

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1019 (Delegate D.E. Davis)
Economic Matters

**Public Service Commission - Electric Companies and Electric Cooperatives -
Customer Identification**

This bill requires the Public Service Commission (PSC) to adopt regulations that require each electric company and electric cooperative to adopt a method for an electricity supplier to enroll a customer in competitive electricity supply without using the customer's utility account number. Instead, a customer may provide the electricity supplier specified identifying information.

Fiscal Summary

State Effect: PSC can handle the bill's requirements with existing budgeted resources. State finances are not otherwise materially affected.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The alternative proof of identity must be provided as follows:

- a government-issued identification card; and
- at least two of the following: (1) the phone number associated with the customer's account; (2) the last four digits of the Social Security number of the account holder; (3) the account holder's date of birth; or (4) the amount due on the account listed on one of the three electric bills immediately preceding the date of enrollment with the electricity supplier.

Current Law/Background: The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland. The resulting system of customer choice allows the customer to purchase electricity from a competitive supplier or to continue receiving electricity under standard offer service (SOS). Default SOS electric service is provided by a customer's *electric company* (e.g., Baltimore Gas and Electric Company or Pepco). Competitive electric supply is provided by competitive *electricity suppliers*. In either case, the electric company delivers the electricity and recovers the costs for delivery through distribution rates. Gas supply and delivery are similarly restructured, with gas suppliers and gas companies.

An electricity supplier or any person or governmental unit may not, without first obtaining the customer's permission (1) make any change in the electricity supplier for a customer or (2) add a new charge for a new or existing service or option. PSC regulations related to the transfer of electricity supply require all electric companies and electricity suppliers to use uniform electronic transaction processes approved by PSC. In practice, an electric choice identification number is used for processing enrollments.

For more information on competitive supply, see a 2018 [report](#) on the competitive retail electricity and gas markets in Maryland conducted on behalf of the Office of People's Counsel.

Small Business Effect: The bill facilitates the transition from SOS to competitive electric supply by allowing electricity suppliers to use identifying information other than a customer's utility account number to process enrollments. There may be upfront costs associated with implementing this capability. Conversely, small electricity suppliers may benefit from a more flexible enrollment process.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 529 (Senator Feldman) - Finance.

Information Source(s): Public Service Commission; Office of People's Counsel; Department of Legislative Services

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rh/lgc

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