

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 749 (Senator Gile, *et al.*)  
Education, Energy, and the Environment

---

**Residential Retail Customer and Retail Electricity Suppliers - Definition and Alterations**

---

This bill removes a requirement that a residential electricity supplier offer electricity, other than green power, only at a price that does not exceed *the trailing 12-month average* of the relevant electric company's standard offer service (SOS) rate as of the date of the agreement with the customer. Instead, the price may not exceed the current SOS rate as of the date of the agreement. The bill also authorizes the use of supplier consolidated billing and defines related terms. Finally, the bill modifies existing processes related to the determination of green power pricing by the Public Service Commission (PSC) to exclude consideration of the state in which the electricity was generated.

---

**Fiscal Summary**

**State Effect:** The bill's changes can be implemented with existing budgeted resources. State revenues are not affected.

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

**Small Business Effect:** Potential meaningful.

---

**Analysis**

**Bill Summary:** "Residential retail customer" means a retail electric or retail gas customer that purchases electricity or gas for use at a domicile, including any individual that enters into a direct contract with an electricity supplier or gas supplier for the provision of electricity or gas for use at a domicile. The definition specifically excludes a retail customer whose account serves the primary business operations, ancillary business functions, or

commercial activities of a business entity or other nonresidential organization but is classified, designated, or otherwise coded as residential by the electric or gas company.

## **Current Law:**

### *Electric Customer Choice and Competition Act of 1999*

The Electric Customer Choice and Competition Act of 1999 facilitated the restructuring of the electric utility industry in Maryland, which deregulated the generation, supply, and pricing of electricity. As part of restructuring, the State's vertically integrated electric companies divested themselves of their generation assets. With restructuring, generation resources are considered competitive, and the competitive market is relied upon to provide new generation resources and to meet load requirements.

### *Public Service Commission*

PSC must supervise and regulate public service companies, which includes electric companies, subject to its jurisdiction to (1) ensure their operation in the interest of the public and (2) promote adequate, economical, and efficient delivery of utility services in the State without unjust discrimination. In doing so, PSC must consider the public safety, the economy of the State, the maintenance of fair and stable labor standards for affected workers, the conservation of natural resources, the preservation of environmental quality, the achievement of the State's climate commitments for reducing greenhouse gas emissions, and the protection of a public service company's infrastructure against cybersecurity threats. PSC must also enforce compliance with legal requirements by public service companies.

### *Retail Choice and Consumer Protections*

Chapter 537 of 2024 established various requirements to regulate the activities of third-party retail electricity suppliers in the residential market. These provisions apply to residential electricity supply other than supply offered through SOS, the Department of General Services' sale of energy, or a community choice aggregator.

### *Residential Electricity or Gas Supply Other Than Standard Offer Service*

For residential electricity supply other than supply offered through SOS or specified governmental entities, a residential electricity supplier:

- may offer electricity, other than green power, only at a price that does not exceed the trailing 12-month average of the electric company's SOS rate in the electric company's service territory as of the date of agreement with the customer;

- may offer residential electricity supply only for a term of up to 12 months at a time;
- may, for electricity supply other than green power, automatically renew the term only if the electricity supplier provides notice to the customer 90 days before and 30 days before renewal;
- may offer green power that meets specified requirements, discussed below, but may not automatically renew the term with the customer;
- may not offer a variable rate other than a rate that adjusts for seasonal variation up to two times in a single year (this does not prohibit the offer and use of time-of-use rates that establish different rates for periods within a single day); and
- may not pay commission or other incentive-based compensation to an energy salesperson for enrolling customers.

Additionally, a residential electricity supplier may not sell to an electric company, and an electric company may not purchase from an electricity supplier, accounts receivable.

### *Green Power Marketing*

Generally, an electricity supplier that supplies electricity to residential retail electric customers may not market electricity as “green power” unless:

- the percentage of electricity being offered, or the equivalent number of renewable energy credits (RECs) associated with the electricity being marketed as green power, equals or exceeds the greater of 51% or 1% higher than the Renewable Energy Portfolio Standard (RPS) for the year the electricity is provided to the customer; and
- PSC approves the price of the electricity being marketed as green power, subject to specified requirements.

“Green power” means energy sources or RECs that are marketed as clean, green, eco-friendly, environmentally friendly or responsible, carbon-free, renewable, 100% renewable, 100% wind, 100% hydro, 100% solar, 00% emission-free, or similar claims.

PSC must hold a proceeding each year to set the price per megawatt-hour for electricity marketed as green power that, generally, an electricity supplier may not exceed. During such a proceeding, PSC must consider:

- the price of the energy purchased, including the total cost of the RECs;
- the amount of electricity that is eligible for inclusion in meeting the RPS;

- the state in which the electricity was generated; and
- applicable market data.

PSC may consider whether the purchase of RECs was bundled with a power purchase agreement from the energy sources associated with the credit.

PSC may set a higher price for a particular electricity supplier under specified circumstances. Among other requirements, the electricity supplier must demonstrate to PSC that the actual cost to the electricity supplier for the generation or supply of electricity exceeds the general green power price set by PSC. On request by an electricity supplier, PSC must hold a proceeding to set a price per megawatt-hour for electricity marketed as green power for that electricity supplier. During such a proceeding, PSC must consider:

- whether the purchase of RECs was bundled with a power purchase agreement from the energy sources associated with the credit;
- the price of the energy purchased, including the total cost of the RECs or power purchase agreements;
- the amount of electricity that is eligible for inclusion in meeting the RPS;
- the state in which the electricity was generated; and
- applicable market data.

A separate price approved by PSC may not be more than 150% of the general price unless PSC determines that the actual cost of the green power exceeds the general price; any such approval requires PSC to report to the General Assembly, as specified. PSC must annually review any specific supplier prices.

**Small Business Effect:** Changes to restrictions on residential electricity and gas supplier contract terms and prices may result in changes to residential energy prices, which may affect costs for some small businesses that pay residential rates. Additionally, the bill excludes certain home-based businesses from the definition of a “residential retail customer,” allowing such businesses to be considered commercial customers for purposes of providing electricity supply. Commercial electricity supply rates do not have the same price limitations as residential rates, under current law or the bill.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 24, 2026  
caw/lgc

---

Analysis by: Andrés López Esquerra

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510