply authorizing this customer-centric policy has not yielded results. Authorizing this feature without obligation has led to an excessive back-and-forth dialogue with utilities who have limited to no incentive to move expeditiously on this matter.

Ultimately, the provision of electric service in a competitive market is not about price but about choice, trusting the consumer – your constituents – to know what works best for them and their families. Competition trusts the consumer – just like elections – to know what they want and to seek out those plans and services that provide them with the best overall value, not just price. It treats each consumer as an individual, allowing them to pick the electric service that best fits their unique need – whether that’s finding the least frills, lowest-price plan; a plan that lets them set a budget and easily track their usage; a plan that provides time-of-use rates to better manage the charging of their electric vehicle; or a plan that provides 100% renewable energy.

Thank you for your consideration of Vistra’s written comments in support of HB1494. Vistra looks forward to working with the legislature, leadership and other stakeholders in development of a strategic path forward to enable Maryland’s clean energy goals.

Submitted Respectfully,

Colin Fitzsimmons  
Director, Government Affairs Vistra Corp.

# Constellation\_HB1494\_FAV.pdf

Uploaded by: Mason Emmett

Position: FAV

**March 10, 2026**

**Chairman Marc Korman  
House Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, Maryland 21401**

**FAVORABLE**

**RE: House Bill 1494: Electricity and Retail Gas Supply - Customer Choice, Consumer Protection, and Green Power (Retail Energy Modernization and Consumer Choice Act)**

Constellation is a leading competitive energy supplier that serves over 2 million residential, public-sector, and business customers—including about 75% of the Fortune 100, pairing energy supply with customizable products and sustainability solutions to help customers meet cost and environmental goals. In Maryland, Constellation has always been an active participant in the state's competitive supply landscape and has emphasized customer value through offerings like innovative plan designs—such as time-of-use concepts that can leverage Maryland's smart-meter investments—and cleaner-power options, including emissions-free products and services. Constellation is interested in developing advanced products that combine retail supply with customer-side technologies and grid-interactive solutions. A central focus of that innovation is demand response—programs that actively reduce peak demand, lower system costs, and deliver tangible savings to customers.

House Bill 1494 restores the legal and operational framework necessary for Constellation and other suppliers to offer these consumer-beneficial demand response solutions in Maryland.

**Restoring the Ability to Offer Demand Response and Grid Interactive Products**

The legislation allows residential customers to once again access long-term fixed-price plans, including time-of-use rates that reflect how energy is actually consumed throughout the day. These plans are foundational to effective demand response programs because they align customer behavior with real system conditions and price signals.

Critically, HB 1494 restores the ability to offer clean and emission-free energy products, including offerings combined with energy efficiency tools, advanced analytics, and distributed energy resources. These components are the building blocks of modern demand response programs. By integrating smart devices, usage data, and customer incentives, Constellation can help customers reduce overall usage, shift consumption away from peak periods, and provide measurable support to grid reliability—particularly during highstress PJM peak events.

Demand response is fundamentally different from traditional commodity supply. It is not about simply selling kilowatt-hours; it is about actively managing when and how energy is used. When deployed at scale, residential demand response reduces peak demand, lowers capacity costs in PJM, and mitigates the very price volatility that has driven concern for residential customers in

recent years. HB 1494 appropriately recognizes this distinction by carving out space for these products to operate

### **Bundled Offerings That Enable Demand Response Participation**

In addition, HB 1494 authorizes suppliers to bundle electricity or natural gas service with emissions-free energy certificates, efficiency services, and demand-response programs. These bundled offerings are essential to making demand response work for residential customers.

Prior to 2024's Senate Bill 1, many customers voluntarily chose these types of products because they offered long-term price stability, environmental benefits, and the opportunity to actively participate in reducing grid costs. Those options were subsequently restricted—even though they were knowingly and willingly selected by customers. HB 1494 restores access to these customer-driven choices and enables suppliers like Constellation to design programs that reward customers for flexible usage and participation in demand response events.

For customers, this means lower bills and greater resilience. For the system, it means reduced peak demand, improved reliability, and downward pressure on PJM capacity costs that ultimately flow back to all ratepayers

### **Maintaining Strong Consumer Protections While Enabling Demand Response**

HB 1494 ensures that these innovations occur within a strong consumer-protection framework. To that end, the legislation:

- Maintains limits on variable pricing, ensuring customers are protected from excessive or unpredictable rate swings;
- Prohibits incentive-based sales commissions, reducing the risk of high-pressure or inappropriate sales practices; and
- Directs the Public Service Commission to adopt new regulations governing consolidated billing, cybersecurity standards, transparent information-sharing, and nondiscriminatory interconnection procedures.

These provisions are particularly important for demand response programs, which rely on secure data exchange, clear billing, and fair access to utility infrastructure. Together, they improve oversight, reduce confusion, and ensure that a competitive retail market operates in customers' interests while allowing demand response and other grid-supportive innovations to scale.

### **A Targeted Path Forward for Demand Response and Value-Added Energy Products**

There is a clear path forward. Maryland can modernize its energy framework by carving out Demand Response programs and value-added products from the restrictive provisions of current law. These solutions would empower consumers and support the state's energy goals:

- **Demand Response Solutions:** Fixed-rate energy plans with SmartMeter insights, whole-home battery options, and participation in Maryland's Demand Response market. During

peak events, stored energy can be dispatched, helping to stabilize the grid and potentially lower market prices.

- **Virtual Power Plant (VPP) Integration:** Networks of home energy devices—batteries, EV chargers, smart appliances—can work together to enhance grid reliability and reduce costs for ratepayers.
- **Value-Added Products:** Emission Free Energy Certificates (EFECs), time-of-use plans to encourage EV adoption and reduce peak demand, and incentives for smart home investments. These options leverage Maryland’s SmartMeter infrastructure and support local jobs and clean energy generation.

