SB595_NCLC_Bosco 2021 MD VF.pdf
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Maryland Senate, Senate Finance Committee
Hearing on **SB 595- Residential Electricity and Gas Supply Billing Information - Reports**
Testimony of Jenifer Bosco, National Consumer Law Center
February 23, 2021

Position -- SUPPORT

To the Members of the Senate Finance Committee:

Thank you for conducting this hearing on Senate Bill 595- *Residential Electricity and Gas Supply Billing Information - Reports*. My name is Jenifer Bosco, and I am an attorney at the National Consumer Law Center, where I focus on energy and utility matters and debt collection issues that affect consumers. The National Consumer Law Center or NCLC is a nonprofit organization that, since 1969, has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, and we submit this testimony on behalf of our low-income clients.

NCLC has been actively involved in advocacy for consumers who have been financially harmed by alternative (or competitive) energy supply companies. We have released a report[1] and an issue brief[2] which describe abusive sales practices and inflated prices that have harmed

[1] National Consumer Law Center, *Competing to Overcharge Consumers: The Competitive Electric Supplier Market in Massachusetts* (April 2018), available at http://bit.ly/2H3ORJJ.
[2] National Consumer Law Center, *Still No Relief for Massachusetts Consumers Tricked by Competitive Electric Supply Companies* (Oct. 2018), available at https://www.nclc.org/issues/consumers-tricked-by-competitive-electric-supply-companies.html.

Massachusetts consumers, with a particular emphasis on the unfair and deceptive marketing that has targeted low-income consumers, older adults, and those with limited English language proficiency. Common consumer problems have been reported by residential customers in the different deregulated states.[3] Among other problems, our reports found that:

- Consumers almost always pay more for competitive electric supply than they would have paid for service from their utility companies.
- The very small number of consumers who do manage to save money see only minor savings compared with those consumers who pay higher prices.
- A higher percentage of low-income households were signed up to buy competitive electric supply, compared with their non-low-income neighbors.
- Consumer complaints in other states highlight problems with high prices, involuntary switching or slamming, unwanted telemarketing or door-to-door marketing, deceptive sales practices, and more.

NCLC's reports confirmed research done by the Massachusetts Attorney General, which among other findings revealed that residential customers paid **$253 million** more to competitive suppliers than they would have paid to their distribution utilities for electric service during the three years from July 2015 through June 2018, and that low-income customers are disproportionately harmed.[4]

[3] See, e.g., Federal Trade Commission, *Statement of Commissioner Chopra Regarding the FTC EnergyGuide Rule* at 3 (Dec. 22, 2020), available at https://www.ftc.gov/public-statements/2020/12/statement-commissioner-chopra-regarding-ftc-energyguide-rule.

[4] Mass. Office of the Attorney General, A*re Residential Consumers Benefiting from Electric Supply Competition? An Analysis of the Individual Residential Electric Supply Market in Massachusetts* (March 2018); Mass. Office of the Attorney General, 2019 Update (Aug. 2019), available at https://www.mass.gov/competitive-electric-supply.

As we have learned from investigations by the Maryland Office of Public Counsel[5] and by analysts for the Abell Foundation,[6] the problems identified in Massachusetts are nearly identical to the problems experienced by Maryland households. Over the course of just one year, Maryland residential consumers were found to pay at least **$34,138,799** more than they would have otherwise paid to their distribution utility companies.[7]

Senate Bill 595 would help mitigate some of this harm by implementing important public reporting improvements. Public disclosures of complaints, and quarterly reports of actual prices paid, would add needed transparency and accountability in this market. Detailed and frequent public reporting of the prices charged by competitive supply companies, including rates paid by customers after any introductory rates expire, compared with the standard offer/utility-procured prices, is essential for identifying patterns of high charges and protecting consumers. It is important to include reporting of prices actually paid by consumers over the duration of the contract as SB 595 proposes, rather than only reporting the "teaser" or introductory rates offered by suppliers.

SB 595 contains specific reporting requirements about low-income customers. Since low-income and other vulnerable consumers are likely to be targeted by marketers who use deceptive sales practices, and are more at risk of losing utility service if bills become unaffordable, this reporting requirement is vital to support protections for these consumers. This data will also be needed to analyze the impact of the competitive supply market on fuel assistance programs and

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[5] Maryland Office of People's Counsel, *Maryland's Residential Electric and Gas Supply Markets: Where Do We Go from Here?* (Nov. 2018), available at http://www.opc.state.md.us/Portals/0/Hot%20Topics/Maryland%20Electric%20and%20Gas%20Residential%20Supply%20Report%20November%202018.pdf.

[6] Abell Foundation, *Maryland's Dysfunctional Residential Third-Party Energy Supply Market: An Assessment of Costs and Policies* (Dec. 2018), available at https://www.abell.org/sites/default/files/files/Third%20Party%20Energy%20Report_final%20for%20web.pdf.

[7] Maryland Office of People's Counsel, *Maryland's Residential Electric and Gas Supply Markets: Where Do We Go from Here?* (Nov. 2018).

other programs that were established to assist low-income consumers. NCLC strongly supports the inclusion of specific low-income reporting metrics in this legislation.[8]

Further, the reported information will help this legislative body, the Public Service Commission, the Office of the Consumer Advocate and the Office of Home Energy Programs to exercise oversight and address problems in this market. Such reporting would not be unduly burdensome, and models already exist. For example, competitive supply companies comply with stringent reporting requirements in Connecticut.[9]

In conclusion, NCLC supports SB 595, which would help policymakers and regulators to better protect Maryland consumers. If you have questions regarding this testimony, please contact Jenifer Bosco, Staff Attorney, National Consumer Law Center, at jbosco@nclc.org.

Sincerely,

Jenifer Bosco, Staff Attorney
National Consumer Law Center, on behalf of our low-income clients

[8] In addition, NCLC is not in support of the recent amendment to SB 31. In light of these concerns, if the amendment were adopted, comprehensive reporting requirements proposed in SB 595 would be even more necessary to protect low-income consumers.
[9] Conn. Public Util. Regulatory Authority, Docket No. 06-10-22.

SB 595 testimony with letterhead 2021.pdf
Uploaded by: Boyd, Linda
Position: FAV

SUPPORT

SB 595

Residential Electricity and Gas Supply Billing Information - Reports

Finance Committee

2/23/2021

Good afternoon Chair Kelley, Vice Chair Feldman, and members of the Finance Committee. My name is Rev. Linda Boyd, and I am representing the Maryland Episcopal Diocese. The Diocese represents 108 parishes and over 45,000 parishioners. The Maryland Episcopal Diocese supports SB 595.

This Bill requires electric companies, gas companies, and specified electricity and gas suppliers to submit monthly reports to the Public Service Commission (PSC) on the supply of electricity and gas to their residential customers. Data shows that third-party energy suppliers serving low-income families in Maryland on state energy assistance charge much higher electric and natural gas rates than the regulated utility rates. This over-charge is often hidden by the third-party energy suppliers using a low introductory rate. However, data has shown that most of these energy suppliers increase their rates within the first 12 months to a rate in excess of rates charged by regulated utilities.

This results in these low-income households paying approximately $340 million dollars more to third party energy electrical suppliers than they would have to regulated electrical suppliers for the period 2014 to 2018. For natural gas supply, the figure is approximately $225 million dollars more. These households receive state energy assistance paid by the state. Because of the excess billing, the customer and state are both being victimized. State energy assistance that flowed to third-party suppliers was approximately $10 million dollars for the period 2014-2018.

Third party electrical and gas suppliers are targeting people on energy assistance and charging them a variable rate that is many times more than that charged by BG&E or Pepco. Many of our parishioners are recipients of energy assistance and are being over-charged. This Bill will require reporting of amounts charged to low-income households on state energy assistance. We need this reporting requirement to shine the light of day on this egregious practice of over-charging these households and to prevent further victimization of households and the state.

We respectfully ask for your support of bill SB0595.

