

## **AARP\_FAV\_sb686**

Uploaded by: Peltier, Laurel

Position: FAV

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<sup>5</sup> 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 article*

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. ~~At~~  
~~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.

Residential  
**Pays +22%**

Small Biz.\*  
(mom/pop shops,  
Congregations)  
**Pays +21%**

Large  
Commercial  
**Saves -13%**

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

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## Residential & Small Business Supplier Pricing Results

Market



### 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	Shipley Choice, LLC	615	29%	\$309		
19	Palmo 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.



## **Senator Washington\_FAV\_SB 686**

Uploaded by: Senator Washington, Senator Washington

Position: FAV

MARY L. WASHINGTON, PH.D  
*Legislative District 43*  
Baltimore City

Education, Health, and  
Environmental Affairs Committee

*Chair*  
Joint Committee on Ending  
Homelessness

*Chair*  
Joint Committee on Children,  
Youth, and Families



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

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Mary.Washington@senate.state.md.us

## **Testimony in Support of SB686 Residential Electricity and Gas Supply Billing Information - Reports**

Dear Chair Kelley and members of the Finance Committee,

I respectfully ask all of you today for your support of SB686, which would require electric and gas utilities, and certain suppliers, to submit monthly reports to the Public Service Commission with energy supplier rate information broken out by certain categories in order to compare utility gas and electric supply rates across the State for residential customers only. This data is needed for several reasons:

### **Higher Residential Electricity Costs:**

A November 2018 Office of the People's Counsel report and a December 2018 Abell Foundation report documented that most customers who switched to a third-party electricity supplier, ended up paying more than if they would have stayed with their Standard Offer Service (regulated) utility company. In fact the Abel foundation report found that Maryland households on third-party supply, paid roughly \$255 million more from 2014 to 2017, than if they had been on their utility's Standard Offer Service. (Third Party Suppliers of Renewable Energy were excluded from these calculations)

### **No Official Data Compilation Has Been Done:**

Neither the Public Service Commission nor any other government agency routinely collects data and uses it to assess whether the energy market is functioning to benefit *all* classes of consumers, as was the intent of the 1999 Electric Customer Choice and Competition Act. Large commercial customers who have the resources to navigate the dozens of third party suppliers and are able to request bids, typically are benefiting from lower costs. But that is not true for the residential market. In 2017, well over 90% of households on third-party supply experienced higher costs regardless of the fact that there were dozens of suppliers to choose from.

### **Disproportionately Harms Low-Income Households:**

There is ample evidence that low-income households are disproportionately harmed by third-party supply options and that their electricity costs are far higher than Standard Offer Service. This has been well documented in other States (NY, CT, MA, IL) that have collected the data and done the evaluations SB686 would provide. Ironically, this also means that much of the energy assistance from rate payers and private sources meant to reduce the burden of energy bills for low-income households, ends up going to pay for these out-of-state, higher third-party costs. It is absurd, that no Maryland agency compiles data on how much energy assistance is actually fulfilling its purpose to reduce energy burdens for low-income households, and how much is simply being eaten up to pay for these higher third-party costs.

MA, CT and NY, where data is available, have released reports that make clear that low-income households are not only paying higher rates than residential customers as a whole, but that low-income households are disproportionately enrolled with third-party energy suppliers.

**In Conclusion:**

An assessment of the state of the residential retail energy market in Maryland is needed, and now is the time. The existing data raises serious concerns, particularly for low-income households served by energy suppliers. SB 986 would give us the data and reporting needed to analyze and fix this so that third-party supply would work to lower costs for low-income households, not raise it. SB986 would provide the data to help us understand what actual rates are charged and how these retail plans are established and billed. This information is needed to put necessary reforms in place that ensure the residential energy market place functions to benefit all classes of customers and that we meet the end-goal of the Electric Choice Act.

Thank you and I ask for a favorable report on SB686.

In Partnership,

A handwritten signature in blue ink, appearing to read "Mary Washington", with a stylized, cursive script.

Mary Washington



## **KarenStraughn\_CPD\_Support\_SB686**

Uploaded by: Straughn, Karen

Position: FAV

BRIAN E. FROSH  
*Attorney General*

ELIZABETH F. HARRIS  
*Chief Deputy Attorney General*

CAROLYN QUATTROCKI  
*Deputy Attorney General*



WILLIAM D. GRUHN  
*Chief*  
Consumer Protection Division

STATE OF MARYLAND  
OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.