Maryland’s climate strategy depends on economy-wide electrification and the expanded use of zero-carbon resources to meet the State’s ambitious greenhouse-gas reduction goals. Accordingly, the exemption would apply only to retail products sold to Maryland customers that deliver emissions-free electricity or help reduce emissions—such as (i) time-of-use (TOU) plans that encourage off-peak electric-vehicle charging, (ii) products incorporating emissions free energy certificates (EFECs) and (iii) bundled offerings that incorporate distributed energy resources (DER). This focused legislation would enable innovative supplier products that accelerate EV adoption and electrification, support efficient grid use, and strengthen Maryland’s leadership in achieving its climate goals.

### **Conclusion**

House Bill 1494 takes a measured and necessary step toward restoring Maryland’s residential retail energy market. By removing barriers to demand response, time-of-use pricing, and grid-interactive products—while preserving strong consumer protections—the bill empowers customers to manage costs, supports PJM system reliability, and advances Maryland’s clean energy goals.

Constellation respectfully urges a **Favorable** report on HB 1494 and looks forward to working with the Committee, the Public Service Commission, and stakeholders to ensure Maryland customers can once again benefit from demand response programs and a competitive, innovative retail energy market

Respectfully,

Mason Emnett  
Senior Vice President, Public Policy  
Constellation  
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# **In Support-HB 1494-Base Power-Travis Kavulla March**

Uploaded by: Travis Kavulla

Position: FAV



**Travis Kavulla**

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**Written Statement of Travis Kavulla**

**Head of Policy**

**Base Power Company**

**In Support of House Bill 1494**

**Retail Energy Modernization and Consumer Choice Act**

**Maryland General Assembly, House Environment & Transportation Committee**

Thank you to Delegate Long for introducing and to the Committee for hearing this important piece of legislation, which provides important tools to empower customers and reduce costs from the PJM marketplace. On behalf of Base Power Company, I am filing this written statement in support of the legislation.

Base Power was founded in 2023 by Zach Dell and Justin Lopas and, since that time, has successfully introduced an innovative product that combines residential battery storage together with a retail electricity plan, first in Texas and, soon, in one or more states in the PJM market footprint. Sadly, the product we sell our customers would be unlawful under Maryland's customer-choice restrictions, even though our energy-and-battery package saves customers money on energy, gives them affordable backup power, and reduces the capacity needs they must buy from PJM. This legislation before you today would take meaningful steps to remove barriers for innovations like ours, which can help solve affordability and reliability problems that the Committee is all too aware of.

Before I continue, I would like to note that I am a Maryland resident, and have personally experienced the negative consequences of the effective closure of the state's customer-choice market in the wake of Senate Bill 1 in 2024 (the "Retail Choice Law"). Before the closure of the market, I had entered into a fixed-rate contract for 9.99 cents/kwh that would last until 2029. Contracts longer than twelve months in tenor were made unlawful by SB 1 (2024), and even my contract, which was ostensibly grandfathered, was terminated when another provision of that law (the

termination of utility purchase of receivables and consolidated billing) went into effect. As a result, I have been returned to Pepco's Standard Offer Service. When I had been paying 9.9 cents/kwh through 2029, I am now I am now paying 12.9 cents/kwh—a rate that is 30% than what I had locked in under my competitive contract. The irony is that SB 1 (2024) was ostensibly enacted to protect consumers like me. Instead, it stripped me of a contract I had knowingly and willingly signed, and replaced it with a rate that is both higher and more volatile.

I raise this not to register a personal grievance, but because I suspect my experience is representative of the experience of many Maryland residents who had made similar choices. Senate Bill 1 has cost those customers real money. HB 1494 is an important and measured step toward restoring the ability of Marylanders to benefit from the competitive energy market that this legislature itself created nearly three decades ago.

HB 1494 includes targeted revisions to the SB 1's (2024) restriction to contract tenor, utility purchase of receivables and billing practices, and exemptions for innovative products. In combination, these reforms would create space for business models like Base's and opportunities for customers like me to be empowered relative to PJM and utility costs that are otherwise beyond our control.

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## **I. The Maryland's Residential Retail Market for Electricity is Now Effectively Closed**

Maryland opened its residential electricity market to retail competition in 1999. For over two decades, hundreds of thousands of Maryland residents exercised that right, selecting suppliers that offered them fixed rates, renewable energy products, longer-term price stability, or simply a better deal than the utility's Standard Offer Service.

Senate Bill 1, enacted in May 2024 and implemented by the Maryland Public Service Commission beginning January 1, 2025, imposed a set of restrictions so onerous that the residential retail market did not survive them in any meaningful form. The key market-killing provisions of SB 1 (2024) included:

- **Price caps** that require residential electric supply offers to be priced at or below the trailing twelve-month average of the utility's Standard Offer Service rate;
- **Contract length limits** capping residential supply contracts at no more than twelve months;

- **Prohibition on purchase of receivables (POR)**, forcing suppliers into dual billing arrangements that create friction and confuse customers; and
- **Restrictions on green energy marketing** that effectively require PSC pre-approval of supply offers marketed as renewable or clean, which prevents suppliers from nimbly innovating on product offers.

The consequences were immediate and severe. Before SB 1 (2024), there were nearly 300 competitive residential electricity offers available to Maryland consumers. At the start of 2025, there were zero. The market did not merely shrink. It ceased to function.

