



Representative Zeigler, *Chair*
Senator Lawrence, *Chair*
Committee on Energy, Utilities and Technology
Burton M. Cross Building, Room 211
111 Sewall St
Augusta, ME 04330

Re: LD 2163: An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal - OPPOSED

Dear Chairman Zeigler, Chairman Lawrence, and members of the Committee on Energy, Utilities, and Technology:

On behalf of its membership, the Retail Energy Supply Association (RESA) offers this written testimony in opposition to **LD 2163: An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal** as currently drafted.

Founded in 1990 and headquartered in Harrisburg, Pennsylvania, RESA is a non-profit trade association representing the interests of its members, who are active participants in the retail competitive markets for electricity and natural gas in Maine. RESA is a broad and diverse group of 16 retail energy suppliers dedicated to promoting efficient, sustainable, and customer-oriented competitive retail energy products and services. Several RESA member companies are licensed by the Maine Public Utilities Commission (MPUC) and serve the state's residential, commercial, and industrial customers.

RESA submits this letter in opposition to LD 2163 because of Section 3, which amends 35-A MRS §3203, sub-§4-B, ¶C to prohibit renewal of contracts without the express consent of the residential customer. Further, the bill would require that suppliers provide the customer, in writing, with the proposed renewal rate and terms, the standard-offer service rate in effect at the time, additional approved standard-offer service rates that will be in effect during the length of the contract, and the websites of the Public Utilities Commission and the Public Advocate where the customer can compare the rates from standard-offer service provider, alongside the prices from customer's current competitive electricity provider, and other competitive suppliers.

These provisions are unnecessarily burdensome and are counter to what customers want when selecting competitive electricity supply. Requiring a supplier to obtain express consent to keep a customer after the expiration of their current contract term undermines and interferes with the supplier-customer relationship. Practically, it will result in customers automatically going back to standard-offer service against their will. Such a requirement undermines customer preferences to continue their relationship with a supplier and erects costly and unnecessary barriers to competition that simply are not present in other similar industries like telecommunications and cable.

Further, the requirements to provide the customer with the standard-offer service rate, future standard-offer service rates, and information to compare rates and/or prices is overly burdensome for suppliers. Individualizing requests for express consent with this information for every customer adds substantial administrative costs to renewing contracts and provides no benefits to customers who have already participated in the market to obtain competitive supply. Furthermore, competitive suppliers currently provide customers with the resources to evaluate available rates and contact the MPUC. As customer contracts approach their renewal dates, as required by existing MPUC rules, renewal notices include a link to the rate shopping site maintained by the Maine Office of Public Advocate (OPA). Upon visiting the OPA's site, customers can find the contact information for the MPUC, OPA, and the current standard service offer along with rates offered by other competitive suppliers. The proposed changes are unnecessary, costly, and administratively burdensome, which will only serve to add cost to competitive suppliers' ability to offer competitive rates to Maine consumers and will negatively impact the continued development of a robust marketplace.

Thank you for your consideration on this bill and please let us know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tracy McCormick", with a long horizontal flourish extending to the right.

Tracy McCormick
Executive Director

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 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.

Post Office Box 6089 Harrisburg, PA 17112