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BILL NO.: **SB603 - Public Service Commission –
Electricity and Gas Suppliers – Training
and Education Program**

COMMITTEE: **Senate Finance**

HEARING DATE: **February 28, 2020**

SPONSORS: **Senator Feldman**

POSITION: **Informational**

The Office of People's Counsel (OPC) provides these comments as information on SB603, Public Service Commission – Electricity and Gas Suppliers-Training and Education Program. For the past twenty years, all gas and electric suppliers have been required by Maryland law to comply with federal, state and local consumer protection laws, and Commission regulations, including additional marketing and contracting regulations. In fact, an authorized official is required to affirm the company's compliance with these laws at the time of the submission of the license application. Therefore, it is the supplier's sole responsibility to ensure compliance with these requirements. However, Senate Bill 603 affirmatively enhances the likelihood of compliance with those requirements by establishing a training and education program provided by the Commission, as regulator. Once completed, a supplier can no longer state after the fact, "we were not aware of the rules."

This bill requires the Public Service Commission (PSC) to develop a training and education program for companies that are licensed by the PSC as retail energy suppliers. The training and education program is to be developed in consultation with interested stakeholders. Under the PSC training program, each licensed energy supplier must designate one representative to undertake the training in order to have “a thorough understanding of the Commission’s regulations” on sales, and consumer protection and any other matter the PSC deems appropriate. The PSC would conduct an examination and certify that the designated representative of the licensed energy supplier had successfully completed the course. A new energy supplier must have the designated representative complete the training prior to being issued a license to operate as a retail supplier.

The bill does not assign any follow-up responsibilities for the designated representative of the retail suppliers to ensure that the retail suppliers follows the PSC’s rules and regulations. The Company’s representative must successfully complete the course, but there are no provisions regarding the use by retail energy suppliers of third-party marketing entities, door to door solicitation firms or off-shore call centers. The designated representative has no obligation to impart any knowledge from the training to any other members of the retail supply company.

OPC would suggest that the designated representative of a licensed electricity or natural gas supplier, who is certified after completion of the training and education program provided by the Public Service Commission, be designated as the compliance official for the licensed retail electricity or natural gas supplier. This change will help to ensure that the knowledge gained on the issues of marketing and contracting practices

and consumer protection are shared with all employees of retail suppliers, as well as outside vendors and all of their agents. For those retail suppliers who employ third party marketing and sales firms, the designated representative with the PSC certification can provide guidance to the third party agents about the PSC rules and regulations regarding marketing and sales tactics. Further the establishment of the PSC certified designated representative as the compliance officer of the retail supplier will create a single point of contact for the Commission, OPC and consumers who have questions or disputes with the retail suppliers activities in the areas of sales and consumer protection.

Given the serious slamming problems and the failure to comply with federal, state and local laws that OPC and others have identified in Maryland from sales and marketing activities by certain retail suppliers, the establishment of training and education regime by the Public Service Commission could provide some further assurance of protection for the residential customers of competitive energy suppliers. However, the certified training and education of one individual of a retail supplier will not achieve the result sought by legislation unless there exists a requirement in the law to share the knowledge from the Commission's training and education program with other employees of the retail suppliers.

Finally, OPC believes that it would be helpful to explicitly list OPC as a stakeholder, in addition to the energy suppliers, in developing the training and education program.