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BILL NO.:	**House Bill 260** **Residential Electricity and Gas Supply Billing Information – Reports**
COMMITTEE:	**Economic Matters**
HEARING DATE:	**February 5, 2020**
SPONSOR:	**Delegate D. E. Davis**
POSITION:	**SUPPORT**

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The Office of People's Counsel (OPC) supports House Bill 260. OPC has encouraged the regular collection of residential energy supplier price data and its comparison with utility supply prices for several reasons:

It's time. The retail competition law is over 20 years old, with promises of competition and economic benefits to all customers, including residential customers. It is past time to assess whether residential customers have been receiving tangible benefits, in the form of lower supply prices.

Other states have collected and analyzed data. These include Massachusetts, Connecticut, New York, Illinois, Rhode Island and Maine.

Other states have revealed substantial overpayments.[1] Reports and investigations from these states have shown that residential customers are paying more as a whole for competitive retail supply than if they stayed with their local electric utilities. For example:

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[1] See Attachments A to OPC's Testimony.

- **Massachusetts Office of Attorney General:** The OAG conducted an analysis of actual price data, which showed that electric customers overpaid by $253 million during 2015-2018.
- **Connecticut Office of Consumer Counsel**: OCC's review of actual price data reported to the Connecticut regulator showed that electric customers overpaid by approximately $200 million during the period 2015-2018.
- **Illinois Commerce Commission**: The Commission reported actual data showed that electric customers of Ameren and Commonwealth Edison overpaid by $551.3 million during the period 2015-2018.
- **New York Public Service Commission Staff**: The Staff analyzed actual supplier data and reported that electric customers overpaid by $1.2 billion during the period 2014-2016.

In each of these states, the data has shown a significant impact on low-income households.

Maryland reports have consistent findings, but ongoing data collection is needed.[2] Two 2018 Maryland reports, issued by OPC and the Abell Foundation, have used different data sources, but the results are consistent with other retail competition states – residential customers are paying more as a whole. The OPC report also shed light on the comparable overpayments by customers of gas suppliers.

Households suffer harm when they pay more than necessary for gas or electricity. A public policy choice was made twenty years ago to economically benefit these households. We should know if the households actually are reaping those benefits, or instead, are harmed.

[2] See "*Maryland's Residential Electric and Gas Supply Markets: Where Do We Go From Here,"* (Susan Baldwin and Sarah Bosley, November 2018), Appendices A and B, released by OPC, at www.opc.maryland.gov/publications. ("OPC Maryland Report"). *Maryland's Dysfunctional Residential Third-Party Energy Supply Market: An Assessment of Costs and Policies* (Abell Foundation, Laurel Peltier and Arjun Makhijani, Ph.D., authors, December 2018).

Over twenty years ago, the General Assembly passed retail electric choice legislation, with the stated purpose of creating competitive retail supply markets and most importantly, providing "*economic benefits to all customer classes.*" As of November 2019, about 430,000 residential electric customers were enrolled by electric suppliers. About 213,000 residential gas customers were enrolled by gas suppliers as of December 2019. These totals have declined over time from a peak in 2014-2015. However, they still represent a significant number of residential households in the State. House Bill 260 will provide a valuable means of assessing whether residential gas and electric customers are getting the economic benefits they were promised and deserve.

Bill Requirements. House Bill 260 requires electric and gas utilities, as well as certain energy suppliers that provide billing services, to submit monthly reports to the Public Service Commission. The initial report must contain information for the previous 12 months. These reports require them to report energy supplier rate data broken out by categories, with a comparison to utility gas and electric supply rates. The report information is only required for residential customer data. The reports must be made available to OPC and the Office of Home Energy (OHEP) programs. OHEP must use to reports to analyze information related to low-income customers receiving OHEP energy assistance.

The Bill also includes an annual reporting requirement for the Commission to report to the General Assembly, and provide a comparison of the aggregated residential electricity and gas supply prices to Standard Offer Service (utility electric rates) and gas utility supply prices. The report also should assess how the prices impact low-income customers. Finally, the overview report must be public and made available on the Commission website.

An assessment of the state of the residential retail energy market in Maryland is needed, and now is the time. It has been done in other retail competition states, and Maryland should be no different. The data from other states, and the assessments in the Maryland reports raise legitimate concerns that Maryland households served by suppliers are paying supply prices that are higher than necessary. By requiring data collection and reporting, House Bill 206 provides a straightforward way to answer the questions and concerns about retail energy supply for residential customers.

For the foregoing reasons, the Office of People's Counsel respectfully requests a FAVORABLE REPORT on House Bill 260.