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## **II. Contract Length and Price Restrictions Have Harmed the Consumers They Were Meant to Help**

The case for reforming the retail electricity market rested on the premise that competitive suppliers were systematically overcharging residential customers, particularly those on variable-rate contracts. There is some history behind that concern, including variable-rate customers who experienced sharply elevated rates during cold weather events, most notably the 2014 Polar Vortex. Those complaints were legitimate, and some regulatory response was appropriate.

But the cure enacted in SB 1 (2024) was far worse than the disease it targeted. A customer who sought out a competitive supplier specifically to lock in a stable, multi-year rate—precisely the behavior that protects against the volatility SB 1 (2024) meant to address—was swept up in the same restrictions as customers who had been placed on rollover variable-rate contracts without adequate disclosure.

This situation has become more acute. Maryland electricity prices have risen sharply entering 2025 and 2026, driven in part by elevated capacity auction clearing prices in PJM, but also energy pricing. Customers who are now trapped on Standard Offer Service are bearing the full brunt of those increases with no ability to seek alternative supply arrangements. The residential competitive market—which would have enabled some of those customers to lock in prices before the increases took effect—no longer exists to serve them.

Base Power currently has as the foundation of our product offers a three-year fixed-rate electricity agreement, which ensures both stable pricing for the customer and adequate length in a customer relationship, subject to further renewals, to justify our placing a battery at the customer's home at only a low up-front cost to the

customer. HB 1494's revisions would lift the twelve-month contract cap that would prohibit our standard term.

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### **III. HB 1494's Targeted Exemptions for Time-of-Use and Demand Response Products Would Enable a New Generation of Consumer-Beneficial Innovation**

HB 1494 creates targeted exemptions to allow retail suppliers to offer time-of-use rate products and demand response programs, and permits those products to be exempted from a variety of onerous restrictions that exist in SB 1 (2024), including the prohibition on contracts longer than twelve months. HB 1494's provisions also would restore the ability of competitive suppliers to sell accounts receivable for qualifying products, addressing the dual-billing problem that has made competitive supply operationally unworkable.

These are sensible, targeted reforms. Time-of-use rate products and demand response programs are categorically different from the commodity supply contracts that generated consumer complaints. They are not products in which a supplier simply charges a customer a price for kilowatt-hours in competition with the utility's standard rate. They are products that engage the customer—and the customer's behind-the-meter resources, like batteries, smart appliances, and electric vehicles—in actively managing their consumption in response to grid conditions.

This is precisely the type of product that Base Power Company offers. We install residential battery systems—25 kWh to 50 kWh—at customers' homes for a modest upfront cost. We then serve as the customer's electricity provider, offering a fixed rate. The battery charges when grid prices are low and discharges during peak demand periods, earning revenue from the grid that supports our ability to offer customers competitive rates. We currently operate across more than 70 Texas municipalities and have deployed over 150 megawatt-hours of residential battery capacity. We intend to enter markets outside of Texas, including in PJM, beginning this year.

This model is directly relevant to Maryland. The same competitive retail market framework that has allowed Base to operate in Texas also exists in Maryland—or rather, it existed before SB 1 (2024) foreclosed it. Maryland's place in the PJM footprint is another reason to encourage battery adoption through retail supply offerings. PJM is a capacity-constrained market facing elevated capacity prices and growing summer peak demand. Distributed residential battery storage, deployed at

scale and managed as a virtual power plant, is an efficient and cost-effective way to reduce peak demand, lower capacity obligations, and stabilize residential electricity bills.

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### **Conclusion**

HB 1494 does not ask the General Assembly to repeal SB 1 (2024). It asks the General Assembly to recognize that this law was too blunt an instrument. There is a new generation of energy companies—like Base Power—whose business models are built around customer value, grid service, and distributed clean energy. These companies cannot thrive in Maryland under the law’s current restrictions.

HB 1494 creates a sensible path forward: maintain the consumer protections that matter while removing the barriers that prevent innovative, consumer-beneficial products from reaching Maryland households. I urge the Committee to report this bill favorably.

Respectfully submitted,

**Travis Kavulla**

Head of Policy

Base Power Company

March 6, 2026, for hearing to be held on March 10, 2026

# **HB1494 - FWA - Electricity and Retail Gas Supply**

Uploaded by: Megan Outten

Position: FWA



# Maryland Energy Administration

**TO:** Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee

**FROM:** MEA

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

**DATE:** March 10, 2026

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## **MEA Position: FAVORABLE WITH AMENDMENTS**

House Bill 1494 proposes updates to Maryland’s retail energy framework by authorizing new product offerings that combine electricity supply with distributed energy resources, emissions–reducing products, and time–of–use pricing structures. These innovations have the potential to support demand response, improve grid reliability, and provide customers with new tools to manage their energy use.

MEA supports the intent of the legislation to modernize the retail energy marketplace and enable emerging products that can support Maryland’s evolving electric grid. At the same time, it is important that any changes to Maryland’s retail energy market maintain the consumer protections enacted by the General Assembly in 2024 to address longstanding concerns regarding predatory marketing practices and excessive pricing in the residential retail supply market. To preserve these protections while allowing innovation, MEA recommends the following amendments:

**1. Purchase of Receivables:** The legislation authorizes the purchase and sale of accounts receivable for certain products. Maryland previously prohibited the purchase of receivables to address significant consumer protection concerns. Under the previous framework, utilities purchased retail supplier receivables and assumed the risk of nonpayment, which in practice shifted that risk to ratepayers and created incentives for some suppliers to enroll customers without regard for their ability to pay. If purchase of receivables (POR) is authorized for certain products, MEA recommends clarifying the scope and limitations of this authorization to ensure that utilities and ratepayers are not exposed to undue financial risk and that consumer protections remain intact. POR should either be stricken from the bill or limited to an amount equal to standard offer service.