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SB 595 Residential Electricity and Gas Supply Bill

Uploaded by: Bresnahan, Tammy

Position: FAV

AARP Maryland

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SB 595 Residential Electricity and Gas Supply Billing Information – Reports
SUPPORT
Senate Finance Committee
February 23rd, 2021

Good Afternoon Chairman Kelley and Members of the Senate Finance Committee. I am Peltier, I am also a volunteer for AARP MD. 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 595 Residential Electricity and Gas Supply Billing Information – Reports** and we thank Senator Washington for sponsoring this important legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

AARP MD supports SB 595 which requires electric companies, gas companies, and electricity and gas suppliers to submit monthly reports to the Public Service Commission (PSC) on the supply of electricity and gas to their residential customers. The first report must be submitted no later than July 1, 2021, and must contain information for the previous 12 months. The PSC must make each report available to the Office of People's Counsel (OPC) and the Office of Home Energy Programs (OHEP) in the Department of Human Services. OHEP must use the reports to analyze information relating to low-income customers – those receiving energy assistance benefits from OHEP. The PSC, in consultation with OHEP, must provide a related overview report to the General Assembly each year and publish the report on its website.

The 1999 Electric Choice Act was passed by the General Assembly and signed by then Governor Parris Glendenning. It was heavily lobbied by big energy. They lobbied and testified that "Deregulation" would provide economic benefits for **ALL** customer classes. After 20 years, what we know, after an introductory rate what we call a "teaser rate" most energy supplier rates are significantly higher than if a customer stayed with the regulated supplier like BGE, PEPCO or Delmarva.

You get those calls, I get those calls, you get the mailers, I get the mailers, you get the knock on the door, and I get the knock on the door. They are in kiosks in malls, Costco, and even outside the Department of Social Services. Calls and solicitations like I received on Friday. "You have been over charged by your "Third Party Supplier", we have $100 rebate check waiting for you, press one (1) to get the details." Third-party electric suppliers rely on predatory sales tactics to trick folks into unwittingly signing up for contracts. Your constituents – especially those who are low-income, elderly, use English as a second language, and other vulnerable populations – are getting ripped off by these third-party suppliers which often charge significantly higher rates than the electric utility default service. Enough is enough. We've heard it all – aggressive marketing tactics on our own doorsteps, harassing telemarketing calls laced with lies, utility company impersonation, slamming, and more. The time has come to determine if electric choice is an economic win or an economic burden.

SB 595 once implemented**,** will indicate whether or not low income, the elderly and neighborhoods of color are targeted by third party suppliers. Reporting will also indicate that once a customer switches to a third party supplier, if those introductory rates increase after the introductory offer expires. The data will also give us information on natural gas, which we estimate that if a customer chooses a third party supplier, pay more than double than if they would have stayed with the regulated utility.

We respectfully ask the Senate Finance Committee for a favorable report on SB 595 Residential Electricity and Gas Supply Billing Information--Reports. If you have questions, please contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.

sb595lh.pdf
Uploaded by: Carter, Cindy
Position: FAV

CANCER SUPPORT FOUNDATION

Cancer Support Foundation, Inc.
8268 Academy Road
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Phone: 410.964.9563
Email: info@cancersupportfoundation.org

www.cancersupportfoundation.org

Senate Finance

Support SB595

Cancer Support Foundation
Cindy Carter
Executive Director

I am Cindy Carter Executive Director of Cancer Support Foundation. I am also a former accountant who worked with many companies in setting up their basic accounting processes.

In my role as the director of a nonprofit, I am very concerned with how utility prices are affecting my clients many of whom are low income. All suppliers of a service that you must have to successfully function and be compliant with your health plan should have to abide by basic business reports.

This bill sets up a system that would require the data on who is using what electric and gas service to be collected and analyzed. Since there are many grants paid for by state and federal funding each year, we should know if these funds are being spent in the most fiscally responsible manner.

Sincerely

Cindy Carter
Executive Director
Cancer Support Foundation, Inc.

SB595_OPC_SUPPORT.pdf
Uploaded by: Lapp, David
Position: FAV

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BILL NO.: **Senate Bill 595**
Residential Electricity and Gas Supply Billing Information – Reports

COMMITTEE: **Finance**

HEARING DATE: **February 23, 2021**

SPONSOR: **Senator Washington**

POSITION: **SUPPORT**

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The Office of People's Counsel (OPC) supports Senate Bill 595. The bill requires gas and electric utilities and suppliers to report data and the Public Service Commission (PSC) to publish reports on the relative costs of electricity supply options. This information will be beneficial to customers considering their supply options.

Senate Bill 595 requires electric and gas utilities, as well as energy suppliers that bill residential customers, to submit monthly reports to the PSC using information in their billing systems. The initial report must contain information for the previous 12 months. The reported information is only required for residential customer data and will include aggregated information regarding customers receiving energy assistance. The reports must be made available to OPC and the Office of Home Energy (OHEP) programs. OHEP must use the reports to analyze information related to low-income customers receiving OHEP energy assistance.

The reports required under SB 595 will benefit consumers and promote the PSC's oversight of the retail electricity market. The bill includes an annual reporting requirement for the PSC to report to the General Assembly and a requirement for the PSC to publish on its website the information on supply options that is reported to the PSC under the bill. These annual reports will provide information for consumers on their supply options.

OPC understands that amendments from the bill sponsor will require the PSC's report to compare products that are similar or identify material differences between products. These amendments will enhance the value of the information that the bill makes available to customers; the amendment benefits both customers and retail suppliers that want to compete on the merits of their offerings.

Recommendation: The Office of People's Counsel respectfully requests a FAVORABLE REPORT on Senate Bill 595.

FAVORABLE-SB595-ENERGY SUPPLIER REFORM COALITION.p

Uploaded by: Peltier, Laurel

Position: FAV

FAVORABLE
Senate Finance Committee. February 23, 2021
SB595 Energy Supplier Reporting
Laurel Peltier. - Energy Supplier Reform Coalition

Data is Fiscally Responsible. Data are Facts.

SB585 is a fiscally responsible and smart legislation to confirm that hard earned rate payer, taxpayer and state proceeds' funds are doing what they're supposed to be doing: paying down Office of Home Energy Programs (OHEP) energy assistance recipient home energy bills.

Today, Maryland does not report pricing levels for deregulated residential accounts. Both the PSC and the General Assembly have been asked multiple times.

Though Maryland doesn't report what these deregulated third-party supplier households are paying, Maryland does grant ***free financial funds*** to around 30,000 of the 100,000 very low-income energy OHEP assistance households every year.

Mountains of concrete evidence, both public data and consumer billing data, confirm that these very low-income OHEP (~$16,000 per year) households are paying significant premiums to switch to deregulated supply.

Does that make financial sense for Maryland to grant an estimated $15,000,000 to deregulated energy assistance households and it is highly probable that some, or most, of those granted funds were applied to super-inflated utility bills? Bills that were $650 higher because the account was on an out-of-state-owned deregulated supplier? No.

That key question is being asked by a coalition that help this target every day: AARP Maryland, GEDCO, Fuel Fund, Interfaith Power & Light, NCLC, and many others.

Why would Maryland not verify this data?

If this was your own money, few would give away money and not know where it goes?

Here’s a hypothetical.

Each year you help and pay $500 for your mom’s medication. Meds that are quite important to her health. Every year you write a $500 check in January because it’s the right thing to do to help her out. Your mom then calls in August and shares that she was buying expensive brand name drugs. She’s not sure how this happened, but now she had no more money for medications.

That free $500 grant that you gave her had a purpose – to buy essential medications. Your $500 grant was not intended to be sent to pharmaceutical companies to pay for ads, coupons and higher profits. That $500 grant was given to help her with an essential need, to help pay for her medication, and she now has to scramble to find the cash to buy drugs for the balance of the year. She's now going to apply to a non-profit called the 'Rx Fund' for supplementary grants. She may apply at her church and get a grant for $100; every little bit helps.

