



# SBI

## RETAIL ENERGY REFORM SEN. AUGUSTINE, EEE COMMITTEE

### PROBLEMS

- 1- Unregulated rates leading to **\$1.2 billion** overpayments compared to regulated residential energy rates.
- 2-Continued direct sales focus on low-income ZIP codes, communities of color, and ESL families.
- 3-Eco-buyers targeted with false promise of clean energy. Get low cost RECs and paid on avg. \$725 more in 2022.
- 4-Lax regulations leaving PSC and OPC hampered, consumers caught in cross hairs and no reporting.

### SOLUTIONS

#### 5 PILLARS OF REFORM

1 RATE GUARDRAILS.

2 SAFEGUARD VULNERABLE POPULATIONS.

3 IMPROVE CLEAN POWER OFFERS.

4 IMPROVE PSC AND OPC REGULATORY OVERSIGHT.

5 ESTABLISH MARKET REPORTING.

# SBI Pillars & Proposals (page, line #)

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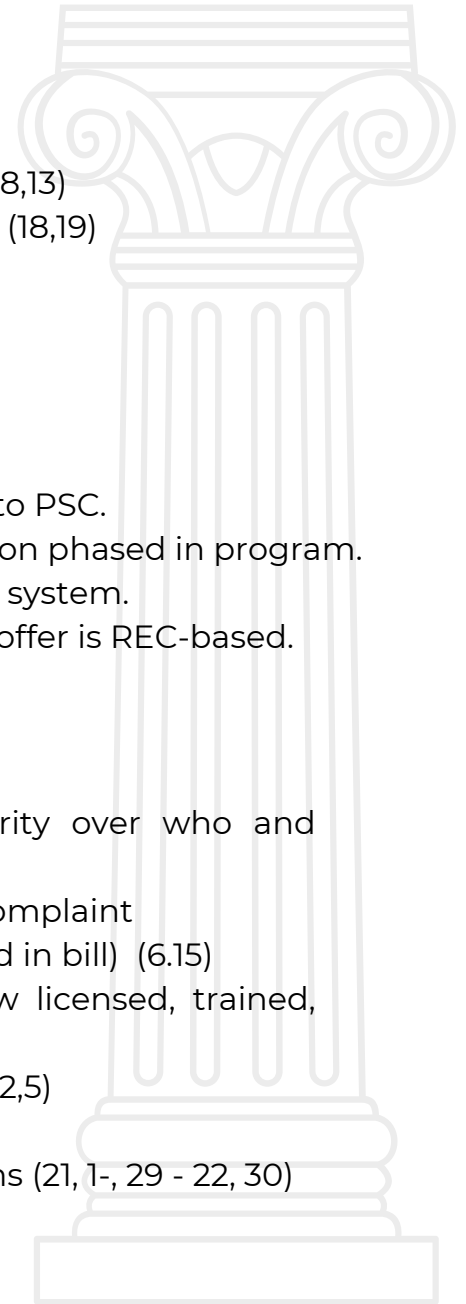
- 1. Residential rate guardrails:**
- Non-green power electricity & gas rate can't exceed trailing 12 month avg (17, 13)
  - Contracts only 1 yr in length, no auto renewal, no variable rates (17, 20-30)
  - No purchase of receivables (18,5)
  - Green power offers can be marketed and new standards exist (described below)

- 2. Vulnerable population safeguards:**
- Replace Choice ID numbers for "slammed " accounts (18,13)
  - Accounts safeguarded from switching. Account freeze. (18,19)

- 3. Green Power Offers (24, 13 - 25, 12)**
- Green power offer rates must be approved by PSC.
  - Suppliers report RECs amounts and type of generation to PSC.
  - RECs required purchased from PJM and PJM-delivered on phased in program.
  - Retired in GATS sub account, using same PSC reporting system.
  - Include a new consumer disclosure that "green power "offer is REC-based.

- 4. Improve PSC and OPC Oversight:**
- Licenses terms now 3 years (6,2) with more authority over who and approval.
  - PSC may revoke or deny license for just cause or OPC complaint
  - PSC can refuse to renew based on just causes (explained in bill) (6,15)
  - Energy salespersons can't be commission based, now licensed, trained, certified, 3 year term
  - Can't transfer PSC retailer license to other companies. (12,5)
  - Increase civil penalties to \$25,000.
  - Each complaint can be separate. (9,17) Many new reasons (21, 1-, 29 - 22, 30)

- 5. Reporting: (18, 25 - 19, 20)**
- Suppliers required to report monthly to PSC: electric and gas usage, therms and MW, revenues charged.



