



SBI RETAIL ENERGY REFORM

SEN. AUGUSTINE, EEE COMMITTEE

HEARING 1/25 1 PM

PROBLEM

- 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 ENERGY OFFERS.**
- 4 IMPROVE PSC AND OPC REGULATORY OVERSIGHT.**
- 5 IMPROVE MARKET TRANSPARANCY.**

SBI Pillars & Proposals (page, line #)

Rate guardrails:

1. ■ -Electricity & gas rate can't exceed trailing 12 month SOS avg (17, 13).
-Contracts only 1 yr in length, no auto renewal, variable rates, no cancel fee (17, 20-30).
-No purchase of receivables (18,5).
-Regulated utilities can market SOS rates. (15, 23).
-No retail supply offers for OHEP accounts. (18,4).

Vulnerable population safeguards:

2. ■ -Replace Choice ID numbers for "slammed " accounts (18,13).
-Account safeguarded from switching. Account freeze. (18,19)
-Simplify Energy Assistance rate program by keeping all OHEP accounts on regulated SOS/gas commodity offers. (18,4)

Green Power Offers (24, 13 - 25, 12)

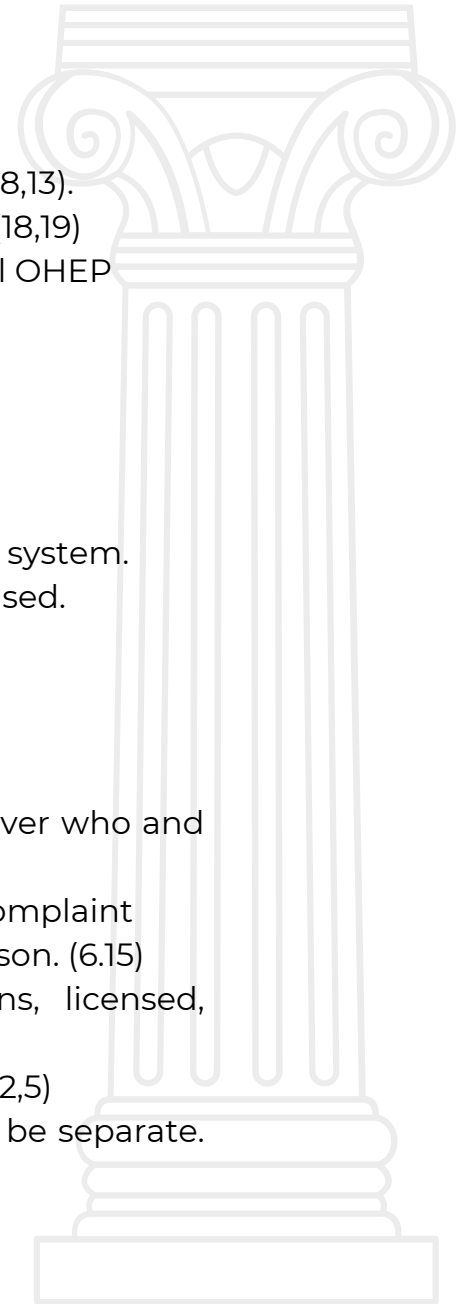
3. ■ -Report RECs amounts and type of generation.
-RECs purchased from PJM and PJM delivered.
-Retired in GATS sub account, using same PSC reporting system.
-Include a consumer disclosure that green offer is REC-based.

Improve PSC and OPC Oversight:

4. ■ -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 and refuse to renew a salesperson. (6.15)
-Energy salesperson reforms: (7, 12), No commissions, 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)

Reporting: (18, 25 - 19, 20)

5. ■ - Suppliers required to report monthly, various factors: usage, MW, revenues charged.



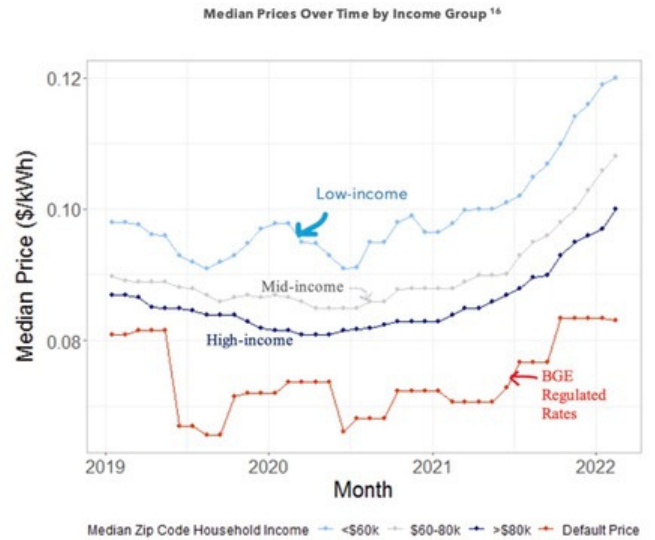


MARYLAND'S RESIDENTIAL RETAIL ENERGY OVERPAYMENTS VS. REGULATED UTILITY ELECTRICITY RATES

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	\$817 M	\$381 M	\$1.2 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
All "Green" Suppliers	108,000	\$725	\$78,000,000

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