**2. Definition and Treatment of Green Power Products:** The bill proposes changes to the definition and treatment of green power products, including the introduction of emissions–free energy certificates and exemptions from certain provisions governing the marketing and pricing of green power products. MEA recommends clarifying the definition and marketing requirements for green power products to ensure that customers receive clear and accurate information about the environmental attributes of the electricity being offered. So called “green power” should not only require that it is "combined with emissions-free energy certificates" in any amount, but rather that the full amount of

electricity provided be accompanied by emissions-free energy certificates. This clarification will help prevent consumer confusion and ensure that products marketed as environmentally beneficial remain transparent and credible.

MEA also notes that related policy discussions are currently underway in the Senate regarding similar issues. Continued coordination between the House and Senate will be important to ensure that any final legislation preserves Maryland's strong consumer protections while allowing responsible innovation in the retail energy market.

For these reasons, MEA urges the committee to adopt the proposed amendments and to issue a **favorable report**.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at [megan.outten@maryland.gov](mailto:megan.outten@maryland.gov) or 443.842.1780.

# **HB1494\_BGE\_UNF\_ENT\_Electricity and Retail Gas Supp**

Uploaded by: Benjamin F. Guy Andes

Position: UNF

## Position Statement

**Oppose**  
House Environment & Transportation  
Committee  
3/10/2026

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

Baltimore Gas and Electric Company (BGE) **opposes** House Bill 1494 – *Electricity and Retail Gas Supply – Customer Choice, Consumer Protection, and Green Power (Retail Energy Modernization and Consumer Choice Act)*. HB 1494 seeks to introduce new retail electricity and gas products offered by third party suppliers, including time of use rates and aggregation options. BGE supports retail choice as a tool to enhance customer affordability; however, appropriate guardrails are necessary to ensure consumer protection and to avoid shifting the costs of utility billing system upgrades onto ratepayers.

HB 1494 would require utilities to implement or expand utility consolidated billing and the Purchase of Receivables for certain retail electric and gas supply products. Implementing these requirements would necessitate extensive redesign of utility billing systems, customer information systems, and financial settlement processes. These changes are not incidental and would require significant planning, development, testing, and coordination with retail suppliers and regulators.

As drafted, HB 1494 would require utilities to redesign billing platforms to incorporate third party supplier charges, track purchased receivables, apply discounts, allocate customer payments, and manage remittances to suppliers for a specific subset of customers for which BGE is unable to differentiate from other residential customers. Customer information systems will require substantial modification to support new enrollment data requirements, revised billing determinants, enhanced dispute resolution processes, and expanded supplier related customer service functions. In addition, utilities would need to implement complex settlement and accounting systems to track receivable purchases, bad debt exposure, reconciliation, and regulatory reporting obligations for this new subset of customers.

Utility consolidated billing (UCB) may provide administrative convenience for competitive suppliers; however, mandating its availability for a specific set of customers without explicit statutory cost recovery provisions would improperly shift financial and operational risk from unregulated suppliers to regulated utilities and their ratepayers. Following the enactment of Senate Bill 1 during the 2024 General Assembly session, which prohibited utilities from purchasing supplier receivables for residential customers, retail suppliers requested that the Commission require utilities to offer a UCB option without receivables purchase. The Commission declined to impose such a requirement, recognizing both the substantial costs associated with reprogramming utility billing systems and the uncertainty surrounding the future of residential retail choice given the other provisions of Senate Bill 1. Absent a clear statutory directive requiring retail suppliers to fully fund all implementation and ongoing administrative costs associated with any UCB framework, any such mandate would result in the inappropriate socialization of costs across all distribution customers. This concern is not theoretical:

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,300 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

BGE has already invested more than \$12 million to develop a Supplier Consolidated Billing platform that was never implemented due to the lack of supplier participation and the absence of supplier developed systems capable of interfacing with the utility's billing infrastructure.

The Commission has appropriately allowed residential retail choice to continue under the existing dual billing framework, under which third party suppliers bill customers directly for supply services while utilities bill customers only for regulated delivery charges. BGE supports maintaining this structure because it promotes transparency and accountability for customers. When utilities issue consolidated bills that include third party supplier charges, customers frequently and unknowingly attribute all charges on the bill to the utility, including supplier pricing, contract terms, and marketing practices that are beyond the utility's control. This misperception increases customer confusion and complaint volumes directed at utilities, creating unwarranted administrative and reputational burdens. Preserving dual billing ensures that customers clearly understand which entity is responsible for each charge, reduces confusion, and maintains appropriate oversight and accountability for third party suppliers.

HB 1494 also presents significant operational challenges because BGE does not currently have the system capability to identify or validate the specific characteristics of supplier products that may be eligible for Purchase of Receivables under the bill. BGE has no reliable mechanism at enrollment or billing to determine whether a supplier's product includes time varying rates, emissions related attributes, bundled services, or other qualifying features described in the legislation. Without entirely new system logic, data standards, and market protocols, BGE would be unable to distinguish qualifying from non-qualifying enrollments. Developing and implementing such selective eligibility controls would require fundamental and costly changes to enrollment transactions, billing logic, and customer information systems that do not exist today.

The bill raises additional and particularly complex challenges for retail gas supply. Current gas consolidated billing frameworks typically permit suppliers to provide a single rate per billing cycle. HB 1494 appears to allow rate structures that vary within a billing period based on therm usage, which would require changes to Maryland gas market standards, XML schemas, and billing system functionality that are not currently available. The bill also contemplates bundled gas products combined with emissions reducing services or certificates. Under existing consolidated billing structures, utilities cannot purchase receivables for non-commodity products, and there is no system capability to differentiate or bill such bundled components. Supporting these products would require new charge types, bill presentation logic, settlement rules, and additional market standard revisions.