She should have known better, but she was unaware that when she went to the discount Rx plan, it was a variable rate contract and moved from generic drugs to brand name drugs in month 4. A nice guy came to her door and sold her the Rx Plan. She thinks he told her that she would save on her meds. He kept coming back to her house every day.

Your mom is busy and doesn't really know the details. She's 70 and lives off Social Security, about $1,400 a month, in Baltimore County. Her rent is $800, and her BGE bill is a surprising $2,000 a year. Your whole family pitches in to help; she goes to the church food pantry, siblings give her extra cash, and help her fill out OHEP energy assistance applications. She worked her whole life as a cook, she just didn't earn much. Now she's retired and lived off Social Security.

If you had a report, or an email, or even a receipt that showed she purchased brand name drugs, you probably would make sure the Rx was changed to generic. $500 is a lot of money for anyone. The crux of the problem was lack of information, lack or reporting. In the absence of data, problems go undetected.

This story above is exactly what Maryland is doing with deregulated households receiving energy assistance grants. It doesn't make fiduciary sense. No reasonable party would give away money with an intended purpose and not ask if was being responsibly spent.

Meds and home energy aren't consumer products. They are both essential.

Like regulated home energy supply, deregulated energy supply is an essential service. This week, Texans know exactly that home energy is not a consumer product, it's not a mobile phone, a music subscription, or a streaming service.

Home energy is water, food, shelter and heat. No one can cash in non-energy incentives and pay a utility bill at the local check cashing site.

In the US, Baltimore has the highest energy burdens for low-income families according to the American Council for an Energy-Efficient Economy. Their report, which Baltimore is ranked #1, is sobering on many levels. This report was noticed by a reporter who visited us all at the Fuel Fund and CARES. Darlene's story is very common. That story is attached.

Twenty-six percent of Maryland's income-eligible households (~100,000), whose profile is the same as the story above, access Maryland Office of Home Energy grants every year. These energy assistance funds are generated by a combo of funding: rate payer surcharges, federal taxpayer funds, and a portion of the Regional Greenhouse Gas Initiate (RGGI) proceeds and others.

Roughly 30% of these households are on deregulated supply. For our Abell Report which focused on Baltimore City, 55% were on deregulated supply. In 2018 they paid $500 more for Retail Choice, and it's now grown to $650. Only a few households of the 110 BGE bills collected were paying the same as BGE. Two paid less. The other 100 or so paid significant premiums.

And these households are the last in our state that should face premiums for home energy.

Here's what Maryland DOES NOT know:

- How much of the OHEP budget goes to inflated utility bills, what's wasted? Less to go around.

- The electricity pricing levels households on deregulated energy pay from actual bills. (Dept of Energy 861 reports by state by supplier. Attached.)

- The natural gas pricing levels households on deregulated energy pay.

- Do non-low-income deregulated accounts pay more or less versus low-income OHEP-coded accounts like other deregulated states' accounts do?

- What percentage of Turn-Offs accounts are on deregulated supply and what were premiums? (not asked in SB595)

- Where do these deregulated households reside? Are they concentrated in low-income areas like the PSC zip code reporting reveals? (not asked in SB595)

- The variable rates that all suppliers embed in contracts except Constellation and Liberty Power. (not asked in SB595)

- How many OHEP accounts are on 3rd-party supply? 8903 reporting is by quarter and people go on and off OHEP. (not asked in SB595)

Here's what we DO KNOW:
Data is added as appendix
The initial/promotional rates that supplier enroll customers PSC shopping site
How many homes are deregulated electric supply: 415,000 – 18%
How many homes are deregulated electric supply: 200,000 – 20%
The number of complaints and what companies. PSC web site.
The number of OHEP coded accounts on deregulated supply by utility by quarter. 8903
The zip codes and number of suppliers selling door-to-door. PSC report.
Dept of Energy 861 data that reveals Maryland households have spent $430 million more electricity since 2014.
We know that most suppliers charge a significant premium to SOS

Thank you for voting SB595 out of the Senate Finance Committee.

FAVORABLE-SB595-ESRC-APPENDIX.pdf
Uploaded by: Peltier, Laurel
Position: FAV

Energy Supplier Reform Coalition Data:
The data on the next 3 pages is form the following public source: Since 2000, the Department of Energy's Energy Information Administration has collected self-reported data for any company that sells any type of electricity.

The data is reported in the EIA-861 filings.

Regulated utilities and deregulated retail suppliers report revenues, MWH sold and customer counts as of 12/31/XX.

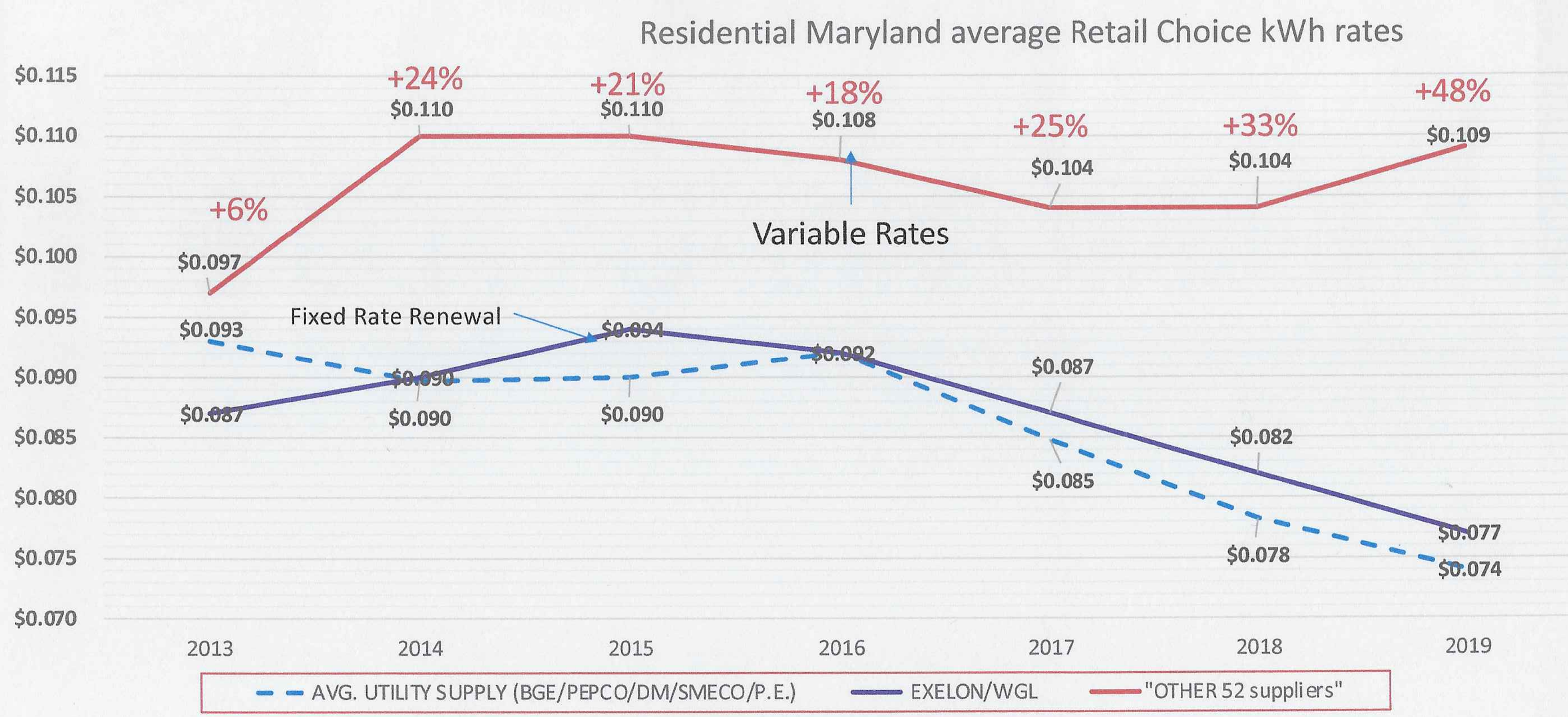
This data is separated each year by suppliers that offer a mix of energy types (fossil-fueled electricity) from suppliers that market "100% renewable electricity." Renewable-only supplier results are separated out.

