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July 28, 2020

By Electronic Filing

Mr. Andrew S. Johnston Executive Secretary Maryland Public Service Commission William Donald Schaefer Tower 6 Saint Paul Street, 16th Floor Baltimore, Maryland 21202-6806

Re: SMECO Proposed Rider SOS-G, Standard Offer Service – Green

ML#230778

Dear Secretary Johnston:

On June 17, 2020, Southern Maryland Electric Cooperative, Inc. ("SMECO") filed a proposed new rider, Standard Offer Service – Green ("SOS-G"). SMECO contends that the new rider is intended to provide SMECO members taking Standard Offer Service ("SOS") with a 100% renewable (or "green") option. The Retail Energy Supply Association ("RESA"), by counsel, requests that the Commission deny SMECO's proposed Rider SOS-G.

I. SMECO's Proposed Green Rider is Anticompetitive

Allowing SMECO, or any other monopoly distribution utility, to sell regulated Renewable Energy Credit ("REC") products would be anticompetitive. The General Assembly enacted the Electric Customer Choice and Competition Act of 1999 (the "Choice Act"), mandating creation of "competitive retail electricity supply and electricity supply services markets" and deregulation of "generation, supply, and pricing of electricity." SMECO's proposal, if approved, would impermissibly expand the role of a regulated electric distribution cooperative and thwart retail competition.

The General Assembly defined the role of electric distribution utilities, including electric distribution cooperatives like SMECO. SMECO's role is to provide distribution services, maintain a reliable distribution system, connect customers and deliver electricity on behalf of suppliers,

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² Maryland Public Utilities Article ("PUA") § 7-504(3).

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and provide SOS.³ "Electricity supply purchased from a customer's electric company is known as standard offer service." The General Assembly did not provide for monopoly utility REC products under the Choice Act.

Allowing monopoly utilities or cooperatives to sell regulated REC customers would be anticompetitive because, absent a full unbundling, competitive suppliers would have to compete against a utility REC offering that is partially subsidized by distribution rate payers. SMECO states that the proposed rate includes "administrative costs it incurs in implementing and maintaining the program, but no administrative or REC cost inputs were provided in the filing. Moreover, SMECO's proposal would be a pass-through REC product with "no return charged in the rider." By contrast, competitive suppliers must recover all of their costs and their margin within the prices they charge. SMECO's proposed product would further tilt the playing field in favor of the utility with a partially subsidized renewable energy offering that does not include a return component.

SMECO's proposal to call a REC product "Standard Offer Service" may be confusing to SMECO's members because REC products are not SOS as defined in the PUA. SMECO proposes that members remaining on SOS would opt in to pay an additional charge for SMECO to purchase RECs to match the customer's electricity usage. Accordingly, SMECO would not be selling any energy under Rider SOS-G, just RECs. SMECO is asking the Commission to roll back deregulation and impermissibly expand SMECO's role beyond the defined scope specified by the General Assembly to authorize a regulated non-electricity REC product. The Choice Act requires that SMECO's proposal be rejected.

II. SMECO's Green Rider is Not Necessary Because Competitive Renewable Energy Options are Already Available for SMECO Members

SMECO asserts in its filing that "members have inquired with SMECO about the availability of a green power supply option." These inquiries present a perfect opportunity for SMECO to help educate members about the green power supply options that are already available to them through the competitive market. SMECO can direct members to the Commission's new electric choice shopping website: https://www.mdelectricchoice.com/. Customers using the website can filter (by using the "refine results" tab) the results to view only the "renewable" offerings in the SMECO service territory. As of July 28, 2020, there are at least a dozen renewable energy offerings from which SMECO members may choose. A printout of the renewable energy offers available in SMECO's service territory, as shown on the Commission's website, is attached as **Exhibit 1**. There is no need for SMECO to provide a "renewable" SOS when the competitive market is providing renewable products.

4 PUA § 7-506

³ PUA § 7-506.

⁴ PUA § 7-510(C); see also PUA § 7-501(n) (defining "Standard Offer Service" as "electric service that an electric company must offer to its customers under § 7-510(c)...").

⁵ The Commission launched <u>www.mdelectricchoice.com</u> in March 2020 "to help residential consumers make more informed choices when shopping for an electricity supplier." By using the website, consumers can "shop for and sort offers to supply their home energy needs – whether they are seeking renewable energy products, lowest price per kilowatt-hour, no monthly or early termination fees, etc." *See Maryland PSC Launches New Electric Choice Shopping Website*, available at: https://www.psc.state.md.us/wp-content/uploads/PSC-Launches-New-Electric-Choice-Website.pdf.