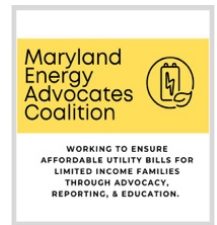
These system upgrades, administrative changes, and ongoing operational requirements necessary to comply with House Bill 1494 would represent significant capital and operating expenditures for BGE, including software development, vendor costs, testing, supplier coordination, expanded customer service functions, and ongoing financial administration. Because billing systems and customer service operations are part of regulated utility services, these costs would ultimately be recovered through distribution rates. As a result, all customers would bear these costs, including those who do not participate in retail supply programs and do not receive any direct benefit from the expanded consolidated billing and Purchase of Receivables framework.

For these reasons, BGE respectfully requests an **UNFAVORABLE** report on House Bill 1494.

# **HB1494-MD ENERGY ADVOCATES COALITION-UNFAVORABLE (**

Uploaded by: Laurel Peltier

Position: UNF



# 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

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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

Laurel Peltier, Chair,  
Maryland Energy Advocates Coalition  
[greenlaurel7@comcast.net](mailto:greenlaurel7@comcast.net)

**HB1494.UNF3.10.pdf**

Uploaded by: Poetri Deal

Position: UNF



March 10, 2026

112 West Street  
Annapolis, MD 21401

**OPPOSE – House Bill 1494 – Electricity – Residential Retail Customers – Billing Requirements and Supplier Provisions.**

Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) oppose **House bill 1494 – Electricity – Residential Retail Customers – Billing Requirements and Supplier Provisions**. Pepco and Delmarva Power support customer choice and strong consumer safeguards; however, those goals must be pursued with practical guardrails that prevent billing-system upgrade costs and financial risk from being shifted onto distribution customers through regulated rates.

House bill 1494 directs the Public Service Commission (PSC) to adopt regulations on consolidated billing, purchasing accounts receivable, and related protocols. These are not small policy tweaks— together they can require substantial IT development, systems integration, testing, training, exception processing, and ongoing support. If utilities are required to serve as the billing and receivables platform for competitive suppliers (including time-of-use products), customers can end up paying for new billing interfaces and settlement workflows, expanded customer service and dispute handling, system upgrades and ongoing maintenance, and significant cybersecurity and data-exchange controls.

Utility consolidated billing may offer convenience to competitive suppliers, but requiring the option without explicit statutory rules assigning full cost responsibility would improperly move financial and operational risk from unregulated suppliers to regulated utilities and their ratepayers. If utilities must build and maintain billing tools primarily to facilitate supplier offerings, then suppliers—not customers—should be responsible for the full incremental cost of design, implementation, ongoing operations, upgrades, and support.

Without clear guardrails requiring suppliers to pay the full incremental cost of any supplier-enabled billing/receivables functionality, House bill 1494 risks socializing these costs across all customers, including those who never choose a retail supplier.

House bill 1494 authorizes additional retail products, including certain time-of-use rates and terms longer than 12 months, and contemplates utility purchase of supplier accounts receivable for specified products. Customers deserve clear accountability. When supplier charges appear within utility billing/collections structures, many customers reasonably assume the utility controls the price and terms—even though those are supplier decisions. That dynamic increases complaints and disputes directed to the utility, while the utility lacks the authority to change supplier pricing or contract provisions.

**Amber Perry | Anne Klase | Allyson Black-Woodson | Poetri Deal | 410 980 5347**

The State's policy direction in recent years has already recognized the sensitivity of supplier billing and receivables structures. Following enactment of SB 1 (2024), suppliers asked the Commission to require utilities to offer consolidated billing without a receivables purchase component.

The Commission declined to impose that obligation, citing both the significant cost of reprogramming utility billing systems and uncertainty around the future structure of residential retail choice under the new legal framework. Absent a clear statutory requirement that suppliers fully fund these costs, House Bi 1494 risks socializing expenses across all distribution customers.

For these reasons, Pepco and Delmarva Power respectfully request an unfavorable report on HB 1494.

**FirstEnergy UNFAV ENT HB-1494.pdf**

Uploaded by: Timothy Troxell

Position: UNF

**OPPOSE – House Bill 1494**

**HB1494 – Electricity and Retail Gas Supply - Customer Choice, Consumer Protection, and Green Power  
(Retail Energy Modernization and Consumer Choice Act)**

**Environment and Transportation Committee**

**Tuesday, March 10, 2026**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, Ohio, Pennsylvania, New Jersey, New York, and West Virginia.

**Unfavorable**

**Potomac Edison / FirstEnergy requests an Unfavorable report on HB-1494 - *Electricity and Retail Gas Supply - Customer Choice, Consumer Protection, and Green Power (Retail Energy Modernization and Consumer Choice Act)*.**

While the goals of expanding customer choice and promoting clean energy are well intentioned, the bill introduces significant operational, billing, metering, and consumer-protection challenges for Potomac Edison.

**Potomac Edison / FirstEnergy requests an Unfavorable report on HB-1494 for the following reasons.**

First, by reintroducing purchase of receivables (POR) for certain supply products, HB-1494 partially reverses reforms enacted in 2024 under Senate Bill 1. Utilities have already implemented changes for compliance with SB-1's POR prohibition - and reinstating POR now, particularly for just a narrow subset of suppliers, would require significant information technology development investment, parallel payment-posting structures, and added billing complexity. All of these changes would take a significant amount of time and cost a significant amount of money - with no clear evidence that suppliers would ever participate.