The graph shows that Constellation prices on average on par to regulated utility standard rates. The other 50 or so suppliers charge significantly higher.

While the industry routinely claims it is not accurate to compare their rates charges with the regulated utility rate that's printed on utility bills as "Price to Compare," what other mechanism would consumer have to make an informed decision?

Actual rates charged by suppliers can also be found on www.energysupplierhelpdesk.org.

Pennies Matter.
For the 275,000 Families Not on Constellation & WGL, They Paid 48% More for Electricity



EIA 816 Data Historical KWH rate

2019 Maryland Residential Third-Party Supplier Pricing Results

§0.074	SOURCE D.O.E. EIA-861	Revenues ('000s)	MWH Sold	# Customers	Avg. Supplier Rate Charged	Avg. MD SOS electric rate	Supplier vs. MD SOS avg.	Avg Household kWh usage	Avg. Amount Household Paid Over Utility	Intro Offers 12/20 mdelectricchoice.com	Renewal Terms 12/20 mdgaschoice.com
1	**Constellation - Exelon sub.**	$137,096	1,828,848	115,687	$0.075	$0.074	1%	**15,809**	$17	Fixed 12, 24, 36	**Fixed**
	NRG~ Reliant	$25,739	225,730	19,979	$0.114	$0.074	54%	11,298	$453	Variable & Fixed 6,12,24	Variable
	NRG~XOOM	$17,011	177,812	15,002	$0.096	$0.074	29%	11,853	$258	Variable & Fixed 6,12,24	Variable
	NRG~Stream Energy MD	$9,523	84,812	6,830	$0.112	$0.074	52%	12,418	$476	Variable & Fixed 6, 18	Variable
	NRG~Discount Power Inc - (CT)	$377	4,134	483	$0.091	$0.074	23%	8,559	$148	Fixed 6, 12	Variable
	NRG~Energy Plus Holdings LLC	$5,386	36,192	3,095	$0.149	$0.074	101%	11,694	$876	Fixed 12, 24	Variable
2	**NRG portfolio average**	**$58,036**	**528,680**	**45,389**	**$0.110**	$0.074	**49%**	**11,648**	$418		
3	**WGL Energy**	$39,534	467,220	41,388	$0.085	$0.074	14%	11,289	$121	Fixed 12,24	Variable- Not disclosed
4	**Direct Energy (NRG as of 7/20)**	$34,126	350,177	33,323	$0.097	$0.074	32%	10,509	$247	Fixed 8,12,18	Variable
5	**MDGE/Energy Services Providers**	$23,055	187,739	20,168	$0.123	$0.074	66%	9,309	$455	Fixed 6, 12, 24, 36	Variable
6	**Commerce (Just Energy)**	$17,891	186,066	18,928	$0.096	$0.074	30%	9,830	$219	Fixed 3, 24,36	Variable
7	**Ambit Energy**	$13,728	141,185	13,643	$0.097	$0.074	32%	10,349	$241	Variable	Variable
8	**SmartEnergy**	$12,115	121,144	12,337	$0.100	$0.074	35%	9,820	$256	*Not on site*	Variable
9	**IDT Energy**	$8,615	68,724	7,863	$0.125	$0.074	70%	8,740	$450	Var. & F 6,12	Variable
10	**SFE Energy**	$3,971	50,090	5,468	$0.079	$0.074	7%	9,161	$49	*Not on site*	Variable
11	**Palmco Power**	$5,718	36,246	4,932	$0.158	$0.074	113%	7,349	$616	Variable	Variable
12	**Spark Energy (was Oasis)**	$6,314	41,527	4,729	$0.152	$0.074	106%	8,781	$686	Fixed 3,6,12 mo.	Variable
13	**Liberty Power**	$3,295	30,582	4,153	$0.108	$0.074	46%	7,364	$249	Fixed 6,12,18,36	**Fixed**
14	**Josco Energy**	$2,916	26,149	3,703	$0.112	$0.074	51%	7,062	$266	*Variable & Fixed*	Variable
15	**North American Power**	$6,433	49,876	3,568	$0.129	$0.074	74%	13,979	$770	*Variable & Fixed*	Variable
16	**Tomorrow (was Sperian)**	$3,884	33,452	3,440	$0.116	$0.074	57%	9,724	$410	Fixed 6, 12	Variable
17	**Public Power**	$5,382	37,384	3,409	$0.144	$0.074	95%	10,966	$768	*Not on site*	Variable
18	**Eligo Energy**	$3,870	39,182	3,395	$0.099	$0.074	34%	11,541	$287	Fixed 3	Variable
19	**Major Energy**	$5,023	30,847	3,309	$0.163	$0.074	120%	9,322	$829	Variable & Fixed 6, 12	Variable
20	**Viridian Energy**	$5,489	37,828	3,289	$0.145	$0.074	96%	11,501	$819	Fixed 12, 24	Variable
21	**MPower Energy**	$2,049	16,988	2,537	$0.121	$0.074	63%	6,696	$313	*Not on site*	Variable
22	**LifeEnergy**	$1,682	19,795	2,454	$0.085	$0.074	15%	8,066	$89	*Not on site*	Variable
23	**Spring Energy**	$1,813	18,375	2,317	$0.099	$0.074	33%	7,931	$196	Variable & Fixed 6, 12	Variable
24	**Engie- Think Energy**	$2,068	23,743	2,189	$0.087	$0.074	18%	10,847	$143		Variable
25	**Interstate Gas Supply**	$1,781	18,844	2,058	$0.095	$0.074	28%	9,156	$189		Variable
26	**Starion Energy**	$2,836	20,228	1,955	$0.140	$0.074	90%	10,347	$686	Fixed 9, 12	Variable

$0.074	SOURCE D.O.E. EIA-861	Revenues ('000s)	MWH Sold	# Customers	Avg. Supplier Rate Charged	Avg. MD SOS electric rate	Supplier vs. MD SOS avg.	Avg Household kWh usage	Avg. Amount Household Paid Over Utility	Intro Offers 12/20 mdelectricchoice.com	Renewal Terms 12/20 mdgaschoice.com
27	StateWise Energy	$1,675	9,706	1,932	$0.173	$0.074	133%	5,024	$496		Variable
28	Great American Power	$1,172	11,544	1,571	$0.102	$0.074	37%	7,348	$203		Variable
29	AEP Energy	$1,582	22,984	1,507	$0.069	$0.074	-7%	15,251	-$78	Fixed 6, 12	Variable
30	National Gas & Electric	$2,490	23,543	1,254	$0.106	$0.074	43%	18,774	$598	Fixed 6, 12	Variable
31	Titan Gas LLC	$1,231	10,907	1,153	$0.113	$0.074	53%	9,460	$368		Variable
32	Horizon Power and Light	$1,696	10,952	1,082	$0.155	$0.074	110%	10,122	$819		Variable
33	Greenlight Energy	$996	9,078	1,034	$0.110	$0.074	48%	8,779	$314	Variable	Variable
34	AP Holdings	$465	6,404	652	$0.073	$0.074	-2%	9,822	-$12		Variable
35	SunSea Energy	$400	2,723	602	$0.147	$0.074	98%	4,523	$329		Variable
36	Plymouth Rock Energy	$683	5,361	596	$0.127	$0.074	72%	8,995	$481		Variable
37	Park Power	$570	4,791	486	$0.119	$0.074	61%	9,858	$445	Not selling	Variable
38	Shipley Choice	$639	5,995	479	$0.107	$0.074	44%	12,516	$409	Fixed 12	Variable- Not disclosed
39	American Power & Gas	$673	5,921	440	$0.114	$0.074	54%	13,457	$535	Variable	Variable
	TOTAL MD (No Renewable suppliers)	423,978	4,552,724	379,326	$0.093	$0.074	26%	12,002	$231		Variable
	Cash Paid Above Utility				87,476,620						
	100% Renewable Plans	Revenues ('000s)	MWH Sold	# Customers	Avg. Supplier Rate Charged	Avg. MD SOS electric rate	Supplier vs. MD SOS avg.	Avg Household kWh usage	Avg. Amount Household Paid Over Utility	Intro Offers 12/20 mdelectricchoie.com	Renewal Terms 12/20 mdgaschoice.com
1	Inspire Energy	$18,459	157,809	16,659	$0.117	$0.074	58%	9,473	$408	Fixed 6 & subscriptions?	Variable- Not disclosed
2	Star Energy Partners	$12,797	135,736	14,639	$0.094	$0.074	28%	9,272	$189	Fixed 6	Variable
3	CleanChoice	$15,222	129,148	13,765	$0.118	$0.074	59%	9,382	$412	Fixed 12	Variable
4	Clearview Energy	$7,141	71,764	6,650	$0.099	$0.074	35%	10,792	$276	Fixed 6, 12	Variable
5	NRG-Green Mountain	$8,433	62,590	5,987	$0.135	$0.074	82%	10,454	$636	Fixed 6, 12	Variable- Not disclosed
	TOTAL RENEWABLE	$62,051	557,047	57,700	$0.111	$0.074	51%	9,654	$362		
	Total Renewable Premium	$20,878,575.575									
	All Suppliers 2019 Results	$486,029	$5,109,771	437,026	$0.095		29%	11,692	$248		
	Total value paid over utility SOS rates in millions.				$108,355						
	Fixed Rate Renewal vs. Variable Rate Suppliers										
	Constellation - Exelon sub.	$137,096	$1,828,848	115,687	$0.075	$0.074	1%	15,809	$17		Fixed
	"Other 48 suppliers"	$348,933	$3,280,923	321,339	$0.106	$0.074	44%	10,210	$331		Variable