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As demand for renewable energy products among SMECO members increases, so too will competition among suppliers to serve SMECO members with additional competitive offerings. As of May 2020, only 2.9% of SMECO's residential members were shopping with a competitive supplier for their electricity supply.⁶ Accordingly, 97.1% of SMECO's residential customers are not taking advantage of renewable energy offerings available from the competitive market. SMECO's level of residential shopping is far lower than other Maryland utilities. For example:⁷

Utility	Residential Shopping as of May 2020
BGE	22.8%
Pepco	18.7%
Delmarva Power	12.1%
Potomac Edison	11.7%
SMECO	2.9%

As electric retail competition increases in the SMECO service territory, so, too, will the number and diversity of offers. SMECO can play a pivotal role in the development of retail competition by educating its members about the ability to choose and available offers, including renewable offers, and by directing its members to the Commission's shopping website. Rather than undermine the General Assembly's goals for retail competition under the Choice Act through SMECO's SOS-G, RESA recommends that the Commission reject SMECO's proposal.⁸

RESA appreciates the opportunity to respond to SMECO's Rider SOS-G proposal. Because SMECO's proposal conflicts with the Choice Act and SMECO's members already have competitive renewable energy offerings available to them, RESA requests that the Commission reject SMECO's proposed Rider SOS-G.

Sincerely.

Brian R. Greene

Attachment

C: Mark. A. McDougall, Esq. (SMECO)

⁶ May 2020 Electric Choice Monthly Enrollment Report, available at https://www.psc.state.md.us/electricity/electric-choice-monthly-enrollment-reports/.

⁷ Id.

⁸ PUA § 7-504.



MD Electric Choice

- <u>FAQ</u>
- Tell a Friend
- Contact



- Shop for a Supplier
 - All Suppliers
 - All Utilities
- · How it Works
 - About
 - Making the Switch
 - The Benefits of Choice
 - Questions to Ask
- Glossary
- Energy Saving Tips
- Know Your Rights
 - Understanding Your Bill
 - Help Paying Your Bill
 - File a Complaint
- Shop Now

Home > Shop for Electricity

Shop for Your Home's Electricity

Compare Offers

Use the field below to get started comparing offers from various retail residential suppliers. Remember to check our glossary in case you see an unfamiliar term. Commercial and Industrial customers should click here to search for available offers.

*Note: If you don't know your estimated monthly kWh, look at your recent utility bills to estimate your average monthly usage.

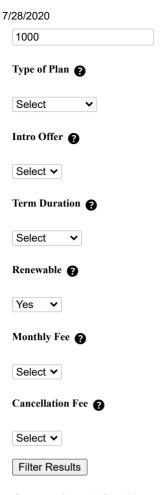
**Note: If you choose to switch electricity suppliers, be sure to note the terms and conditions before signing a contract. In the event of a discrepancy between a supplier's offer posted on the Commission's website and the supplier's corresponding offer displayed on the supplier's website, the supplier must honor the terms that are more favorable to the customer.

▼ Filter Results **★** Close

Refine Results

Utility Company ?

Monthly Usage 2



Current Supply Service

SMECO

(888) 440-3311 https://www.smeco.coop/

\$0.05740 Price/kWh

\$57.40

Estimated per Month *Based on 1000 kWh

Territory Selected: SMECO

*Disclaimer: The information provided below is solely the responsibility of the retail electricity suppliers. The Maryland Public Service Commission does not enter the price data, has not verified its accuracy, and is not responsible for any losses due to incorrect information provided by the suppliers. Because the offers and prices are subject to change (particularly with variable rate offers), customers are urged to verify pricing, terms, and conditions before signing a contract with a retail energy supplier.

Sort By: Price/kWh

Clearview Electric, Inc. d/b/a Clearview Energy

800-746-4702

http://www.clearviewenergy.com

\$0.0629 Price/kWh

\$72.89

RESA Exhibit 1

Estimated per Month *Based on 1000 kWh

Type of Plan: Variable Price

Intro Offer: No

Term Duration: 6 Months

Renewable: Yes (100%) Cancellation Fee: No

Monthly Fee: Yes (\$9.99/month)

Incentives/Learn More About This Offer

GreenValueAssurance6Plus: A 100% green product that's great for you and the environment. You get a rate locked for 6 months, so you don't get any rate surprises during your contract period.

- 100% nationally sourced renewable energy.
- Security of a low rate that remains the same for the duration of your contract.
- The total price for the generation of electricity per month is equal to a base rate of \$9.99 plus the price of the kilowatt-hours consumed.

Clearview Electric, Inc. d/b/a Clearview Energy

800-746-4702

http://www.clearviewenergy.com

\$0.0689 Price/kWh

\$68.90

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 6 Months

Renewable: Yes (100%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

Clear Green Guarantee 6: A 100% green product that's great for you and the environment. You get a fixed rate for 6 months, so you don't get any rate surprises during your contract period. Has a \$50 EFT.

It is a Commercial product.