Additionally, the bill's broad inclusion of "emissions-reducing products or services" within green power products creates substantial risk for customers and utilities. Non-commodity charges, such as home electrification or maintenance services, should not be tied to utility-issued bills under consolidated billing. If such third-party charges were authorized to appear on utility bills, they must be assigned the lowest payment priority to avoid the possibility of service disconnection for non-payment. HB-1494 also introduces ambiguity in defining green or distributed energy resource (DER) bundled products, creating the potential for billing confusion and consumer harm. Layering on new billing constructs and POR obligations would again require additional system requirements - further increasing costs, operational risk, and administrative burdens on utilities.

Provisions directing expedited interconnection for certain DERs raise fairness concerns by potentially undermining established first-come/first-served queue rules. In addition, the expansion of time-of-use offerings for residential customers may not be easily feasible in Potomac Edison's Maryland service territory as the company lacks widespread usage of smart meters and interval data. Third-party advanced metering infrastructure deployment could not be implemented reliably without major metering and system upgrades, clear tariff alignment, and defined cost-recovery mechanisms. None of this is addressed in the bill, and it would be very costly to implement.

Finally, by exempting certain green or emissions-reducing products or services from SB-1's consumer-protection requirements, HB-1494 risks recreating the very consumer harms that SB-1 was designed to prevent. While the underlying objectives of energy diversification and consumer choice are admirable, HB-1494 would create substantial implementation challenges, introduce operational and billing risks, and weaken key consumer-protection safeguards. Given these concerns, **Potomac Edison / FirstEnergy respectfully urges an Unfavorable report on House Bill 1494.**

# **HB 1494 Electricity and Retail Gas Supply-Long.pdf**

Uploaded by: Tom Dennison

Position: UNF



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*People. Power. Progress.*

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.

# **HB 1494\_ Electricity and Retail Gas Supply - Cust**

Uploaded by: Trudy Tibbals

Position: UNF

**HB 1494:** Electricity and Retail Gas Supply - Customer Choice, Consumer Protection, and Green Power (Retail Energy Modernization and Consumer Choice Act): Please vote to **OPPOSE** this bill.

Dear Environment & Transportation Committee:

I am writing to strongly urge you to **OPPOSE HB 1494** during committee consideration or floor votes.

While presented as promoting "choice" and "modernization," this bill risks significantly harming residential consumers, especially when many families already struggle with high utility bills. Expanding time-of-use rates and long-term contracts can expose households to volatile pricing, complex billing, and higher costs during peak periods, particularly for those unable to shift usage (e.g., families with children, elderly residents, or fixed incomes). Allowing accounts receivable sales increases the risk of aggressive debt collection practices or predatory lending-like structures.

**Permitting energy resource aggregators to operate independently of utilities could fragment grid reliability, complicate emergency response, and raise cybersecurity vulnerabilities, exactly what Maryland does not need amid rising cyber threats to critical infrastructure.** The mandated PSC regulations for consolidated billing and expedited interconnection may favor large aggregators or suppliers over consumer protections and utility stability.

Exempting certain green power products from marketing and pricing rules could lead to misleading claims, greenwashing, or inflated costs without real environmental benefit, undermining consumer trust and Maryland's legitimate clean energy goals.

**Maryland consumers need stronger protections and stable, affordable energy, not further deregulation that benefits suppliers and aggregators while shifting risks and complexity onto households. Recent history shows retail energy deregulation has often led to higher costs, confusion, and reduced real choice for residential customers.**

For these reasons, I respectfully ask you to **vote against HB 1494**.

Thank you for your attention to this critical energy policy and consumer protection issue.

Sincerely,

Trudy Tibbals



# **HB 1494 Information PSC.pdf**

Uploaded by: Barve Barve

Position: INFO

KUMAR P. BARVE  
CHAIR



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

## PUBLIC SERVICE COMMISSION

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

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

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this informational testimony for HB 1494. The bill carves out the following electric products from many of the consumer protections enacted by SB1 of 2024<sup>1</sup>: time of use rates, supply products bundled with *emissions-free certificates*, as opposed to *renewable energy credits*; and distributed energy resources that provide demand response. The following natural gas retail supply offerings are also exempt from consumer protections: tiered natural gas rates; and gas supply that is paired with an “emissions-reducing product or service.” For these product offerings, a retail supplier is not required to adhere to the current statutory safeguards regarding contract term length, variable rates, price caps, and the limitations surrounding utility purchase of supplier receivables (“POR”).

The Commission notes that enabling products in the retail market that do not have price caps and are billed through purchase of receivables will likely enable all of the previous high price offerings that SB 1 of 2024 sought to restrict. If the General Assembly moves forward with HB 1494 where price caps are removed, for any product offering, then it is recommended that POR not be permitted or restrictions be placed upon the use of POR.

The aforementioned products are notably carved out from the green product oversight and procedures identified in PUA 7-707. Currently, under this provision, any product marketed as “green,” as “clean,” “100% renewable,” or as a similar claim, must be verified as having at least 51% Maryland RPS-compliant renewable energy credits (RECs) attached. Additionally, the Commission annually establishes the price cap for these green products, above the statutory cap, at a hearing before the Commission where suppliers, utilities, and stakeholders, provide

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<sup>1</sup> Ch. 537 of 2024.

justifiable evidence to support the set price. Legislation under SB1 of 2024 further enabled a retail supplier to petition for a price that supersedes the green power price set.

Carving these products from the green product proceedings will result in market inconsistencies and potential confusion regarding which products are considered “green.” Additionally, the Commission will encounter difficulties in overseeing the market when different offerings, in only some instances, may be subject to the Commission’s marketing oversight. Additionally, a carve out of this type will allow customer protections that were developed under SB1 of 2024 to be easily circumvented. For example, an “emissions-reducing product”, as allowed under the legislation, could be satisfied through the sale of a single LED bulb or by installing a more efficient appliance and would be exempt from SB1’s customer protections if combined with the sale of gas.

