

MARYLAND ENERGY SUPPLIER REFORM UPDATE

OCTOBER 2019

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"Somebody is going to get screwed and you and I know who it is, and that's the residential retail consumer."

Delegate Leon Billings to The Baltimore Sun in 1997.

What's New Since MDGA 2019?

- **PSC more engaged and aware of issues.**
 - PSC made 4 complaints against United Energy, Smart One, Direct Energy, & Atlantic Energy.
 - Smart One Energy hearing resulted in \$561k fine and license revoked. (Oddly, consumers got no refund.)
 - Historical supplier complaints made public soon.
- **Legislators and media more aware of energy retail issues.**
 - Office of People's Counsel & Abell Foundation reports; and Massachusetts, Connecticut reports.
 - Illinois passed significant residential supplier reform June 2019.
- **New MD. volunteer citizen coalition to launch help for consumers and small business.**
 - Consumers and business owners are on their own after leaving deregulated utilities.
 - "Energy Supplier Help Desk."

Maryland 2018 Deregulated Energy Supplier Pricing Results vs. Utility Rates

- 52% Maryland electrons sold via deregulated supply.



Residential & Small Business Supplier Pricing Results



MARYLAND PRICING

Electric Rates **+12%**

Gas Rates **+50%**

Deregulation's Winners in \$40 Billion* Market

* Just electricity. Gas revenues unknown.

BIG business across 14 deregulated states:

Residential: \$16 billion serving 15.3 million accounts.

Commercial: \$ 24 billion

Larger Maryland Commercial Customers beat utility rates by ~ 15%.

Fortune 500 Energy firms with deregulated retail supply subsidiaries.

Fortune 500 Energy Companies Dominate 14-State U.S. Electric Supplier Market

Corporation & Deregulated Supplier Subsidiary	Residential Revenue 2017	Comm'l 2017 Revenue	Total 2017 Revenue
1. Exelon ~ Constellation	\$ 700 M	\$ 5.6 Billion	\$ 6.3 Billion. 16% share
2. NRG ~ Reliant & Green Mtn.	\$ 3 Billion	\$ 900 million	\$ 4.0 Billion. 10% share
3. Centrica U.K.~ Direct Energy	\$ 1.3 Billion	\$400 million	\$ 1.6 Billion. 4% share
4. Ambit Energy	\$ 750 million	\$120 million	\$ 870 million. 2% share
5. First Energy	\$500 million	\$ 300 million	\$ 800 million. 2% share

Source: EIA 861 2017 Sales to Ult. Customer file. Revenues include TX w/ both delivery & supply.

Maryland Deregulation's Losers

Residential

- Households spent \$600 million more than sticking with utility since 2014.
- Natural Gas: **223,000** MD. households on natural gas supply pay at least **50%** or more than utility rates, on average. 10% of state.

Low-income

- Office Home Energy Program (OHEP) clients enroll at higher than statewide rates.
- The 65% BGE OHEP clients on natural gas supply pay **significant** premium prices to utility. +50%. ~ 10,000 households.

Small Business

- Roughly 10,000 smaller commercial users also pay higher rates. On par with residential supplier premium prices.

MD Data is in: Rate payers not reducing OHEP bills but funding out-of-state suppliers

OHEP accounts enroll at **higher rates** than non-low income.

- ✓ BGE **+13%**
- ✓ PEPCO **+15%**
- ✓ Delmarva **+28%**
- ✓ Pot Ed **+21%**
- ✓ SMECO **+400%**

SMECO BILL DATA*:	450 OHEP ACCOUNTS
Average Supplier Rate	10.8 cents / kWh
Average SMECO Rate	8 cents / kWh
Percent Increase?	+41%
Extra Paid in 1 year?	\$525 / account



Rate payer money flowing to out-of-state suppliers and not paying down OHEP utility bills.

About 20,000 OHEP **electric H/H @ \$400** = \$8,000,000

About 10,000 OHEP **nat. gas H/H @ \$250.** = \$2,500,000

\$10,500,000

- Harmful financial burden for already stressed families.
- Electric Choice Act 1999 intended to help Marylanders, not hurt.

PSC-Approved Utility 'Purchase of Receivables' Equals 100% Guaranteed Supplier Sales (even if customers default)

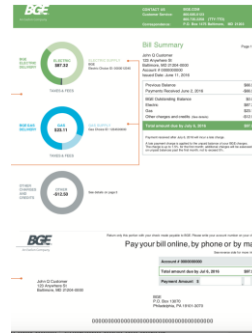
START



**BGE Family:
On Supplier X**

Uses 10,000 kWh/yr.
Supply Price +25% BGE.
\$750 vs. \$600

Supplier X sends bill
feed to BGE.
**\$750 supplier
charges** printed on
bill.



Utility "buys back" the
\$750 receivable owed
to supplier at 99%.



Utility wires
\$742.50 to
Supplier X.



Supplier
done.
Banks
\$742.50.



BGE must
collect \$750
supply charge,
that's 25%
higher.



BGE Family
gets bill.
Can't pay.
Gets behind.



FINISH
Gets cut-off notice.
Applies OHEP energy aid.
**RATE PAYERS PICKS UP
BOTH BILLS!**

2018 Residential Energy Supplier Actuals Sorted by Highest Price vs. Utility Price

2018 Residential Retail Choice Electricity Price Results ~ Maryland (suppliers in red seem in low-inco

	\$0.078	# Choice Households	Price Premium to State	Extra Paid / Customer	# Households by Loss/Save	Avg. k
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	HIKO 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	Shiple 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-inco

	\$0.078	# Choice Households	Price Premium to State	Extra Paid / Customer	# Households by Loss/Save	Avg. k
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 zips.

“Renewable-Only” Suppliers Rates 24% - 70% above conventional utility supply.

- Why do prices vary so widely? Higher quality renewable offsets? Can't verify renewable offerings?

MD 2018 RESIDENTIAL “RENEWABLE ENERGY SUPPLIER RESULTS (E.I.A 861)

Supplier Name	Customer Count Residential	Avg Supplier kWh Rate charged	+/_ to standard Utility rate	Extra Paid for “green” over utility conventional
CleanChoice Energy	13,075	\$0.125	60%	\$440
Clearview Electric	12,803	\$0.097	24%	\$112
Inspire Energy	11,589	\$0.120	53%	\$420
NRG (Green Mtn.)	6,410	\$0.133	70%	\$628
	43,877	\$0.119	52%	\$367
MS 2018 Statewide Avg Utility Rate-conventional	\$0.078			
Revenues above SOS	\$16,084,359			