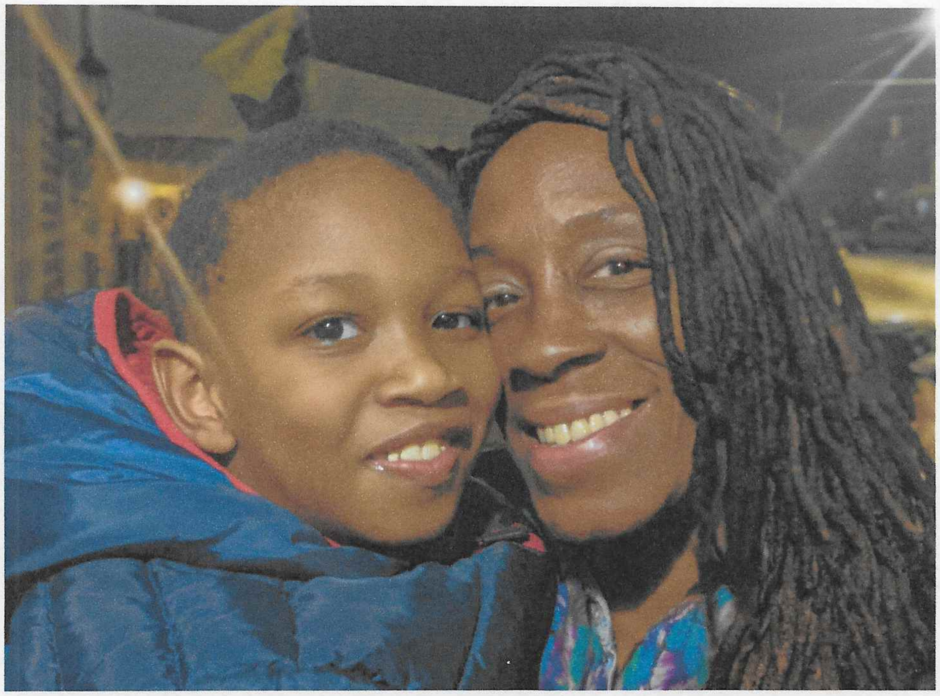
Inside Climate New

Why the Poor in Baltimore Face Such Crushing 'Energy Burdens'

https://insideclimatenews.org/news/12022021/energy-burdens-low-income-baltimore/

Darlene Jenkins couldn't understand why her gas and electric bills were so high. Then she met an advocate in a North Baltimore parking lot.

By Agya K. Aning
February 12, 2021



Darlene Jenkins holds her 6-year-old grandson, Khiare, outside of their home in Baltimore on Feb. 3, 2021. Credit: Agya K. Aning/Inside Climate News

In early January, Darlene Jenkins took her power shutoff notice to the Fuel Fund of Maryland, a nonprofit organization that helps residents navigate utility crises. She owed a little over $2,500—more than a quarter of her yearly income.

Jenkins, 54, supports her adult disabled daughter, Latia, and her young grandson, Khiare, who started living with her early last year, on food stamp benefits and about $800 a month in disability assistance.

The cascade of misfortunes that brought her to the parking lot of the Fuel Fund office on York Road in North Baltimore, where she stood outside in the cold because of Covid-19 restrictions, had begun two years earlier when nothing more significant than a lost money order receipt caused her to fall behind on her rent, which soon triggered compounding late fees.

Next her gas and electric bills shot up, putting more strain on her pocketbook. And then the pandemic hit, costing Jenkins her part-time job as a caterer.

Had she not gone to apply for assistance, her unpaid $2,500 debt is the sort of calamity that could grease the track toward homelessness, as landlords in Maryland can cite power shutoffs as a breach of lease and possible grounds for eviction. But as dire as Jenkins' situation is, she's far from alone.

Nationwide, low-income individuals like Jenkins—defined as those making less than 200 percent of the federal poverty level, or $25,760 per year before taxes in 2021—can put anywhere from 10 to 20 percent of their earnings toward energy costs and sometimes far more, according to a recent report by the American Council for an Energy-Efficient Economy, a Washington, D.C.-based think tank.

This exceedingly common, but often overlooked, reality can perpetuate cycles of poverty and lead to personal or familial ruin.

By contrast the average household spends just 3.1 percent of its income on energy, although that ratio ranges widely depending on geographic location and the type of fuel used, the ACEEE study found. Researchers typically consider anything over 6 percent to be an unaffordable energy burden regardless of income.

The report also found that energy burdens in Baltimore can be especially heavy, as 25 percent of low-income residents there spent more than 21.7 percent of their 2017 income on energy. Along with San Antonio, Texas, this was the greatest portion of income spent by any quarter of low-income earners among the 25 metro areas studied. Furthermore, half of Baltimore's low-income residents spent more than 10.5 percent of their earnings on energy, the highest median spending behind only Birmingham, Alabama.

The report did not explain why energy burdens were so high in Baltimore. But as coincidence would have it, Laurel Peltier—the Fuel Fund volunteer who greeted Jenkins in the parking lot and helped her apply for assistance—just happened to be an energy advocate who probably knew as much as anyone in Maryland about why those loads were so hefty.

Peltier was even working on a piece of legislation that would slash them.

A Rent Problem Sent Jenkins' Finances Spiraling Downward

Remembering that frigid day in North Baltimore, Peltier said she found Jenkins well prepared for an application process the seasoned advocate called "tricky, bordering on dysfunctional." It required applying for assistance from Maryland's Office of Home Energy Programs, a first step before the Fuel Fund can help pay bills. Now, Jenkins awaits funding from that agency while the 55-day hold it placed on her utility account winds down.

Laurel Peltier stands outside the entrance to the CARES Food Pantry, which houses the Fuel Fund of Maryland on Jan. 16, 2021. Throughout the pandemic she has volunteered by helping residents to apply for financial assistance for their electricity and gas bills. Credit: Agya K. Aning/Inside Climate News

The rent problem that sent Jenkins' finances spiraling began two years ago, when she moved into an income-based row house in the Frankford section of Northeast Baltimore. After about seven months in her new home, Jenkins was at Walmart buying a money order to pay her landlord, as she always did. But on this occasion her mind was elsewhere and, without realizing it, she forgot to detach her receipt—proof of the $600 she had spent—and sent off her rent payment.