An additional consequence of HB 1494 is that it creates a three-tiered market, for which enforcement may be challenging: 1) a general market with a trailing 12 month price cap; 2) a green product market for which regulatory enforcement and oversight is heightened via price caps; and 3) a non-green, yet niche market that exceeds all statutory price caps.

In addition, the bill specifies that a distributed energy resource aggregator providing electric distribution system support services and participating in a demand response program is not limited to acting only at the direction of an electric company, despite the definition of "electric distribution system support services" in § 7-1001. An aggregator cannot provide distribution support services unless it is for grid support needed by an electric distribution company under an electric distribution company retail tariff. Therefore, we can only assume that the bill's sponsor is referring to the dual participation of a distributed energy resource aggregator in both electric distribution company retail tariffs and PJM wholesale markets, where the aggregator would not be under the direction of an electric distribution company. Dual participation for distributed energy resource aggregators in PJM is set to roll out in several phases.

The Commission’s Interconnection Workgroup is already working on interconnection regulations to implement DER aggregations for dual market participation to meet PJM’s February 1, 2028 deadline. The bill’s expanded requirements regarding cybersecurity, information exchange and nondiscriminatory interconnection can be included in these efforts, although the July 1, 2027 deadline may be unrealistic given the complexity of the issues to be deliberated, the fact that PJM still has not fully defined its process requirements as of this date, and the processes and system changes required to be implemented by electric companies to meet the bill’s requirements and PJM’s requirements for dual market participation. For these reasons, the Commission prefers a more realistic December 1, 2027 deadline for regulation to be effective in 2028, if the legislature is amenable.

Please contact Niki Wiggins, Director of Legislative Affairs, at [irene.wiggins3@maryland.gov](mailto:irene.wiggins3@maryland.gov) if you have any questions related to this informational testimony.

(signature to follow)

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

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Sincerely,

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

Kumar P. Barve  
Chair, Maryland Public Service Commission

# **HB1494 - OPC Testimony.pdf**

Uploaded by: David Lapp

Position: INFO

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PEOPLE'S COUNSEL

**WILLIAM F. FIELDS**  
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**BRANDI NIELAND**  
DIRECTOR, CONSUMER  
ASSISTANCE UNIT

**CARISSA RALBOVSKY**  
CHIEF OPERATING OFFICER

**BILL NO.:** House Bill 1494 – Electricity and Retail Gas Supply -  
Customer Choice, Consumer Protection, and Green Power  
(Retail Energy Modernization and Consumer Choice Act)

**COMMITTEE:** Environment and Transportation

**HEARING DATE:** March 10, 2026 (ENT)

**SPONSOR:** Delegate J. Long

**POSITION:** Informational

\*\*\*\*\*

The Office of People's Counsel (OPC) respectfully offers the following informational comments on House Bill 1494, the Retail Energy Modernization and Consumer Choice Act. HB 1494 proposes changes to the provisions of the Public Utilities Article enacted as part of Senate Bill 0001 in 2024. That legislation placed new operational requirements and restrictions on third-party retail energy suppliers to protect customers against predatory practices. While SB 0001 did not require third-party suppliers to exit the market, certain provisions have made the operation of reputable third-party retail suppliers in Maryland more challenging. By proposing changes to consumer protections established by SB 0001, HB 1494 may expose residential customers to increased price volatility, complex product structures, and potentially higher costs that consumers may find difficult to evaluate or compare.

In 1999, the General Assembly passed Maryland's Electric Customer Choice and Competition Act ("the Act").<sup>1</sup> The Act "deregulate[d] the generation, supply and pricing of electricity" by enabling companies other than the State's monopoly utilities to sell

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<sup>1</sup> 1999 Md. Laws Ch. 3, 4 (S.B. 300/H.B. 703).

electricity directly to retail customers.<sup>2</sup> The intent of the Act was to “create competitive retail electricity supply and electricity supply services markets . . . [and] provide economic benefits for all customer classes[.]”<sup>3</sup>

Since 1999, however, the benefits for residential customers from retail choice have been sparse. OPC’s experience in this regard was confirmed by a 2023 study of retail energy suppliers operating in Baltimore Gas and Electric’s service territory showing that retail supply customers are not, in fact, paying competitive prices.<sup>4</sup> Compounding this problem, the study also found that “households who live in low-income areas pay higher [electricity] prices, on average, than households in high-income areas.”<sup>5</sup>

At the same time, the harm to customers was plentiful. Existing laws and regulations enabled retail energy suppliers to engage in deceptive and unfair marketing practices that were hard to uncover and even harder to adequately remedy. OPC has litigated before the Public Service Commission (PSC) numerous cases successfully alleging that retail energy suppliers have violated Maryland law and regulation by engaging in unfair and deceptive practices that resulted in harm to customers.<sup>6</sup> In just two of those cases, Maryland customers were overcharged by over \$14 million and \$6 million dollars, respectively, and individual customers were overcharged by thousands of dollars.<sup>7</sup>

Consumer complaints against retail energy suppliers included unfair and deceptive marketing and solicitation practices such as:

- Telemarketing based on incomplete or deceptive advertising material that results in a binding supply contract just based on a telephone call;<sup>8</sup>

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<sup>2</sup> Md. Code Ann., Pub. Util. (PUA) § 7-504(3).

<sup>3</sup> PUA §§ 7-504(2), 7-504(4).