410-576-7942  
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February 11, 2020

To: The Honorable Delores G. Kelley  
Chair, Finance Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: Senate Bill 686 – Residential Electricity and Gas Supply Billing Information - Reports  
(SUPPORT)

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The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 686 submitted by Senator Mary Washington. This bill mandates that residential gas companies, electric companies and third party suppliers report billing information on their supply to low income and non-low income customers.

The purpose of these monthly reports is to permit analysis of the costs and savings, if any, by each third party supplier. By doing so, the impact of deregulation can be studied and evaluated for its effectiveness by supplier. The Division has received complaints from consumers who were promised that retail energy suppliers would be able to lower their rates but that their rates actually turned out to be higher than Standard Offer Service.

In addition, studies by the Maryland Office of People's Counsel suggest that low income consumers pay approximately **\$54.9 million** more for electricity and gas through third party suppliers than if they had purchased energy from their utility default service. The reports required by SB 686 will help consumers determine which suppliers are charging more and will help them make more informed choices.

Moreover, the bill requires an overview report to be completed by the Public Service Commission and published on its website. Consumers will then be able to review the results and determine the potential savings or added expenses, if any, by each supplier.

For these reasons, we ask that the Finance Committee return a favorable report on this bill.

cc: The Honorable Mary Washington  
Members, Finance Committee

## **LATE - BGE\_FWA\_SB686**

Uploaded by: Black, Allyson

Position: FWA



An Exelon Company

Rec'd 2/14/20

## Position Statement

Finance Committee  
02/11/2020

### **SB 686 Residential Electricity and Gas Supply Billing Information - Reports**

Baltimore Gas and Electric Company (BGE) favors with an amendment *Senate Bill 686 Residential Electricity and Gas Supply Billing Information – Reports*, which would require electric and gas companies to submit monthly reports to the Public Service Commission (Commission) detailing supply billing rates to residential customers at various income levels.

Senate Bill 686 seeks to retrieve information regarding rates charged by third-party suppliers by requiring electric and gas companies to submit monthly reports to the Commission. The bill would require the report to be broken down by supplier and capture information including: total kWhs or therms billed, dollar amount billed, number of customers, and total number of customers. The bill would also require similar information to be provided about Standard Offer Service and utility-procured gas. All rate information reported would have to be further organized based on the customer income level.

BGE recognizes that improvements have been made to this year's version of the legislation, specifically the provision that takes into account that the only indication of household income available to the utility is when a customer is approved for an Office of Home Energy Program (OHEP) grant for energy assistance, which has an eligibility limit of at or below 175% of the federal poverty level. The bill defines low-income customer as a customer who receives energy assistance from OHEP in the Department of Human Services.

One concerning aspect of the bill is the lack of clarity regarding the responsible entities for retrieving detailed billing information for customers served by third-party suppliers. The bill requires third-party suppliers to provide data on their customers, but the bill could also be interpreted to require utilities to provide data on those same customers. This dual reporting structure would be duplicitous and would complicate the Commission's reporting requirements. Further, depending on the interpretation of the term, BGE may not have access to the "detailed billing information" required under the bill.

Accordingly, BGE respectfully requests an amendment to clarify that a public service company would be responsible for providing information in the monthly billing information reports solely for customers supplied by the electric standard offer service or utility procured-gas.



AMENDMENTS TO SENATE BILL 686  
(First Reader File Bill)

Page 2, Line 7, after "BEGINNING JULY 1, 2021," insert "**SUBJECT TO PARAGRAPH (2),**"

Page 2, after Line 14, insert "**(2) IN REPORTS REQUIRED UNDER THIS SECTION, A PUBLIC SERVICE COMPANY SHALL ONLY INCLUDE INFORMATION FOR CUSTOMERS SUPPLIED BY THE ELECTRICITY STANDARD OFFER SERVICE OR UTILITY-PROCURED GAS.**"

Page 2, Line 15, change "2" to "3".

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider.