Her landlord said he never got it.

When Jenkins went back to Walmart to sort things out, there was nothing the cashier could do without her receipt. And thus, a simple slip of the mind not only led to her current financial problems, but soured her relationship with her landlord, who she said continues to demand $1,000 in back rent and fees.

"For a good while I was doing so good with, you know, paying my gas and electric bill," Jenkins said.

For low-income families, high energy burdens are a function of much more than just scant earnings, according to the ACEEE report. Multigenerational households, which are more common among minority groups, require greater energy, the report said, and low-income houses with leaky insulation, cheap construction or old appliances use 50 percent more energy per square foot than non-low-income ones.

More efficient appliances, even when they are available in poor neighborhoods, can be cost-prohibitive, the report said, and many renters rely on landlords that might not want to foot the bill for upgrades and renovations that reduce energy costs paid by their tenants. Jenkins employs her own methods of energy efficiency by plugging leaks with cork and taping the gaps around her windows.

Food, rent, healthcare—the poor will sometimes forgo such necessities if it means conserving enough cash to keep the lights on and homes warm in winter. Having energy means food and medicines stay refrigerated, clothes get washed and kids can learn online.

Energy-saving programs administered by utility companies often do a lousy job of reaching the financially distressed, and those that do usually have high upfront costs. A report from the Consortium of Energy Efficiency, a nonprofit organization that promotes energy-efficient products and services, found that only 6 percent of all energy-efficiency spending in 2015 was directed toward programs for people with low incomes.

And when state governments provide financial assistance for paying off utility bills, the programs can be difficult to access because of clogged, confusing or non-existent phone lines, or an applicant's poor English ability, lack of internet access or illiteracy.

But in Baltimore, when it came to what Jenkins was paying for gas and electricity, something else was going on.

Falling Prey to Energy Retailers

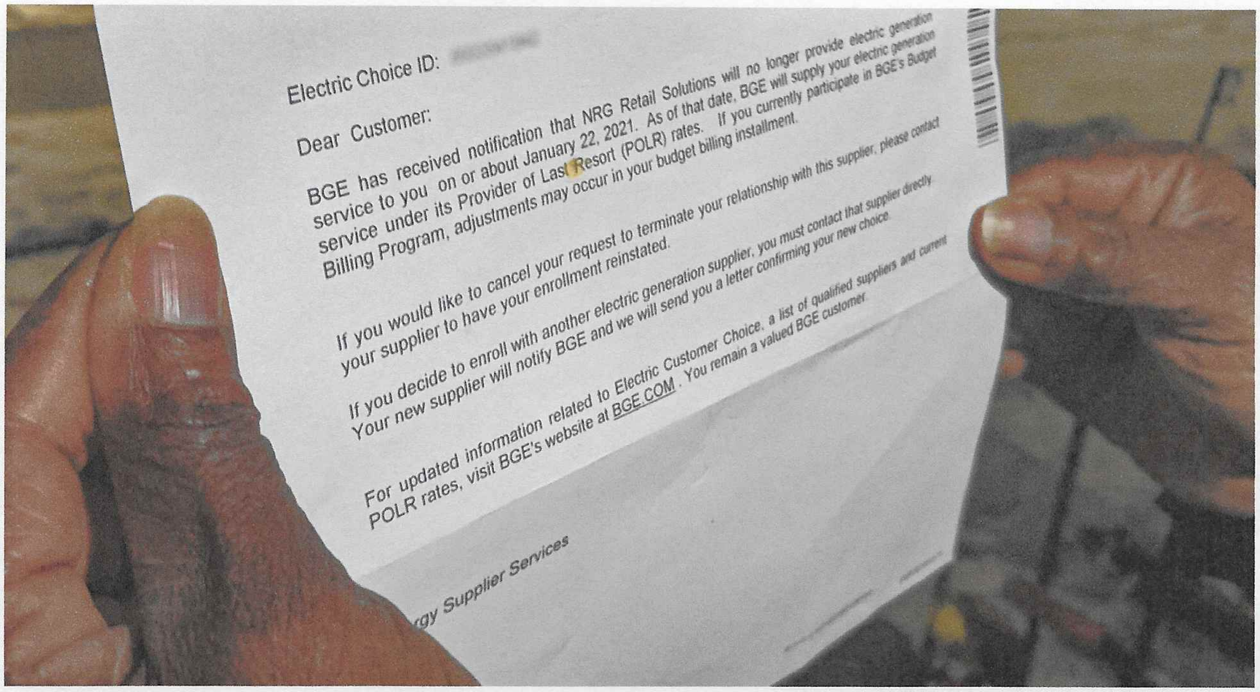
Years before Jenkins moved to Frankford, a saleswoman arrived at her home in Middle River with assurances of lower costs if she enrolled with her company, one of about 70 third-party energy retailers to emerge since Maryland deregulated its energy market with the hope that more competition would drive prices down.

So Jenkins agreed to switch from Baltimore Gas & Electric to this new retailer. But soon, she recalled, her new bills became too expensive and, eventually, her power was cut off. Family and friends of hers signed up, too, and suffered the same fate when they couldn't pay.

"I didn't never, never do that again," Jenkins said.

But then last summer, Latia, her 23-year-old daughter, was leaving a Walmart in nearby Rosedale when a marketer promoting NRG Energy, another third-party supplier, approached her, offering a $30 discount card, Jenkins said.

While the family had gone back to being BG&E customers, Latia was convinced to enroll, just as her mother was several years prior. Even though Latia was not the account holder, NRG was able to become the Jenkins' energy supplier.



Darlene Jenkins shows her letter from BGE stating NRG Energy has been removed from her account on Feb. 3, 2021. Last summer, NRG began charging Jenkins for its services without her knowledge. Credit: by Agya K. Aning/Inside Climate News

Latia never told her mother she signed up for NRG. And except for some minor additions, the new consolidated billing statement looked identical to the old one. So, for months, her bills were increased by nearly 30 percent.

It was Peltier, after she started working with Jenkins at the Fuel Fund office, who explained to her what had happened and that NRG was costing her more money. Jenkins, who had been oblivious to the change, was confused and then furious.

“I don’t know what it’s called,” Jenkins said. “But I know that it’s not right.”

Asked about Jenkins’ case, an NRG spokesman said that the company “only enrolls customers who represent themselves as authorized to make decisions for the account in question. … Nevertheless, we credited Ms. Jenkins the difference in charges for the time served by NRG.”

Deregulation Gone Awry

While in 1999 Maryland law prompted the creation of the retail energy suppliers as a means of lowering energy costs, Peltier said, a regulation change a decade later shifted the risk of nonpayment away from the third-party suppliers over to utilities from which they purchased the power they sold. This guarantee that the retailers would be paid even when their customers defaulted gave them great incentive to charge higher rates, according to a 2018 study Peltier co-authored.

Peltier said in an interview that she analyzed the bills of 110 low-income Baltimore households using third-party suppliers and found they paid a 64 percent premium for electricity and an 88 percent premium for natural gas when compared with standard BG&E rates.

Potential third-party buyers are often enticed with incentives like discounts, smart thermostats and low introductory fixed rates that become variable, and more expensive, upon automatic renewal, she said. And those sold with fixed rates often have costly termination fees, although Peltier said they are unenforceable in Maryland and are used to get low-income people to think twice about canceling. Regardless, contracts are confusing, especially given the target market—of 110 people Peltier gathered data on, the median age was 63.

In related research, Peltier found that from 2014 to 2017 Maryland households paid an additional $255 million to retail suppliers. She believes there is a strong possibility higher third-party rates are part of the reason why Baltimore is such a national outlier in how much low-income people pay for energy. But the lack of energy billing data broken down by the state's geographic regions makes this difficult to prove.

