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Senate Finance Committee  
February 19, 2021

**Senate Bill SB0595 – Residential Electricity and Gas Supply Billing Information - Reports**

**POSITION: UNFAVORABLE REPORT**

Thank you, Chairman Kelley and members of the Senate Finance Committee, for the opportunity to comment on SB0595.

WGL Energy is a retail supplier with customers across multiple jurisdictions and strongly believes in the functionality of competitive electricity and natural gas markets.

This bill requires retail energy suppliers to submit monthly reports to the PSC regarding detailed electric and natural gas residential customer billing information on low-income and non-low income customers. Such information includes total kilowatt-hours or therms billed, total dollar amount billed, and total number of customers billed. WGL Energy opposes the bill for the following reasons outlined below.

Aggregate competitive supply prices cannot be directly evaluated against utility SOS prices. Competitive supply products and utility default service products are fundamentally different products and cannot be directly compared. SOS prices do not include all the services and related costs that a competitive retail supplier's price includes. The intention of this bill makes it inappropriate to simply try and compare two numbers and make state-wide policy decisions. This must be avoided.

Comparing competitive supply prices to SOS prices is apples to oranges. To provide an example, at WGL Energy all of our residential customers are supplied by 5% extra wind (in addition to the legal RPS percentage requirement), so even our basic product is considered a "premium environmental" product and can be viewed more favorably than SOS.

Additionally, many of our residential customers choose price protection products having 1 or 2-year contract terms. Commodity risk from SOS or utility-procured gas cannot be removed, so this price-certainty from WGL Energy helps households budget for their energy needs.

Therefore, how can one reasonably compare products on just price when all these variables are present in the market?



Policymakers and regulators have made significant improvements to the customer shopping experience as well as increasing pricing transparency, as discussed below.

Last year, user-friendly electric and gas shopping websites endorsed and administered by the PSC were created. These standalone sites publicly disclose all types of supply offerings and also display the PTC.<sup>1</sup>

It is important to note these streamlined sites did not previously exist. Customers are able to find various supplier offers that align with their desire for price stability through long term fixed price offers, environmentally supportive supply offers, energy efficiency measures aimed at reducing a customers' overall bill – like Nest thermostats, rewards programs that are included with a supply offer, or projected savings relative to the utility SOS rate, and more. All of these offers are available today in the market. And the central resource of information to learn about energy choice, compare publicly listed supply offers to the PTC, and to shop, are effectively housed in the newly PSC endorsed shopping websites.

Therefore, rather than produce billing information reports that inaccurately compare fundamentally different products that will lead to misguided conclusions, WGL Energy supports a consumer education marketing campaign on energy choice. In parallel with this effort, requiring utility communication and education messages via bill inserts to point customers to the PSC shopping websites where customers can shop with confidence.

Because of the concerns noted above, we respectfully ask the Committee for an unfavorable report of SB0595. We would be happy to answer any additional questions and thank you for your consideration.

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<sup>1</sup> MD PSC Electric Shopping Website: <https://www.mdelectricchoice.com/>. MD PSC Gas shopping website: <https://www.mdgaschoice.com/>.