

Good Afternoon Chairwoman Kelley and Members of the Senate Finance Committee.

I am Laurel Peltier and I'm an independent journalist and have written extensively about third-party supply and co-authored the Abell Foundation Report. I am also an AARP advocate, As you know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 900,000 members. **AARP MD overwhelmingly supports SB 686**

Residential Electricity and Gas Supply Billing Information –

Reports and we thank Senators Washington, Kelley, and Benson for sponsoring this important legislation.

The 1999 Electric Choice Act was passed by the General Assembly and signed by then Governor Glendenning. It was heavily lobbied by big energy, and energy traders like Enron. They lobbied and testified that “deregulation” would spark competition, lower prices and provide economic benefits for **ALL** customer classes. But what we're seeing

isn't lower prices, we're actually seeing teaser rates then auto renewals to variable rates, and short term contracts, and high exit fees and a consumer who seems to understand little of what's going on. The question AARP asked^s is one I've been investigating since 2016: Did the wide-sweeping 1999 Electric Choice Act meet its goal of economic benefits for all classes?

I was positive

As a environmental reporter, for years I was a fan about switching suppliers to choose renewable energy supply. I had never paid more than BGE rates for green. But in 2016 I scanned a few BGE bills and was confused as rates were very high and what was odd to me, is the rates charged were variable. Utility electricity rates are regulated and fixed and change twice a year. I did some digging and researched other states and heard that most people are on high variable rates. That was concerning and my interest was piqued in this story.

2013 articles

When I checked the PSC and the OPC for state pricing reporting, I found none. Customer counts are reported and about 20 percent of our 2.2 million households in Maryland choose deregulated supply. That's 500,000 households.

A reporter in Maine pointed me to the public reporting provided by the Department of Energy's Energy Information Administration web site. Each year utilities and retail suppliers must report their revenues, megawatt hours and customer counts. With that data you can calculate the average kilowatt hour rates charged for both suppliers and utilities.

As this chart illustrates, consumers and small businesses are over 20% more than utility rates while commercial users are saving.

According to federal data since 2014 to 2018 households on third-party supply have paid an extra \$340 million for switching from

their regulated utility. Those levels of pricing premiums mirror the other 13 deregulated states.

The next chart gives you a sense of the actual electric rates your constituents see on their bills. This chart is sorted by the highest prices compared to utilities on average for the state. The column that lists Extra paid per customer is how much that supplier's average customer paid in 2018. For instance, about 2,000 homes paid Oasis Power nearly \$1,000. The supplier names in red are ones I've seen in low-income areas. According to federal reporting, it appears that 50% or 225,000 households paid more, often a lot more. Some companies price close to utilities and just a few thousand households on average saved. Given that pricing indicator, it seems smart to verify how many of these are folks on energy assistance compared to others.

Gas is a black hole. There's absolutely nothing for natural gas supply for the roughly 200,000 households. You can't even find rates to compare on BGE bills, a shopping web site, federal or state reporting. I have collected hundreds of utility bills and consistently seen about a \$0.40, or 100% more price premium charged per therm of gas. I estimate about \$225 million overpay to utilities using a conservative \$0.25 per therm gas multiplied by the gas sold per the PSC reports. Again given the evidence collected so far, these price premiums seems harmful, and especially to the 10,000 energy assistance accounts that have enrolled with third-party suppliers.

SB686 is a critically important bill. I think the 500,000 or so households, and also thousands of small businesses paying premiums deserve for our state to verify if this deregulatory law met it's intended goals of economic benefit for all classes. ~~All signs point to the fact that reform is needed.~~

Not reporting results keeps reality hidden.

Maryland 2018 Deregulated Electricity Energy Supplier Pricing Results vs. Utility Rates

- 52% Maryland electrons sold via deregulated supply.