'You Find Yourself Struggling'

Peltier volunteers at the Fuel Fund office twice a week, and over the last several months she has learned the ins and outs of getting energy assistance in Maryland. Even for an educated and computer-savvy person, she said it can sometimes be confusing. For low-income residents, the challenge can be daunting: 40 percent of homes in Baltimore lack internet service, and 33 percent do not have a laptop or desktop computer, a recent report found.

"Have you ever done a six-PDF load up on your phone?" Peltier asked.

Applicants need an array of documents that can be hard to discern. Peltier is constantly reminding her clients to bring official forms of ID, pay stubs, social security cards for everyone in their family, energy bills and applications. Because these and other verification documents can be hard to find when needed—further delaying an already tedious process occurring in the midst of crisis—Peltier advises people to save them all in a shoebox.

Those applying for assistance from the Office of Home Energy Programs can be denied financial relief if their application is incomplete or if documents aren't received on time. Therefore, the Fuel Fund also strives to educate people about the complexities involved.

"This process," Peltier said while holding up a stack of forms, "is not designed for the resident."

Debbie Brown, the Fuel Fund's director, said that before the pandemic, people asked for help in paying off debts of $1,100 to $1,200, about three or four months' worth of bills. Now, that number is more like $1,500 to $1,700. Peltier said the clientele at the organization's York Road office consists primarily of elderly Black women.

For those who were destitute before Covid-19, the endeavor to pay for energy has only become more strenuous—money is harder to earn, energy efficiency and weatherization programs are on hold, and people spend far more time at home, sending energy bills higher, according to the ACEEE report.

"I think a lot of people don't think it could happen to them," Brown said. "You don't realize a pandemic can hit, a job loss, a furlough, a death in the family, and all of a sudden you find yourself struggling."

Hiding Her Worry

Jenkins recently canceled her contract with NRG Energy, and with Peltier's help she filed a "dispute" against the company for authorizing enrollment through her daughter Latia. They expect to hear a verdict from Maryland's Public Service Commission, the agency which regulates electric and gas utilities, within the next two weeks.

As the pandemic barges on, Jenkins continues looking after Latia and helping her 6-year-old grandson with school. He's supposed to be learning online, with the rest of his classmates, but the internet has been out for two weeks. So, Jenkins teaches him while she tries to get it turned back on.

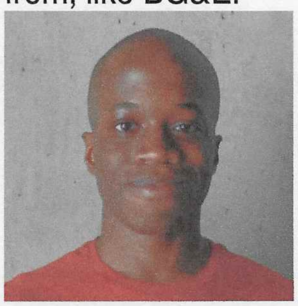
She doesn't want Latia or her grandson to see her worry—about getting her part-time catering job back after Covid-19 finally recedes or about the eye infection she's harbored for months.

"I want my health to get better," she said with longing in her voice.

She also wants to take online CPR classes, just because.

"I believe that everything starts at home," Jenkins said.

Meanwhile, just last week, the bill Peltier supported that is aimed at granting relief to people in Jenkins' predicament gained traction in the Maryland General Assembly. If passed, it would become illegal for third-party suppliers to charge their customers receiving state energy assistance higher rates than the utilities they buy their power from, like BG&E.



Agya K. Aning
Reporter

Agya K. Aning is a Roy W. Howard fellow at Inside Climate News focusing on environmental justice. He earned a master's degree in investigative journalism from the Walter Cronkite School of Journalism at ASU in 2020. Before switching careers to journalism he taught English as a second language in China and Taiwan, where he also studied Mandarin. His work has appeared in the Arizona Republic, the Milwaukee Journal Sentinel, USA Today, Poynter and The Trace.

2021 Testimony SB595 Residential Electricity and G
Uploaded by: Lanzarotto, Kathryn
Position: FWA

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February 23, 2021

112 West Street
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410-269-7115

Senate Bill 595
Residential Electricity and Gas Supply Billing Information--Reports

Senate Bill 595 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 only obligates electric companies 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 595 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 595 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**".

Mary Washington Testimony SB595 2-23.pdf
Uploaded by: Washington, Mary
Position: FWA

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

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THE SENATE OF MARYLAND
Annapolis, Maryland 21401

TESTIMONY IN SUPPORT OF SB595
Residential Electricity and Gas Supply Billing Information - Reports
Finance Committee
February 23, 2021

Dear Madame Chair, Vice Chair Feldman and members of the Committee,

I respectfully ask all of you today for your support of SB595, which would require electric and gas utilities to report to the Public Service Commission average deregulated electricity and gas supplier rates paid by customers. Most states require this reporting, Maryland does not. 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 SB595 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. SB595 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. SB595 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 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 SB595.

In Partnership,

Senator Mary Washington, District 43

SB0595-893923-01 AMMENDMENT.pdf

Uploaded by: Washington, Mary

Position: FWA

SB0595/893923/1

AMENDMENTS PREPARED BY THE DEPT. OF LEGISLATIVE SERVICES

19 FEB 21
12:51:28

BY: Senator Washington
(To be offered in the Finance Committee)

AMENDMENT TO SENATE BILL 595
(First Reading File Bill)

On page 3, in line 11, after "**SUPPLIER**" insert "**THAT:**

1. IS ORGANIZED IN A MANNER THAT COMPARES SIMILAR SUPPLY SERVICES WITH ONE ANOTHER, SUCH AS COMPARING:

A. STANDARD OFFER SERVICE WITH SERVICE THAT MEETS THE MINIMUM RENEWABLE ENERGY PORTFOLIO STANDARD REQUIREMENTS; OR

B. SERVICE COMPOSED ENTIRELY OF RENEWABLE ENERGY WITH ANOTHER SERVICE COMPOSED ENTIRELY OF RENEWABLE ENERGY; OR

2. IDENTIFIES MATERIAL DIFFERENCES IN SUPPLY SERVICES OR SUPPLY SERVICE PACKAGES".

SB0595_Residential Electricity and Gas Supply Bill
Uploaded by: Antonio Soruco, Antonio
Position: UNF

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WGLEnergy.com

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. <u>This must be avoided.</u>

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?

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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.[1]

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.

Antonio Soruco, State Regulatory & Legislative Affairs Manager
P 703.287.9468 | **M** 571.612.9802 | Antonio.Soruco@wglenergy.com

[1] MD PSC Electric Shopping Website: https://www.mdelectricchoice.com/. MD PSC Gas shopping website: https://www.mdgaschoice.com/.

SB 595 UNF RESA.pdf
Uploaded by: Kress, William
Position: UNF

Comments of the Retail Energy Supply Association
Senate Finance Committee
Hearing on SB0595 – February 23, 2021
Residential Electricity and Gas Supply Billing Information – Reports

Position - Oppose

Thank you, Madam Chair, Mister Vice-Chair and members of the Committee, for the opportunity to provide comments on SB 595 by the Retail Energy Supply Association (RESA). RESA opposes SB 595 and respectfully requests 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 report 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. The proposed legislation requires that electricity or gas suppliers "that bills" customers for supply provide a monthly report. This may not be useful since most suppliers do not perform the billing, the local distribution companies perform this function. Additionally, the information "shall be organized by categories" low-income versus other than low-income. This is problematic since suppliers do not know which customers fall into which category. 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 plus administratively-determined adders. SOS prices do not include all the services and related costs associated with the procurement of the commodity 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. 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, 4% fixed rate 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 control and 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.

The proposed legislation needs to recognize that most suppliers in Maryland do not directly bill the customer. There is a program in place, often referred to as 'Utility Consolidated Billing' where the supplier passes along to the local distribution company its charges for the month which are then placed on the customers utility generated bill. The utility is then responsible for providing the customer with the bill and performing the credit and collection function to ensure timely payment. Since most suppliers do not send the customer a bill, it is unclear based on this proposed legislation if suppliers are even subject to compliance.

This legislation requires that suppliers report the information organized by categories differentiating low-income versus other than low-income. This is problematic since suppliers do not know which customers fall into which category. Suppliers do not have access to this information and do not know which customers are low-income or not low-income. This information is guarded data held by the local distribution companies and the state agencies that are responsible for providing energy assistance. Compliance with this section of the legislation will be impossible.

