



Retail Energy Supply Association

SB 244

Public Service Commission - Customer Education on Customer Choice

BEFORE: SENATE FINANCE COMMITTEE

POSITION: FAVORABLE

February 15, 2011

Good afternoon, Chairman Middleton and members of the Senate Finance Committee my name is Becky Merola and I am the Maryland Chair for the Retail Energy Supply Association¹. RESA believes SB 244 is a key component to further educating consumers about the Maryland competitive retail electric market. RESA fully supports SB 244 which requires the MD PSC to continue its webpage regarding retail choice and requires the PSC to convene a workgroup to make further recommendations for consumer education. If the PSC works with the stakeholders we are convinced that the MD PSC's webpage can be greatly improved and benefit all MD ratepayers.

MD Ratepayers Need Additional Education Regarding Consumer Choice

Unfortunately, many ratepayers are simply unaware that they have the ability to shop for an alternative supplier. Once they understand they can shop, it is imperative that they understand how to compare prices and the substantive terms of a contract. Research and experience has shown that a certain segment of ratepayers will only shop once an independent and trusted third party source provide information regarding retail choice. The MD PSC should be the trusted source for ratepayers.

While we applaud the MD PSC's efforts to establish a webpage to further educate consumers about their ability to shop for an alternative competitive supplier, more needs to be done to fully inform some ratepayers about the how to shop and make an informed decision. **We respectfully suggest that the MD PSC's include the following additional information:**

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RESA's members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energy Plus Holdings, LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MXenergy; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus; Reliant Energy Northeast LLC and TriEagle Energy, L.P. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

- Crucial terms to consider when entering into a contract including, contract length, termination fees, and variable pricing versus fixed pricing;
- Options for buying renewable energy;
- Current SOS pricing for each utility;
- Retail supply disclosures required by the MD PSC regulations;
- Consumer protections available under the MD PSC regulations; and
- A searchable database that provides current offers by retail suppliers for residential customers that provides the crucial terms of a contract.

A Workgroup Consisting of Suppliers, Utilities, the OPC and other Stakeholders will assist the MD PSC in improving the PSC's Webpage

RESA fully supports the creation of a stakeholders group to develop additional recommendations for educating MD ratepayers. The retailers and utilities are an invaluable resource because of their vast experience with ratepayer questions and concerns. Additionally, other stakeholders like the Office of the People's Counsel can offer valuable insight regarding consumer protection issues. RESA believes that this provision is critical to better consumer education.

SB 244 is a Cost Effective Means of Customer Education and Consumer Protection

RESA strongly believes that consumer protection starts with consumer education. SB 244 is a consumer protection bill that is funded through the normal PSC assessment mechanisms. Additionally, SB 244 requires the retailers to provide information regarding current offers through a secured portal, alleviating the PSC staff from collecting that information. A similar process has been utilized by the Pennsylvania PUC (<http://www.papowerswitch.com/>) The PA PUC has aggressively moved to educate consumers and the efforts have resulted in over 850,000 ratepayers moving to competitive suppliers. RESA believe that SB 244 can move Maryland in a similar direction.

For the above reasons, RESA fully supports SB 244 and urges a FAVORABLE report.

Respectfully submitted,

Becky Merola, MD RESA CHAIR