* Dept. Of Energy Energy Information Administration File 861 2018 data. S.B. defined as 75,000 kWh & less. 2

Residential & Small Business Supplier Pricing Results



MARYLAND PRICING

Electric Rates +12% Gas Rates +50%

2018 Prices – Worst to Best – By Supplier compared to Utility Supply Rates

2018 Residential Retail Choice Electricity Price Results – Maryland (suppliers in red seem in low-inc)

	\$0.078	# Choice Households	Price Premium to State	Extra Paid / Customer	# Households by Loss/Save	Avg.
1	Oasis Power, LLC	2,229	88%	\$918		
2	NRG - Energy Plus Holdings	3,892	90%	\$865		
3	Horizon Power and Light, LLC	1,112	59%	\$746		
4	Starion Energy PA, Inc.	2,616	83%	\$661		
5	Spark Energy, LP	3,167	67%	\$567		
6	Major Energy Electric	5,484	88%	\$545		
7	NRG - Reliant Energy	17,848	51%	\$501		
8	Public Power & Utility	4,218	56%	\$501		
9	Viridian Energy PA LLC	4,238	53%	\$499		
10	North American Power	6,103	43%	\$489		
11	IDT Energy, Inc.	9,930	62%	\$446		
12	NIKO Energy, LLC	948	75%	\$433		
13	Stream Energy Maryland, LLC	7,337	40%	\$424		
14	Park Power LLC	691	53%	\$399		
15	Discount Energy Group, LLC	217	36%	\$364		
16	Sperian (Tomorrow Energy)	3,042	35%	\$333		
17	SPRING POWER	1,576	51%	\$326		
18	Shipler Choice, LLC	615	29%	\$309		
19	Palmco Power MD, LLC	5,125	52%	\$303		
20	Ambit Energy Holdings, LLC	13,151	29%	\$291		
21	Liberty Power Corp.	2,990	49%	\$286		
22	Plymouth Rock Energy, LLC	533	48%	\$284		
23	Greenlight Energy Inc.	612	36%	\$271		
24	Mpower Energy NJ LLC	2,285	45%	\$248		
25	Interstate Gas Supply, Inc.	2,610	29%	\$215		

2018 Residential Retail Choice Electricity Price Results – Maryland (suppliers in red seem in low-inc)

	\$0.078	# Choice Households	Price Premium to State	Extra Paid / Customer	# Households by Loss/Save	Avg.
26	Direct Energy Services	35,363	27%	\$201		
27	MDGE - Energy Services	18,560	21%	\$192		
28	XOOM Energy Maryland, LLC	17,226	18%	\$160		
29	ENGIE Retail, LLC	2,459	15%	\$143		
30	Star Energy Partners, LLC	16,980	20%	\$136		
31	NextEra Energy Services, LLC	79	12%	\$127		
32	SmartEnergy Holdings, LLC	7,339	16%	\$117		
33	Agera Energy LLC	314	10%	\$108		
34	Great American Power, LLC	1,124	23%	\$102		
35	Just Energy (Commerce)	19,147	11%	\$96	221,160	
36	American Power & Gas	11	7%	\$83		
37	Energy Me Midwest LLC	10	5%	\$73		
38	Planet Energy	41	10%	\$69		
39	WGL Energy Services, Inc.	45,719	6%	\$51		
40	Constellation EXELON	111,399	4%	\$43		
41	LifeEnergy, LLC	2,096	5%	\$42		
42	Nordic Energy Services, LLC	24	9%	\$31		
43	SFE Energy Maryland, Inc	6,458	3%	\$31	165,758	
44	Discount Power Inc - (CT)	86	-6%	-\$10		
45	Eligo Energy, LLC	1,055	-2%	-\$17		
46	MidAmerican Energy Services, LLC	345	-3%	-\$40		
47	First Point Power, LLC	7	-3%	-\$73		
48	AEP Energy	401	-11%	-\$122		
49	First Energy Solutions Corp.	8	-11%	-\$137		
50	AP Holdings LLC	1,000	-46%	-\$241	2,816	
Maryland Total		389,820	22%	\$186		

Source: Dept. Of Energy E.I.A.861 Report. Excel file available upon request. Suppliers in bold sell in low-income zip.