## **Exelon\_FWA\_SB686**

Uploaded by: Lanzarotto, Katie

Position: FWA



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An Exelon Company



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An Exelon Company

February 11, 2020

112 West Street  
Annapolis, MD 21401  
410-269-7115

**Senate Bill 686  
Residential Electricity and Gas Supply Billing Information--Reports**

Senate Bill 686 requires electric and gas companies to submit to the Public Service Commission (PSC) beginning July 1, 2021, monthly reports containing detailed billing information on the supply of electricity and gas to residential customers, differentiating between low-income customers and all other customers.

A low-income customer as defined in the bill means an electric or gas customer who receives energy assistance from the Office of Home Energy Programs (OHEP) in the Department of Human Services. To receive energy assistance in Maryland a customer's annual income must be at or below 175% of the federal poverty level. Pepco and Delmarva Power support transparency in pricing and contract terms and note that COMAR includes provisions dedicated to consumer protection. However, Pepco and Delmarva Power would like to clarify that this bill, as it relates to electric companies like ours, should only be required to provide data for Standard Offer of Service (SOS) Customers. Electric utilities have access to SOS Customers who receive assistance from OHEP and could provide this data to the Commission on a monthly basis.

Third-party suppliers serving in the Pepco and Delmarva Power service territories provide us with what we term "bill ready" information. This means that a third-party supplier provides Pepco and Delmarva Power with only the information necessary to bill a customer and does not provide the rate at which it has contracted with a customer. Accordingly, any information sought in Senate Bill 686 for customers served by third-party suppliers should be provided by third-party suppliers, not electric companies.

Proposed amendments to address these items are attached.

Contact:

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SB 686 Residential Electricity and Gas Supply Billing Information – Reports  
Proposed Amendments:

Page 2, Line 7, after “BEGINNING JULY 1, 2021,” insert “**SUBJECT TO PARAGRAPH (2),**”

Page 2, after Line 14, insert “**(2) IN REPORTS REQUIRED UNDER THIS SECTION, A PUBLIC SERVICE COMPANY SHALL ONLY INCLUDE INFORMATION FOR CUSTOMERS SUPPLIED BY THE ELECTRICITY STANDARD OFFER SERVICE OR UTILITY-PROCURED GAS.**”

Page 2, Line 15, change “2” to “**3**”.



## **NRG Energy\_Unfav\_SB686**

Uploaded by: Fiastro, John

Position: UNF



**SENATE BILL 686 – RESIDENTIAL ELECTRICITY AND GAS SUPPLY BILLING INFORMATION -  
REPORTS**

**UNFAVORABLE**

**SENATE FINANCE COMMITTEE  
February 12, 2020**

NRG Energy, Inc. (“NRG”) submits these comments in **opposition** to **SB 686 – Residential Electricity and Gas Supply Billing Information - Reports**.

NRG is a Fortune 500 company, delivering customer focused solutions for managing electricity, while enhancing energy choice and working towards a sustainable energy future. We put customers at the center of everything we do. We create value by generating electricity and serving more than 3 million residential and commercial customers through our portfolio of retail electricity brands – including here in Maryland, where NRG owns four companies that are licensed by the Public Service Commission to serve retail customers.

NRG opposes SB 686 for the simple reason that it ignores the fact that the energy supply market is competitive, and customers choose products and services and pricing plans from competitive retail suppliers based on a variety of factors, including most notably, the value of the offer to the customer.

Offers available in the competitive market cannot easily be compared to the regulated standard offer service rate, which is procured according to a prescribed plan approved by the PSC and which is fundamentally different than any other product available in the competitive market. Simply put, no competitive suppliers offer customers a pricing option comparable to SOS, where electricity supply for 25% of non-shopping residential load is procured by the regulated utilities under two-year contracts twice annually, and where weighted average rates are determined for a summer period that runs from June 1 to Sept 30 and a non-summer period that runs from Oct 1 through May 31. Because such a product is not available in the competitive market, any comparisons to the resulting SOS rate are inherently flawed. Making such a comparison is like comparing apples and cucumbers.

Moreover, competitive suppliers compete with each other to offer value to consumers, sometimes in the form of savings relative to the utility SOS rate, but more often in the form of some other benefit or value to the customer, be it renewable energy content, loyalty rewards – like airline miles or hotel points – energy efficiency measures aimed at reducing a customers’ overall bill – like Nest thermostats – gift cards to local merchants, or by managing the risk of market fluctuations by providing price stability through longer term fixed prices. The data being sought by SB 686 ignores this fact and seeks to force a comparison of offers from the competitive market to the utility SOS rates. Such information is highly sensitive and with some

analysis could be used to decipher pricing strategies and other proprietary business practices upon which suppliers compete. The information would be shared with multiple state agencies and reported to the general assembly and publicly on the PSC's website. It is for these reasons that NRG opposes SB 686.

