



HB0260 – Residential Electricity and Gas Supply Billing Information – Reports

Position: Unfavorable

Good afternoon Mr. Chairman, Madam Chair and members of the Committee. I represent the Retail Energy Supply Association (RESA) ¹ on whose behalf I am testifying today. RESA is opposed to HB 260 and respectfully request that the committee render an unfavorable report on this legislation.

The purpose of this legislation requires electricity and natural gas suppliers to submit to the Public Service Commission monthly reports containing detailed billing information on the supply of electricity and natural gas to residential customers. The monthly reports requires historical billing information, consumption volume and customer count data by low-income and non-low income customers.

RESA is concerned that the information gathered by this legislation would not provide a useful comparison between shopping and non-shopping customers and could be used to draw misleading comparisons and conclusions. RESA is also concerned about the confidentiality of the requested data. Rather than directing the suppliers to provide the reports requested by this legislation, RESA recommends that the Commission and suppliers focus resources on efforts to enhance competition and customer education, enabling and empowering all customers to choose the best retail energy supply options to suit their needs.

The data collected by these reports will no doubt be used to determine what customers paid for retail energy supply against amounts those customers would have paid for the utility's default Standard Offer Service ("SOS"). However, competitive supply products and utility default SOS products are fundamentally different products and cannot be directly compared. Absent a full unbundling, SOS prices reflect wholesale supply costs

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.



available from the competitive market will empower customers to find and choose the best energy supply options to meet their needs.

RESA recommends that the Commission spend the time that would be allocated to collecting this data on advancing customer education and enhancing the competitive market to enable customers to shop and select the best energy supply products available to meet their individual needs. While the competitive market offers much more than lower prices, as discussed above, the competitive market is also where the lowest possible retail energy supply prices can be found. A report commissioned by RESA, and developed by Intelometry² reveals that Maryland electricity consumers could have saved in excess of \$13.5 million in the month of January 2020 compared to the four Maryland utilities SOS prices if consumers chose those suppliers that had lower prices than the SOS rates. There were 54 electricity supply offerings below the SOS rate in January, 31 of which are fixed price offerings of between 6 and 36 months.

Thus, for customers who want to shop based solely on lowest price, there are benefits in the market right now; yet, these customers generally appear unaware of them. A concerted and organized customer education effort would go a long way to informing customers about their right to choose their energy supplier and the products and services available to them in the marketplace today.

Lastly, RESA is concerned about the manner in which competitively sensitive pricing information may be collected and disseminated as a part of this legislative initiative. Supplier pricing information is competitively sensitive and must be kept confidential. Confidentiality issues are best avoided by declining to direct suppliers to provide the data reports. In a competitive environment, the data as outlined in this legislation is so competitively sensitive, it would provide enough information for the competitors to figure out the pricing mechanisms of each other.

For the reasons discussed above, RESA respectfully request that the committee render an unfavorable report on this legislation.

Thank you for your attention and allowing RESA to provide these comments.

² A Houston, TX based company specializing in technology, data and consulting services organization that specializes in retail electricity and natural gas market operations.

MARYLAND CONTRACT SUMMARY

Electric supply service in

BGE

ELECTRIC GENERATION OR GAS SUPPLIER INFORMATION Direct Energy Services, LLC
Electric License Number: IR-719
Natural Gas License Number: IR-791
PO Box 180, Tulsa, OK 74101-0180
csdirectenergy@directenergy.com ~www.directenergy.com ~ 1-888-200-7930

PRICE STRUCTURE Fixed, electric

\$0.06690 per KWH

SUPPLY PRICE

STATEMENT REGARDING SAVINGS

The supply price may not always provide savings.

Please refer to the Account Breakdown page (if any) for a listing of any applicable incentives you elected to receive.

INCENTIVES

CONTRACT START DATE

After you enter into this Agreement, the Initial Term of your service will begin on the meter date that your electric generation or natural gas supplier is changed to Direct Energy by the Utility Company.

CONTRACT TERM / LENGTH

10 monthly billing cycles.

CANCELLATION / EARLY TERMINATION FEES (per account)

NONE.