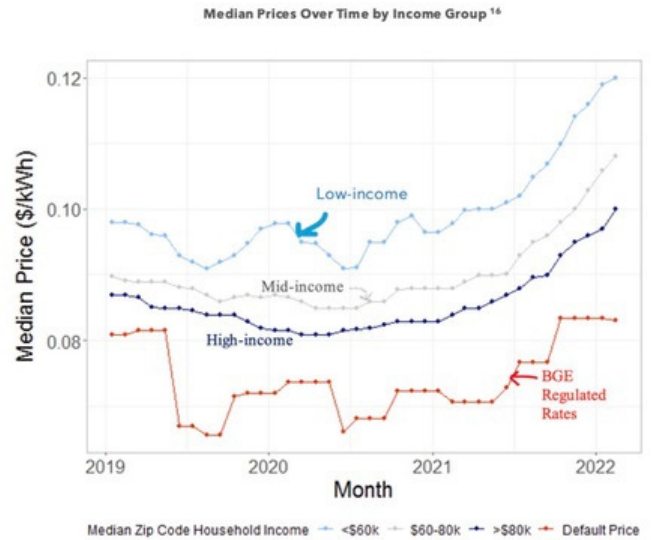


## MARYLAND'S RESIDENTIAL RETAIL ENERGY OVERPAYMENTS VS. REGULATED UTILITY ELECTRICITY RATES

YEAR	Residential Electricity +	Residential Gas =	E & G Overpayment
2014	\$77 M	\$53 M	\$130 M
2015	\$69 M	\$47 M	\$116 M
2016	\$50 M	\$41 M	\$91 M
2017	\$59 M	\$39 M	\$98 M
2018	\$73 M	\$44 M	\$117 M
2019	\$88 M	\$40 M	\$128 M
2020	\$106 M	\$36 M	\$142 M
2021	\$117 M	\$34M	\$151 M
2022	\$178 M	\$49 M	\$227 M
2014 - 2022 Overpayment Total	<b>\$817 M</b>	<b>\$381 M</b>	<b>\$1.2 B</b>

Electricity Data source is US D.O.E. EIA861. Gas is estimated at 25¢ markup for retail terms sold. EIA data reported every October.

## MARYLAND'S BGE TERRITORY RESIDENTIAL RETAIL ENERGY KWH RATES COMPARED TO BGE'S REGULATED STANDARD KWH RATE 2019- 2021



Source: <https://haas.berkeley.edu/energy-institute/research/abstracts/wp-333/>



## MARYLAND RETAIL ENERGY "100% RENEWABLE" 2022 RESULTS

Res. Supplier	# Customers	Xtra \$ Paid per Family	Revenues Above SOS
#1 Shell Oil's Inspire	35,000	\$470	\$ 16 million
#2 CleanChoice	27,000	\$1,000	\$ 27 million
#3 Shell's SmartEnergy	6,000	\$875	\$5 million
#4 CleanSky / Titan	6,600	\$485	\$3 million
#5 Clearview	4,000	\$885	\$3 million
#6 M Power	5,000	\$560	\$3 million
#8 NRG - Stream	5,200	\$519	\$4 million
#9 Indra / Palmco	4,000	\$1,060	\$4 million
#10 Tomorrow/Sperian	5,000	\$924	\$5 million
#11 NRG Green Mount	3,400	\$775	\$2 million
#12 Greenlight	3,500	\$775	\$3 million
#13 Vistra - Viridian	2,000	\$820	\$2 million
#14 Spring Energy	1,300	\$1,000	\$1 million
<b>All "Green" Suppliers</b>	<b>108,000</b>	<b>\$725</b>	<b>\$78,000,000</b>

Electricity Data source is US D.O.E. EIA861.



## Retail Energy's "a few Bad Actors" Narrative is False

UTILITY	# ACCOUNTS	AVG. SOS KWH CHARGED '21	EXTRA '21 REVENUE ABOVE SOS
Regulated SOS Electric	1,970,000	8.0 ¢	\$0
Retail Energy Total	370,000	12.1 ¢	+ \$ 178 M
#1 Constellation	80,000	9.0 ¢	\$ 14 M
#2 NRG	63,000	13.5 ¢	\$ 39 M
#3 WGL	34,000	10.0 ¢	\$ 7 M
#4 Shell Oil's Inspire	35,000	12.5 ¢	\$ 16 M
#5 Vistra Energy	24,000	12.3 ¢	\$ 11 M
#6 CleanChoice	24,000	19.0¢	\$ 27 M