Thank you for the opportunity to share our perspective on SB 686 and for the above reasons NRG urges the Committee give the bill an **unfavorable** report.

#### **NRG Energy, Inc. Contact Information**

**Sarah Battisti**, Director Government Affairs, NRG Energy, Inc., 804 Carnegie Center, Princeton, NJ 08540, 717-418-7290, [sarah.battisti@nrg.com](mailto:sarah.battisti@nrg.com)

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## **RESA\_UNF\_SB686**

Uploaded by: Kress, William

Position: UNF



## **SB 686 Retail Energy Supply Association Unfavorable**

February 11, 2020

Good afternoon Madam Chair and members of the Committee. RESA is opposed to SB 686 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 certain 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 amount 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

plus administratively-determined adders. SOS prices do not include all the services and related costs that a competitive retail supplier's price includes. This false comparison should be avoided. Moreover, price alone does not provide a full picture of the value of a supplier's offering.

This false comparison should be avoided. Moreover, price alone does not provide a full picture of the value of a supplier's offering. In today's market, more and more value-added products and services are included in supplier offerings. A customer may select a long-term fixed price energy supply product to lock in their price, allowing them to budget their energy costs more effectively. At a single point in time, this fixed rate may be higher than the SOS rate, but this basic analysis does not recognize that this product



can protect consumers from increases in rates charged by the utilities over the long term.

Paying a premium for price certainty is not limited to the electric and natural gas markets. Comparing supplier fixed prices with periodically fluctuating utility SOS prices is like concluding that a customer with a 30-year fixed rate 4% mortgage is overpaying if variable mortgage rates subsequently dip below 4%. Many mortgage customers choose a 30-year fixed rate mortgage even though the interest rate is typically higher than a variable rate product. There is a value associated with the customer selecting a fixed price product over a product with a rate that changes periodically, and that value would not be quantified or reflected in the requested data.

Another customer may select a product that includes a smart thermostat or another energy efficiency product that allows them more control over their energy usage, enabling them to reduce their overall energy consumption. This customer may pay a higher volumetric rate for their energy, but by reducing their usage through energy efficiency means they can lower their overall energy bills.

Yet another customer may choose a retail energy supply product that awards them cash back, rebates, grocery discounts or coupons, or other loyalty benefits that allow the customer to obtain discounted goods or services. These types of benefits have economic value to the customer as well but are not reflected in a cursory price comparison between supplier prices and SOS rates. Most importantly, these offers allow customers to make the choices that best suit their lifestyles and needs.

A robust competitive market that is accessible by all Maryland customers will continue to innovate and develop more offerings like these to help customers more effectively manage their energy usage and energy costs. Measuring the success of the retail market only by looking at price fails to adequately capture the true value of choice, convenience, and innovation. Educating customers on retail choice and the options

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. would if they purchased their energy from a competitive supplier. 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





Intelometry <sup>1</sup> 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.

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<sup>1</sup> 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

<b>Electricity Supplier Information</b>	*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.
<b>Price Structure</b>	Fixed supply charges <b>except for taxes and utility charges</b>
<b>Supply Price</b>	7.79 cents per kilowatt-hour for a 12 month term
<b>Statement Regarding Savings</b>	The contract price may not always provide a savings.
<b>Incentives</b>	NA NA
<b>Contract Start Date</b>	The Contract term will start after the Utility processes your enrollment.
<b>Contract Term/Length</b>	The initial Contract term will be (12) months from the Contract start date.
<b>90 Day Guarantee</b>	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.
<b>Cancellation/Early Termination Fees</b>	<b>You WILL incur an early termination fee of \$150, if you terminate this Contract early for any reason other than those outlined below.</b> 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.
<b>Rescission</b>	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.
<b>Constellation Renewable Product</b>	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.
<b>Renewal Terms</b>	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.



Direct Energy

## 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

\$0.07690 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.

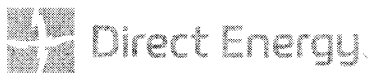
### RESCISSION

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

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Electric supply service in

BGE

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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

\$0.07490 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.

