



8614 Westwood Center Drive  
Suite 1200  
Vienna, VA 22182-2260  
703.333.3900  
[WGLEnergy.com](http://WGLEnergy.com)

Senate Finance  
February 25, 2020

## Senate Bill 681 – Electricity Suppliers and Gas Suppliers – Consumer Protections

### POSITION: OPPOSE

WGL Energy has served Maryland customers for over 20 years, delivering a full spectrum of energy solutions. Competitive markets enable customers to find answers for their energy needs, and a robust retail market spurs innovation, compelling industry to meet changing customer demands.

We respectfully oppose SB 681 because of three main concerns.

### ENFORCEMENT AND AUTHORITY

The bill outlines a number of areas where the PSC currently has authority and enforcement ability. Additionally, the OPC already has the ability to not only make data requests, but also intervene in proceedings whenever they see fit.

In an effort to strengthen protections, the PSC recently announced establishment of a Compliance and Enforcement Unit within its Consumer Affairs Division (CAD). According to the Commission, the “unit will be dedicated to more proactive oversight of utilities and third-party energy suppliers to ensure compliance with the Commission’s regulations.”

We understand some energy suppliers have not complied with the current rules and have not always treated customers well, but the proper place for reporting those companies and enforcement when illegal practices occur is the PSC.

### PRICE TABLE

The bill outlines an effort to collect pricing data from suppliers and compare those to SOS rates. You cannot compare retail electricity to SOS by price alone.

For example, at WGL Energy, all our residential customers are supplied by 5% additional wind above the current RPS levels, so even our basic product is a bit of a “premium environmental” product and can be viewed more favorably than SOS.

Additionally, a large majority of our residential customers choose price protection products having 1 or 2-year contract terms. You cannot remove commodity risk from SOS or utility-procured gas, so this price-certainty helps households budget for their energy needs.

Still other residential electricity customers proactively choose a 50% or 100% renewable energy product.

How can you reasonably compare products on just price when all these variables are present in the market?

#### FIXED RATE TO A VARIABLE RATE

The bill would require written consent from a customer prior to switching from a fixed to a variable rate—even if those terms were clearly outlined in the original contract. This would impose inappropriate restrictions on sales transactions in a deregulated market.

In the Appendix, we've included an example of a WGL Energy renewal envelope and a sample letter of what a customer would receive as they approached a renewal date. Both are straightforward, direct and easily understood.

Because of these concerns, we respectfully ask the Committee for an unfavorable report of SB681.

Brian Smith, State Government Relations and Public Policy Manager  
P 202.624.6031 | M 202.945.7140 | [Brian.Smith@wglenergy.com](mailto:Brian.Smith@wglenergy.com)

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**APPENDIX**

**SAMPLE RENEWAL ENVELOPE**



P.O. Box 7600  
Hampton, VA 23666-0600  
[WGLEnergy.com](http://WGLEnergy.com)

**Important Information About the Expiration of Your Energy Supply Contract**

Mr. & Mrs. Customer  
123 America Drive  
Anytown, USA 99999

.....  
**SAMPLE RENEWAL LETTER**

**WGL ENERGY SERVICES  
ELECTRICITY  
SUPPLY - OFFER  
IMPORTANT RENEWAL NOTICE  
DEADLINE DATE FOR ACTION:  
March 20, 2018  
February 07, 2018**

SAMPLE CUSTOMER  
1234 SAMPLE RD  
FREDERICK MD 21703  
RE: Electricity Account - 08000000000000000000

We have good news! Your Electricity Supply Agreement with WGL Energy Services (WGL Energy) is eligible to renew on April 9, 2018. Please review these offers for your next contract term.

**Option 1: Auto Renewal Offer (Requires No Action)**

We are pleased to offer you a new price of **7.39¢ per kWh**. As an added benefit, 5% of your electricity usage will continue to come from wind power to help improve regional air quality.

This 1-Year renewal will continue to protect your price from your April 9, 2018 scheduled Potomac Edison meter reading through your April 9, 2019 meter reading. To accept this new price, do nothing at all. The agreement you have with WGL Energy includes automatic renewal.

**Option 2: Long-term Renewal Offer (Requires Action)**

Of course, if you place a high value on price stability, you may choose to renew your contract with WGL Energy for a 2-Year period at **7.29¢** per kWh. This price includes 5% wind power. **To select the long-term renewal option, you must notify WGL Energy by March 20, 2018.** Please complete and return the form below in the enclosed postage-paid envelope or fax it to 888-569-8784. You may also contact the Customer Care Center at 844- 4ASKWGL (844-427-5945) or renew your account on-line at [www.wglenergy.com](http://www.wglenergy.com). The long-term renewal price is guaranteed through your April 8, 2020 meter reading.

Whichever renewal option you choose, your renewal price will be reflected on your May 2018 electricity bill. Please see the reverse side of this letter for the "WGL Energy Services, Inc. Electricity Supply - Terms and Conditions" that are effective beginning April 9, 2018. Please review the CONTRACT SUMMARY included with this letter and retain these documents for any future questions you might have.

If you do not want to renew your WGL Energy Services Electricity Supply Agreement, have any questions **or wish to discuss other renewal options**, please call a WGL Energy Customer Care specialist before **March 20, 2018** at 844- 4 ASKWGL (844-427-5945) between 7 a.m. and 7 p.m. weekdays, except holidays. If you cancel, your account will be returned to utility service unless you select another supplier.

Thank you for choosing WGL Energy as your electricity supplier. We are proud to serve you.



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Sincerely,  
WGL Energy Customer Care Center  
37011 APM.RES.AR.123922

WGL Energy delivers a full ecosystem of energy offerings provided by WGL Energy Services, Inc. and WGL Energy Systems, Inc. This offer is for electricity supply only and does not include utility distribution, taxes or other utility fees or charges. WGL Energy Services is not the same company as Washington Gas Light Co., a regulated utility.  
LICENSE IR-227

SAMPLE CUSTOMER  
08000000000000000000

**Deadline Date: March 20, 2018**  
APM.RES.RO.123923

2-Year Renewal Option with 5% wind power

Yes, I would like to lock in my 2-Year electricity generation and transmission price at 7.29¢ per kWh, beginning with my April 9, 2018 Potomac Edison meter reading and ending with my April 8, 2020 meter reading. Included in this price, 5% of my home's electricity will be generated from wind power.

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Signature Date

(Please return in the enclosed envelope, fax to: 888-569-8784, contact us at 844-427-5945 or renew your account at [www.wglenergy.com](http://www.wglenergy.com).)