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 Intelometry [1] reveals that Maryland electricity consumers could have saved in excess of $40 million in the month of January 2021 compared to the four Maryland utilities SOS prices if consumers chose those suppliers that had lower prices than the SOS rates. There were on the average 39 electricity supply offerings below the SOS rate in January.

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

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

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.

SB0595_UNF WGL.pdf
Uploaded by: Kress, William
Position: UNF

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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. <u>This must be avoided.</u>

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?

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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.[1]

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.

Antonio Soruco, State Regulatory & Legislative Affairs Manager
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[1] MD PSC Electric Shopping Website: https://www.mdelectricchoice.com/. MD PSC Gas shopping website: https://www.mdgaschoice.com/.

NRG Comments on SB595 Billing Data.pdf

Uploaded by: Lininger, Brett

Position: UNF

SENATE BILL 595 – RESIDENTIAL ELECTRICITY AND GAS SUPPLY BILLING INFORMATION - REPORTS

UNFAVORABLE

SENATE FINANCE COMMITTEE
February 23, 2021

NRG Energy, Inc. ("NRG") submits these comments in **opposition** to **SB 595 – 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 seven companies that are licensed by the Public Service Commission to serve retail customers.

NRG opposes SB 595 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.

These "SOS" rates fail to include all of the costs incurred by the regulated utilities to provide this service at retail to customers. They do not include costs like office rent, information technology, human resources, and various other administrative costs that all competitive retail supplier prices must include. As such, any comparisons to the resulting SOS rates 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 595 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 595.

Thank you for the opportunity to share our perspective on SB 595 and for the above reasons NRG urges the Committee give the bill an **unfavorable** report.

NRG Energy, Inc. Contact Information

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SB 595 Testimony Vistra Final.docx.pdf
Uploaded by: Nash, Katie
Position: UNF

UNFAVORABLE
VISTRA

Senate Finance Committee
February 23, 2021

Vistra respectfully submits this testimony in **opposition to SB 595 – Residential Electricity and Gas Supply Billing Information - Reports**.

Vistra is a premier, integrated, Fortune 275 energy company with operations in Maryland that focus on delivering an innovative, customer-centric approach to retail electricity.[1]

Vistra opposes SB 595 and would like to respectfully request this Committee to provide an unfavorable report on this legislation. While Vistra supports the general intent of the legislation, which is price transparency to consumers, the methodology SB 595 uses to achieve this goal and the comparison to the default rate is fundamentally flawed.

Currently, Maryland does not support supplier consolidated billing; therefore, it appears that competitive electricity suppliers would not be subject to the legislation.[2] As such, the legislation would compare an average annual rate charged by the utility against the specific Standard Offer Service rate at the time. A questionable data comparison at best. It should be further noted that regulated Standard Offer Service rate, which is procured according to a regulation, approved by the PSC - **fundamentally different than any other product available in the competitive market**. Notably, electricity supply for 25% of non-shopping residential load is procured by the regulated utilities under two-year contracts twice annually, and 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.

Furthermore, if competitive retail electric suppliers were to be subject to the reporting rules put forth in SB 595, many suppliers have multiple rates for different customer segments providing different value propositions. SB 595 "butters" over those different value propositions to one average annual rate that is likely not representative of what any specific customer of that supplier

[1] The company brings its products and services to market in 20 states and the District of Columbia, including six of the seven competitive wholesale markets in the U.S. and markets in Canada and Japan, as well. Serving nearly 5 million residential, commercial, and industrial retail customers with electricity and natural gas, Vistra is the largest competitive residential electricity provider in the country and offers over 50 renewable energy plans. The company is also the largest competitive power generator in the U.S. with a capacity of approximately 39,000 megawatts powered by a diverse portfolio, including natural gas, nuclear, solar, and battery energy storage facilities. In addition, the company is a large purchaser of wind power. The company is currently constructing a 400-MW/1,600-MWh battery energy storage system in Moss Landing, California, which will be the largest of its kind in the world when it comes online.

[2] See (B)(1)(III)

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is actually paying. SB 595 seems to further suggest that low-income customers would be subject to this "average" annual rate, which does not necessarily follow from the data requested. The data analysis would furthermore be subject to a fundamentally flawed analysis in the comparison of average annual data to a specific Standard Offer Service rate.

SB 595's analysis of retail electric rates and comparison to the Standard Offer Service rate is the equivalent of averaging the private and public university tuition rates in Maryland, dividing into low-income and non-low-income student categories and then comparing to the 2021 Spring Semester In-State tuition for the University of Maryland – College Park and then making judgements on overall tuition affordability for all low-income Maryland college students off that comparison. Does that make sense? Of course not, but that is what SB 595 is attempting to do for retail electric service rates.

Maryland lawmakers seeking additional information and/or data may find that Maryland's utilities can provide data they are seeking. Additional work has been done to provide data online on the Public Service Commission websites. Additionally, the Federal Energy Information Agency has much of this information available publicly. These clarifications are important as we continue to work for affordable rates and exciting products and services for the energy offers in the state.

Vistra would like to assure the members of the Senate Finance Committee that Maryland's energy supply market is competitive and through competition saves all Marylanders money through lower rates.[3] It is also important to note that shopping customers in Maryland select products, services, and pricing plans from competitive retail suppliers based on a variety of factors, not just price. Marylanders shop for renewable energy, low-risk fixed price contracts, and lower-cost value offers - among other reasons.

While Vistra respects and shares the sponsor's advocacy for consumers, this legislation would likely lead to flawed policy decisions based on fundamental flaws inherent in the legislation's methodology.

Thank you for the opportunity to share our perspective on SB 595 and for the above reasons Vistra urges the Committee to give the bill an unfavorable report.

[3] RESA Maryland Market Savings Report

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SB0595_Unfavorable_Stanek.pdf
Uploaded by: Stanek, Jason
Position: UNF

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

February 19, 2021

Chair Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: UNFAVORABLE – SB 595 – Residential Electricity and Gas Supply Billing Information - Reports

Dear Chair Kelley and Committee Members:

The Maryland Public Service Commission opposes SB 595 – Residential Electricity and Gas Supply Billing Information - Reports. While this legislation is well intended, the Commission does not have authority from the Maryland General Assembly to regulate retail supplier offerings or pricing. Therefore, the objective of the data collection and reporting is unclear.

In addition, it is questionable whether the Commission will be able to comply with the requirements of the legislation. Each monthly report to the Commission that will form the basis of our analysis and report to the General Assembly must contain, broken down by electricity or gas supplier and categorized by income, the total (1) kilowatt-hours or therms billed; (2) dollar amount billed; and (3) number of customers billed. The Commission will need to obtain information possessed by the Department of Human Services Office of Home Energy Programs, as well utilities and certain suppliers.

Currently in Maryland, most suppliers use utility consolidated billing; the utility bills the customer and remits payment to the supplier. Few suppliers use dual billing (when the supplier bills their own charges, and the utility bills only for distribution).[1] Therefore, few if any retail suppliers would be subject to the legislation and reporting requirements. The majority of the reporting requirements would fall on the utilities, which possess information regarding Standard Offer Service that is already publicly available and therefore does not require legislation. It is unknown whether the utilities can provide usage, price, and customer data broken down by retail electricity or gas supplier. In fact, my understanding is that not all utilities will be able to provide retail supplier price information.

[1] The Commission is currently considering Supplier Consolidated Billing in Rulemaking 70. Hearings will take place on February 22-23, 2021.

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The Commission created new gas and electric energy choice websites in 2020, which provide transparency for policymakers and the public about licensed suppliers and all of the details of their current offers, including prices and other terms such as fixed and variable rates, as well as renewable offerings. The Federal Energy Information Agency also publishes supplier pricing data on its website.

Thank you for the Committee's consideration. For the above reasons, I urge the Committee to give the bill an unfavorable report. Please contact Lisa Smith, Director of Legislative Affairs, at 410-336-6288 if you have any questions.

Sincerely,

Jason M. Stanek
Chairman