RESCISSION

You have three (3) business days after you receive a written copy of this Agreement to cancel your enrollment with Direct Energy by calling Direct Energy using the contact information set forth in the Supplier Information section above. After the end of the Rescission Period, you can cancel service by using the contact information set forth in the Supplier Information Section above, however, you will be charged the Cancellation / Early Termination Fees and/or Device Cost Recovery Fee set forth above.

RENEWAL TERMS

A notice will be sent to you thirty (30) days before the expiration of your Initial Term informing you of your impending automatic renewal. See your Terms and Conditions for more information.

For additional information, please refer to your Terms and Conditions. Please retain this document for your records. If you have any questions regarding this agreement, contact your competitive supplier using the information above.

CONSTELLATION* CONTRACT SUMMARY

Electricity Supplier Information	*Constellation NewEnergy, Inc., License Number: IR-500., We can be reached by mail at Constellation c/o Customer Care, P.O. Box 4911, Houston, TX 77210 or at our toll-free number: 1-855-465-1244.
Price Structure	Fixed supply charges except for taxes and utility charges
Supply Price	7.79 cents per kilowatt-hour for a 12 month term
Statement Regarding Savings	The contract price may not always provide a savings.
Incentives	NA NA
Contract Start Date	The Contract term will start after the Utility processes your enrollment.
Contract Term/Length	The initial Contract term will be (12) months from the Contract start date.
90 Day Guarantee	You may terminate this Agreement without incurring an early termination fee within 90 days after entering into it (the "Guarantee Period") by notifying Constellation that you would like to return to Utility service. Upon your termination of this Agreement during the Guarantee Period, your Accounts will be returned to Utility service in accordance with the applicable rules and will remain responsible for payment for electricity supply and related costs and charges incurred under this Agreement. Any incentives Constellation may offer to you in connection with you entering into this Agreement require your Account to be active and in good standing at the time the incentive is fulfilled.
Cancellation/Early Termination Fees	You WILL incur an early termination fee of \$150, if you terminate this Contract early for any reason other than those outlined below. You will not incur an early termination fee if: (1) you terminate this Contract within the Guarantee Period, or (2) you terminate this Contract because you changed your residence and are no longer eligible for service under your Utility's residential electric rate classes.
Rescission	If you are a customer who entered into this contract through a door-to-door sales representative at your residence, the Maryland Door-to-Door Sales Act provides you the right to rescind the contract before midnight of the third business day after both parties signed the contract and you received the notice of cancellation.
Constellation Renewable Product	The electricity supply service includes renewable energy certificates sourced from wind power generators within the United States in an amount equal to 100% of the Accounts' usage, in addition to the mandatory renewable portfolio standard requirements for the state in which the Accounts are located, during the term of this Agreement. The renewable energy is provided to you for your residential use only, and will not make you eligible for any tax credits or other third party subsidies. Constellation complies with Maryland's Renewable Portfolio Standard ("RPS") applicable to all retail electricity suppliers. Constellation may retire Tier 1 or Tier 2 renewable energy credits to meet its RPS obligations. The RPS for 2019 is 20.7% from Tier 1 sources, including at least 5.5% from solar energy and up to 2.5% from PSC-directed offshore wind energy, and 2.5% from Tier 2 sources. The RPS for 2020 is 28% from Tier 1 sources, including at least 6% from solar energy and up to 2.5% from PSC-directed offshore wind energy, and 2.5% from Tier 2 sources. The RPS for 2021 is 30.8% from Tier 1 sources, including at least 7.5% from solar energy and a PSC-directed amount of offshore wind energy. Alternatively, Constellation may meet its RPS obligation by paying a compliance fee to the Maryland Renewable Energy Fund. The compliance fees for each kWh shortfall are: 3 cents for Tier 1 non-solar (2019 through 2023); 10 cents for Tier 1 solar (2019-2020); 8 cents for Tier 1 solar (2021); and 1.5 cents for Tier 2.
Renewal Terms	You will receive one renewal notice at least 45 days prior to the end of the initial term and each subsequent renewal term. This renewal notice will explain your renewal offer for a fixed price and term, and how to cancel if you do not choose to remain with Constellation. If you do not reply, we will continue to serve you at the renewal fixed price for the renewal term.

For additional information, please refer to the Terms and Conditions on the following page. Please retain this document for your records. If you have any questions regarding this agreement, contact us using the information above.

