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HB 1256 Electricity – Tariffs- Distributed Energy Resources, and Electric Distribution System Support Services (Distributed Renewable Integration and Vehicle Electrification (Drive) Act)

**FAVORABLE WITH AMENDMENTS
House Economic Matters Committee
March 7, 2024**

Good Afternoon Chair Wilson and members of the House Economic Matters Committee I am Tammy Bresnahan, Senior Director of Advocacy for AARP Maryland. AARP, which advocates for the more than two million Marylanders age 50 and older. AARP MD has reviewed the bill respectfully request an amendment to HB 1256.

HB 1256 requires the Public Service Commission, on or before December 31, 2025, to adopt a transition plan requiring each electric company to transition customers to a certain time-of-use tariff on or before September 1, 2028. HB 1256 also requires the Commission to adopt regulations on or before April 1, 2025, regarding the interconnection of the electric distribution system and prohibits an electric company from requiring a customer to enter a contract by opting out.

Home energy costs make up a sizable portion of household budgets. In Maryland, 41% of the 400,000 low-income households are older adults sixty and older. Since the pandemic, residential prices for natural gas, electricity, and fuel oil have increased significantly.

According to Forbes in a 2020 article and the National institute for Retirement Security that “A plurality of older Americans, 40.2 percent, only receive income from Social Security in retirement.

And according to the Social Security Administration, as of December 2023, the average check was \$1,767.00. Additionally, about one out of four cases, low-income older households whose income is less than \$16,000 a year devote 15 percent or more of their income to home energy bills. Too often low-income seniors face heat and eat decisions, even in Maryland.

For older people in low- and moderate-income households, high and unpredictable energy prices jeopardize stable home heating and cooling.

AARP believes that policymakers should prohibit any time-of-use metering and billing program that is likely to:

- have an adverse impact on residential customers generally;

- have an adverse impact on customers who cannot shift usage, for example because of necessary medical equipment; or
- shift costs to those who use less than the average amount of electricity.

If you decide to pass this bill, we respectfully ask that customers be able to opt in, rather than opt-out.

We also ask that time-of-use metering and billing programs have an individualized consumer education component. This should include a projection of the impact on a customer's bill based on historical usage and current prices.

And finally, we would ask that if this bill passes, please ensure that any time-of-use pilot program for residential customers includes and identifies customers with low incomes and measures the program's impact on customers who do not or cannot take actions to avoid the higher peak-time prices.

AARP is working hard to ensure that Marylanders can age in place and can pay their utilities when they retire and or live on fixed and or low incomes. We respectfully request you adopt our amendment. If you have questions, please contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.