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**HB 1327 Public Utilities - Transitional and Default Electric Service - Implementation**  
**House Economic Matters Committee**  
**UNFAVORABLE**  
**March 4, 2021**

Good Afternoon Chairman Davis and Members of the House Economic Matters Committee. My name is Tammy Bresnahan. I am Director of Advocacy for AARP Maryland. As you know, AARP Maryland is one of the largest membership-based organizations, encompassing more than 870,000 members across the state.

AARP Maryland advocates for protections for utility customers to ensure affordable and reliable gas and electricity. Working on this issue for the last several years we have tried to highlight that third-party energy suppliers and their intentionally misleading marketing practices leave vulnerable consumers paying more — not less — for their utilities.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

Time and time again — and all too often, third-party energy suppliers, after enticing consumers with a low introductory rate, over-charge them once the introductory time has lapsed. We have also found that many of these customers are older and low income, leaving them less empowered to extricate themselves from confusing contracts and exorbitant cancellation fees.

HB 1327 eliminates the standard offer service offered by Maryland's regulated utility companies. AARP MD believes that policymakers should make standard offer service the default for residential customers. It should be stable, predictable, and affordable. Standard offer service should be offered to all residential customers at rates that have been approved by regulators and are cost-based, just, and reasonable. Stable, predictable, and affordable standard offer service should always be available and automatically provided to residential customers who for any reason have stopped receiving natural gas or electricity services. Standard offer service should include the same consumer protections that historically have been provided by traditional gas or electric utility service to these customers prior to restructuring.

Home energy is a basic and essential service. It is not a consumer product that requires sophisticated energy buying skills. It seems unrealistic to expect all 2.2 million Maryland households to re-shop, compare, and stay focused on home energy when there's little interest and

Real Possibilities

low energy literacy in general. Lastly, if the only comparison tool is eliminated, as HB1327 proposes, consumers would have less information to make wise home energy decisions.

AARP MD respectfully request that the House Economic Matters Committee reject proposals to eliminate standard offer service and force consumers to choose a deregulated supplier. We also respectfully ask you to reject proposals to offer variable standard offer service linked to short-term wholesale market prices or other volatile pricing strategies.

AARP believes that policymakers should ensure consumers have access to reliable, safe, and high-quality utility electric and gas services. Services should be offered at just and reasonable rates. Fair terms and conditions, as well as minimum service standard protections, must be included.

For these reasons we are concerned about the passage of HB 1327. If you have questions, please contact Tammy Bresnahan at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.