<sup>4</sup> Kahn-Lang, Jenya, Competing for (In)attention: Price Discrimination in Residential Electricity Markets, pg. 1, (Mar. 7, 2023), <https://drive.google.com/file/d/1IClpnaf3gVy3X94YWhLtSSTMWKTzi16K/view>.

<sup>5</sup> *Id.* at 43.

<sup>6</sup> See e.g., Case No. 9324, *In the Matter of the Investigation into the Marketing Practices of Starion Energy PA, Inc.*; Case No. 9613, *In the Matter of the Complaint of the Staff of the Public Service Commission against SmartEnergy Holdings d/b/a SmartEnergy*; Case No. 9615, *In the Matter of the Complaint of the Staff of the Public Service Commission v. U.S. Gas & Electric and Energy Services Providers, Inc., D/B/A Maryland Gas & Electric*; Case No. 9617, *In the Matter of the Complaint of the Staff of the Public Service Commission Against Smart One Energy, LLC*; Case No. 9647, *Complaint of the Md. Office of People’s Counsel Against SunSea Energy, LLC*.

<sup>7</sup> Case No. 9617, Order No. 89526 (Mar. 6, 2020); Case No. 9613, Order No. 90515 (Feb. 22, 2023). In the case of SmartEnergy, the PSC found that the company was responsible for \$15.97 million in customer refunds but suspended \$9.47 million of that amount contingent on prompt and satisfactory remittance of the remaining refunds to affected customers. It also ordered a \$250,000 civil penalty against SmartEnergy. Case No. 9613, Order No. 91676 (June 9, 2025).

<sup>8</sup> The most egregious example of this type of supplier behavior is Smart One Energy. Through telephone marketing, the company was able to learn the account number or customer ID for the customer and enroll

- Deceptively marketing products as “green energy,” “renewable energy,” and “carbon-free” without defining these terms;
- Enrolling customers without their consent, making misleading claims about potential savings, and posing as representatives of a customer’s utility company;<sup>9</sup>
- Deploying third-party sales agents who are unlicensed and unregistered, making it difficult to prevent agents who violate Maryland regulations from continuing to operate in Maryland; and
- Locking customers into variable rate contracts that significantly increase in price and charge excessive early terminations fees.

Although the PSC has a customer complaint process, PSC enforcement actions had done little to curtail retail supplier misconduct. In fact, the number of consumer complaints filed against retail energy suppliers operating in Maryland was growing. In fiscal year 2021, consumers filed 157 complaints with the PSC’s Consumer Affairs Division; in 2022, consumers filed 86 complaints; and in 2023, consumers filed 641 complaints.<sup>10</sup> For example, one retail supplier racked up 41 new consumer complaints just months after restarting marketing and solicitation activities following an enforcement action before the PSC.<sup>11</sup> Finally, enforcement cases often span several years, which means that even if the affected customers are granted relief, that relief is substantially delayed. In one case, the supplier continued to serve—and receive revenues from—customers for years after the PSC found it had unlawfully enrolled customers.<sup>12</sup>

OPC supported the passage of SB 0001 in 2024 because it imposed much needed protections for customers interacting with the retail energy supply market, including:

- Enhancing licensing requirements to include the licensing of door-to-door “energy salespersons” and to require retail energy suppliers to reapply for a license every three years, providing the PSC with additional opportunities to review suppliers’ conduct and to deny problematic suppliers from selling in the state;
- Increasing the civil penalty amount from \$10,000 to \$25,000 and providing that each customer who is affected by a retail supplier’s misconduct is a separate violation;

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the customer without their consent. The company had no other interaction with the customer other than to put excessive charges—usually about twice the utility’s rate—on the customer’s bill. This practice went on for years before being detected. The company enrolled over 17,000 Maryland customers. Many customers had no idea that they were being served by a supplier, had no knowledge of Smart One Energy, and endured overcharges for years. *See* Case No. 9617, Order No. 89219 (Aug. 2, 2019).

<sup>9</sup> *See e.g.*, PSC Case No. 9324; PSC Case No. 9615; PSC Case No. 9647.

<sup>10</sup> Consumer complaint information is publicly available on the PSC’s website:

<https://www.psc.state.md.us/retail-energy-supplier-complaint-reports/>.

<sup>11</sup> PSC Case No. 9647, *Notice of Probable Cause Hearing* (Public and Confidential), ML No. 301288 (Feb. 13, 2023).

<sup>12</sup> *In re SmartEnergy Holdings, LLC*, 486 Md. 502 (2024).

- Eliminating most variable rate contracts;
- Prohibiting commission-based compensation for energy salespersons, which removed an incentive for deceptive marketing and solicitation practices;
- Prohibiting the sale and purchase of accounts receivable; and
- Eliminating early termination fees.

Notably, SB 0001 did not require third-party suppliers to exit the market, but certain provisions may have caused even reputable third-party retail suppliers to choose to exit.

HB 1494 proposes to roll back several of these consumer protections, particularly for time-of-use (TOU) products and energy bundled with either “emissions-free certificates” or “emissions reducing services. Specifically, HB 1494 proposes to:

- create broad exceptions for TOU products, electricity bundled with emissions-free energy certificates, and products that combine electricity with distributed energy resources (DERs). Under HB 1494, these products may exceed the price cap, include variable monthly pricing, and extend beyond 12-month contract terms;
- exempt certain “green power” products—such as TOU-based offerings and electricity bundled with emissions-free certificates or emissions-reducing services—from existing green power marketing and pricing restrictions; and
- re-authorize the billing practice known as the purchase of receivables (POR) for certain bundled products.

OPC appreciates the opportunity to provide these informational comments on HB 1494 and is available to answer any questions the Committee may have.