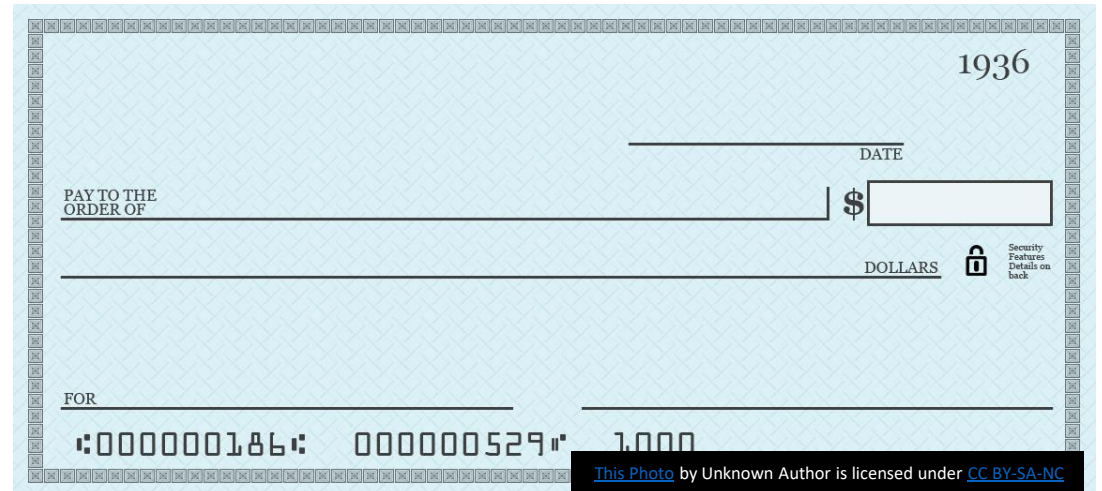


How Maryland Wastes \$10 million each year in Energy Assistance Funds Through Third-Party Energy Supply

The short of it:

Because of over-priced electricity & gas as compared to regulated utility offers, roughly \$10 million each year of Office Home Energy Program energy assistance ends up going to deregulated energy suppliers instead of paying down utility bills.



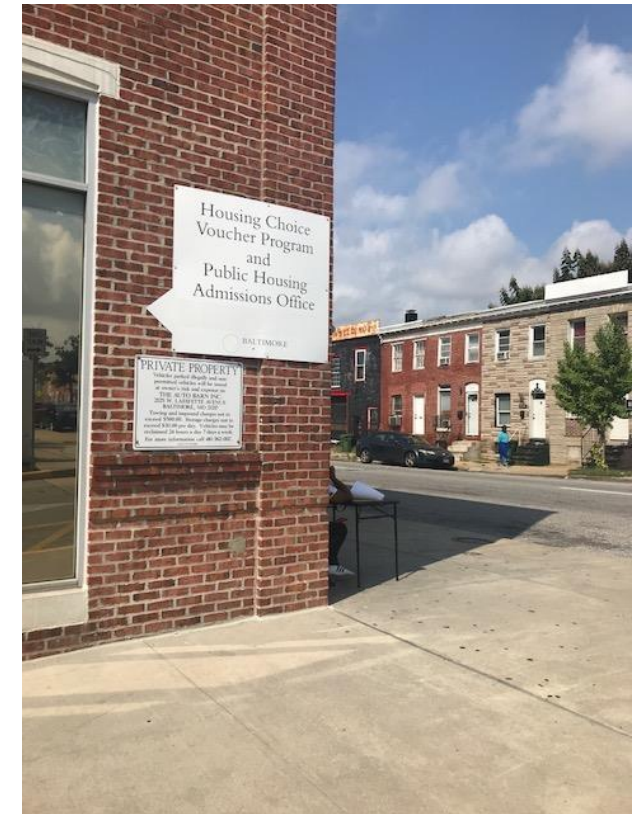
Maryland 2018 Deregulated Electricity Energy Supplier Pricing Results vs. Utility Rates

Residential
Pays +22%

Small Bus.
(small
stores/congregations)
Pays +21%

Commercial
Saves -13%

Low-Income Targeted: Energy Suppliers Sell Outside Baltimore City-Based Assistance Offices

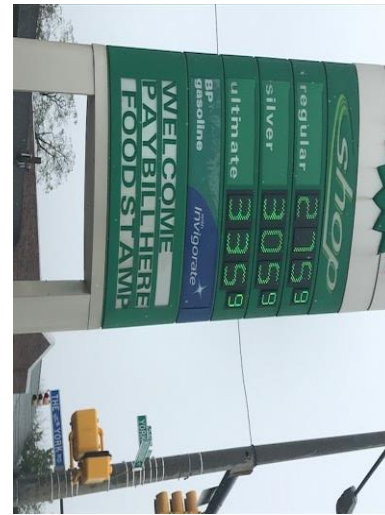


Josco & Major Energy Sales tables.
Josco rates +80%.
Major Energy +90%.
Photos: L. Peltier



Baltimore City GEDCO CARES Community Ctr Reporting

- Third-party supply is a “consumer push” product. 100% CARES clients were sold at door or on street by direct sales agent.