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Natural Gas License Number: IR-791
PO Box 180, Tulsa, OK 74101-0180
csdirectenergy@directenergy.com ~www.directenergy.com ~ 1-888-200-7930

PRICE STRUCTURE Fixed, electric

\$0.07690 per KWH

SUPPLY PRICE

STATEMENT REGARDING SAVINGS

The supply price may not always provide savings.

You are purchasing a Renewable Energy Product that is supported 100% by renewable energy credits. See your Terms & Conditions for additional details.

INCENTIVES

CONTRACT START DATE

After you enter into this Agreement, the Initial Term of your service will begin on the meter date that your electric generation or natural gas supplier is changed to Direct Energy by the Utility Company.

CONTRACT TERM / LENGTH

24 monthly billing cycles.

CANCELLATION / EARLY TERMINATION FEES (per account)

NONE.

RESCISSION

You have three (3) business days after you receive a written copy of this Agreement to cancel your enrollment with Direct Energy by calling Direct Energy using the contact information set forth in the Supplier Information section above. After the end of the Rescission Period, you can cancel service by using the contact information set forth in the Supplier Information Section above, however, you will be charged the Cancellation / Early Termination Fees and/or Device Cost Recovery Fee set forth above.

RENEWAL TERMS

A notice will be sent to you thirty (30) days before the expiration of your Initial Term informing you of your impending automatic renewal. See your Terms and Conditions for more information.

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PRICE STRUCTURE Fixed, electric

\$0.07490 per KWH

SUPPLY PRICE

STATEMENT REGARDING SAVINGS

The supply price may not always provide savings.

Please refer to the Account Breakdown page (if any) for a listing of any applicable incentives you elected to receive.

INCENTIVES

CONTRACT START DATE

After you enter into this Agreement, the Initial Term of your service will begin on the meter date that your electric generation or natural gas supplier is changed to Direct Energy by the Utility Company.

CONTRACT TERM / LENGTH

18 monthly billing cycles.

CANCELLATION / EARLY TERMINATION FEES (per account)

NONE.

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csdirectenergy@directenergy.com ~www.directenergy.com ~ 1-888-200-7930

PRICE STRUCTURE Fixed, electric

\$0.07790 per KWH

SUPPLY PRICE

STATEMENT REGARDING SAVINGS

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INCENTIVES

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After you enter into this Agreement, the Initial Term of your service will begin on the meter date that your electric generation or natural gas supplier is changed to Direct Energy by the Utility Company.

CONTRACT TERM / LENGTH

36 monthly billing cycles.

CANCELLATION / EARLY TERMINATION FEES (per account)

NONE.

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Price Structure	Fixed supply charges except for taxes and utility charges
Supply Price	7.39 cents per kilowatt-hour for a 12 month term
Statement Regarding Savings	The contract price may not always provide a savings.
Incentives	NA NA
Contract Start Date	The Contract term will start after the Utility processes your enrollment.
Contract Term/Length	The initial Contract term will be (12) months from the Contract start date.
90 Day Guarantee	You may terminate this Agreement without incurring an early termination fee within 90 days after entering into it (the "Guarantee Period") by notifying Constellation that you would like to return to Utility service. Upon your termination of this Agreement during the Guarantee Period, your Accounts will be returned to Utility service in accordance with the applicable rules and will remain responsible for payment for electricity supply and related costs and charges incurred under this Agreement. Any incentives Constellation may offer to you in connection with you entering into this Agreement require your Account to be active and in good standing at the time the incentive is fulfilled.
Cancellation/Early Termination Fees	You WILL incur an early termination fee of \$150, if you terminate this Contract early for any reason other than those outlined below. You will not incur an early termination fee if: (1) you terminate this Contract within the Guarantee Period, or (2) you terminate this Contract because you changed your residence and are no longer eligible for service under your Utility's residential electric rate classes.
Rescission	If you are a customer who entered into this contract through a door-to-door sales representative at your residence, the Maryland Door-to-Door Sales Act provides you the right to rescind the contract before midnight of the third business day after both parties signed the contract and you received the notice of cancellation.
Renewal Terms	You will receive one renewal notice at least 45 days prior to the end of the initial term and each subsequent renewal term. This renewal notice will explain your renewal offer for a fixed price and term, and how to cancel if you do not choose to remain with Constellation. If you do not reply, we will continue to serve you at the renewal fixed price for the renewal term.

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