### RESCISSION

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Direct Energy

## 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

\$0.07790 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

36 monthly billing cycles.

### CANCELLATION / EARLY TERMINATION FEES (per account)

NONE.

### RESCISSION

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Simple. Friendly. Direct



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<b>Electricity Supplier Information</b>	*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.
<b>Price Structure</b>	Fixed supply charges <b>except for taxes and utility charges</b>
<b>Supply Price</b>	7.39 cents per kilowatt-hour for a 12 month term
<b>Statement Regarding Savings</b>	The contract price may not always provide a savings.
<b>Incentives</b>	NA NA
<b>Contract Start Date</b>	The Contract term will start after the Utility processes your enrollment.
<b>Contract Term/Length</b>	The initial Contract term will be (12) months from the Contract start date.
<b>90 Day Guarantee</b>	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.
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<b>Rescission</b>	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.
<b>Renewal Terms</b>	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.

## **Energy Advocacy Maryland\_Unfav\_SB686**

Uploaded by: Nash, Katie

Position: UNF

# Comparing Residential Retail Electricity Supplier Offers

## Renewal and Green Offers Versus Standard Offer Service Offers

There are retail electric supply offers in Maryland Utility service areas that offer a less expensive alternative to the utility's standard offer service price. There are also offers that provide the customer with 100% renewable energy, underscoring the notion that consumers can choose to pay more for a renewable product. This information is found on the [Maryland Public Service Commission website](#) - several of those prices are included in this written testimony to provide an example of what the consumer sees when reviewing the price-to-compare within utility territories.

It should be noted that in addition to the Maryland Public Service Commission's website, pricing can also be found on the [Office of People's Counsel website](#).

## BGE

Standard Supply Service: 0.0737kwh

*There are 29 Retail Electricity Supply Offers below Standard Supply Service.*

A snapshot of these offers:

AEP Energy, Inc.	\$0.0599
Ambit Northeast, LLC	\$0.0709
American Power and Gas of MD LLC	\$0.0589

### *100% Green and Renewable Offers (20)*

Agway Energy Services, LLC	\$0.0990
Ambit Northeast, LLC	\$0.0909
Clearview Electric, Inc.	\$0.0819

## Pepco

Standard Supply Service: 0.0829kwh

*There are 49 Retail Electricity Supply Offers below Standard Supply Service.*

A snapshot of these offers:

AEP Energy, Inc.	\$0.0695
American Power and Gas of MD LLC	\$0.0649

*100% Green and Renewable Offers (16)*

Agway Energy Services, LLC	\$0.0990
Clearview Electric, Inc.	\$0.0809
Discount Power, Inc.	\$0.0939

## Delmarva

Standard Supply Service: 0.0726kwh

*There are 11 Retail Electricity Supply Offers below Standard Supply Service.*

A snapshot of these offers:

Ambit Northeast, LLC	\$0.0713
American Power and Gas of MD LLC	\$0.0675
Astral Energy LLC	\$0.0699

*100% Green and Renewable Offers (16)*

Ambit Northeast, LLC	\$0.0913
Clearview Electric, Inc.	\$0.0759
CleanChoice Energy, Inc.	\$0.0920

## Potomac Edison

Standard Supply Service: 0.0663kwh

*There are 16 Retail Electricity Supply Offers below Standard Supply Service.*

A snapshot of these offers:

AEP Energy, Inc.	\$0.0615
Ambit Northeast, LLC	\$0.0655
American Power and Gas of MD LLC	\$0.0550

*100% Green and Renewable Offers (7)*

Agway Energy Services, LLC	\$0.0890
Ambit Northeast, LLC	\$0.0855

*Energy Advocacy Maryland was founded to support the ongoing work to improve the restructured Maryland market, consumer education, and price monitoring.*

Source: Maryland Public Service Commission (<https://www.psc.state.md.us/electricchoice/shop-and-compare/>), 02/04/2020

Clearview Electric, Inc.

\$0.0819

*Energy Advocacy Maryland was founded to support the ongoing work to improve the restructured Maryland market, consumer education, and price monitoring.*

Source: Maryland Public Service Commission (<https://www.psc.state.md.us/electricchoice/shop-and-compare/>), 02/04/2020