Clearview Electric, Inc. d/b/a Clearview Energy

800-746-4702

http://www.clearviewenergy.com

\$0.0689 Price/kWh

\$68.90

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 6 Months

Renewable: Yes (100%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

7/28/2020

Incentives/Learn More About This Offer

CLEAR GREEN GUARANTEE 6 is a fixed 6-month plan, 100% renewable with a \$50 early cancellation fee. It's a Residential Product

For more information on this plan or any other plan please call 800-746-4702.

WGL Energy Services, Inc.

844-427-5945

http://www.wglenergy.com/special

\$.069 Price/kWh

\$69.00

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 12 Months

Renewable: Yes (5%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

CleanChoice Energy Inc. d/b/a Ethical Electric d/b/a Clean Energy Option d/b/a CleanChoice Energy

(800) 460-4900

http://www.cleanchoiceenergy.com

\$0.0710 Price/kWh

\$71.00

Estimated per Month *Based on 1000 kWh

Type of Plan: Variable Price

Intro Offer: Yes

Term Duration: 3 Months

Renewable: Yes (100%) Cancellation Fee: No Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

Choose 100% clean, pollution-free wind & solar with CleanChoice Energy today and get a \$50 Gift Card.* Sign up online at CleanChoiceEnergy.com/MD3 or call 1-800-260-0184. *Terms Apply

Clearview Electric, Inc. d/b/a Clearview Energy

800-746-4702

http://www.clearviewenergy.com

\$0.0719 Price/kWh

\$71.90

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 12 Months

Renewable: Yes (100%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

ClearGreenGuarantee12: A 100% green product that's great for you and the environment. You get a fixed rate for 12 months, so you don't get any rate surprises during your contract period.

- 100% nationally sourced renewable energy.
- Security of a low rate that remains the same for the duration of your contract.
- A cancellation fee of \$50

Clearview Electric, Inc. d/b/a Clearview Energy

800-746-4702

http://www.clearviewenergy.com

\$0.0719 Price/kWh

\$71.90

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 12 Months

Renewable: Yes (100%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

ClearGreenGuarantee12: A 100% green product that's great for you and the environment. You get a fixed rate for 12 months, so you don't get any rate surprises during your contract period.

- 100% nationally sourced renewable energy.
- Security of a low rate that remains the same for the duration of your contract.
- Good for customers looking to secure a great electricity price on their electric bills for the long term.
- Cancellation Fee of \$ 50

• This is a Commercial product

WGL Energy Services, Inc.

844-427-5945

http://www.wglenergy.com/special

\$.074 Price/kWh

\$74.00

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 2 Years

Renewable: Yes (5%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

Clearview Electric, Inc. d/b/a Clearview Energy

800-746-4702

http://www.clearviewenergy.com

\$0.0749 Price/kWh

\$74.90

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 12 Months

Renewable: Yes (100%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

Clearcharge 12EV, it is good for customers looking to secure a great electricity price on their electric bill and get free weekend charging. It has an early cancellation of \$50

- Good for customers looking to secure a great electricity price on their electric bills for the long term
- This plan includes a \$75 cash back on a new ChargePoint® Home Residential EV Charger and free Weekend EV Charging 7 PM Friday to 7 AM Monday.
- It has a cancellation fee of \$50.

Tomorrow Energy Corporation fka Sperian Energy Corporation

713-401-3227

http://www.sperianenergy.com

\$.0759 Price/kWh

RESA Exhibit 1

\$75.90

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 12 Months

Renewable: Yes (100%) Cancellation Fee: Yes Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

When you sign up for Tomorrow Energy's Earth Care 12 plan, 4 trees will be planted in partnership with the Arbor Day foundation over your 12-month term. By signing up with Tomorrow Energy, you are taking one giant step towards bettering our environment.

CleanChoice Energy Inc. d/b/a Ethical Electric d/b/a Clean Energy Option d/b/a CleanChoice Energy

(800) 460-4900

http://www.cleanchoiceenergy.com

\$0.07900 Price/kWh

\$79.00

Estimated per Month *Based on 1000 kWh

Type of Plan: Fixed Price

Intro Offer: No

Term Duration: 12 Months

Renewable: Yes (100%) Cancellation Fee: No Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

Choose 100% clean, pollution-free wind & solar with CleanChoice Energy today and get a \$50 Gift Card.* Sign up online at CleanChoiceEnergy.com/MD12 or call 1-800-260-0184. *Terms Apply

SunSea Energy LLC

856.352.34830

http://www.sunseaenergy.com

\$0.1398 Price/kWh

\$139.80

Estimated per Month *Based on 1000 kWh

Type of Plan: Variable Price

Intro Offer: No

Term Duration: 1 month Months

RESA Exhibit 1

Renewable: Yes (100%) Cancellation Fee: No Monthly Fee: No

Contact Supplier

Incentives/Learn More About This Offer

SunSea Offers 100% National Wind products.



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