MD. Energy Assistance: Maryland Dept. Human Services Office of Home Energy Programs(OHEP)

1999 Electric Choice Act created energy assistance program.



380,000 households (18% state) qualify. 175% federal poverty level.



100,000 households receive assistance each year.



Average household income is \$15,000. Only \$1,250 a month.



Utility bills is about \$2,000. Pretty high burden at about 13%.

What Marylanders Experience: An Under-the-Radar Consumer Market

- Aggressive one-on-one sales, risky teaser rates to variables rate plans, confusing utility bills and overall low energy literacy & interest.

BGE SUPPLY PRICE COMPARISON INFORMATION

BGE Supply Price Comparison Information: The current price for Standard Offer Service (SOS) electricity is 8.076 cents/kWh, effective through May 31, 2019. SOS electricity will cost 6.731 cents/kWh beginning June 1, 2019 through September 30, 2019. The weighted average price of SOS electricity will be 7.587 through September 30, 2019. The price for SOS from October 1, 2019 through May 31, 2020 will be set in May 2019.

Electric Supplier Charges

SPARK ENERGY, L.P.

Billing Period: Nov 12, 2018 - Dec 12, 2018

ELECTRICITY SALES	1048 KH x 0.1979	207.40
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Total Electric Supplier		\$207.40
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All inquiries on above supplier billing should be directed to SPARK ENERGY, L.P. at 877.547.7275

OHEP Clients Enroll With Third-Party At Higher Rates

	# H/H	# 3 rd Party	% 3 rd Party		# OHEP H/H	OHEP: # 3 rd Party	% 3 rd -Party
BGE	1,170,000	280,000	24%		41,000	11,000	27%
Pepco	530,000	103,000	19%		6,250	1,438	23%
Delmarva	179,000	24,000	13%		13,333	2,400	18%
Pot Edison	238,000	26,000	11%		9,285	1,300	14%
SMECO	150,000	4,100	3%		3,000	450	15%
totals:	2,260,000	438,000			72,000	17,000	

SMECO Energy Assistance Households Paid +\$525/year After Switching to Third-Party Supply

SMECO BILL DATA*:	450 SMECO OHEP ACCOUNTS
Average Supplier Rate	10.8 cents / kWh
Average SMECO Rate	7.7 cents / kWh
Percent Increase?	+40%
Extra Paid in 1 year?	\$525 / account

*Abell Report found OHEP accounts paid +51% electric, +78% gas. Data: PSC 8903 OPC comments, 4 quarters 2018 OHEP data.

Estimated **\$10,000,000** Energy Assistance Flows To Suppliers Instead of Paying Down Utility Bills

Estimates based on utility reports & utility bills:

~ 20,000 OHEP electric accounts @ \$400 = \$8,000,000

~ 10,000 OHEP nat. gas accounts @ \$250 = \$2,500,000

\$10,500,000



Solutions:

- New York, Pennsylvania, Illinois & Connecticut eliminated third-party supply for their energy assistance citizens.
- Legislation Introduced in MDGA 2020 to:
 - SB685/HB1224: Guaranteed lowest rate from third-party suppliers for OHEP-coded utility accounts.
 - SB686/HB260: Report gas & electric by OHEP vs. others
 - SB681: Consumer protections from variable rates and termination fees from third party suppliers
- Challenge: Only ~ 7% of “low income” households in Maryland would be protected.

Data Sources

- Dept of Energy 861 report: <https://www.eia.gov/electricity/data/eia861/>. Sales_Ult_Cust file
- Office of Home Energy Program stats: <https://www.psc.state.md.us/wp-content/uploads/2018-EUSP-Annual-Report.pdf>
- OHEP report to PSC : <https://www.psc.state.md.us/wp-content/uploads/Order-No.-89215-Case-No.-8903-Electric-Universal-Service-Program-FY-2020-Order.pdf>
- Article: PSC Denies OPC request: <http://www.energychoicematters.com/stories/20190802cp.html>
- Office of People's Counsel Report:
<http://opc.maryland.gov/Portals/0/Publications/reports/APPRISE%20Where%20do%20we%20go%20from%20Here.pdf?ver=2019-09-11-075024-040>
- [Abell Foundation Report: https://www.abell.org/publications/marylands-dysfunctional-residential-third-party-energy-supply-market](https://www.abell.org/publications/marylands-dysfunctional-residential-third-party-energy-supply-market)