

PUBLIC SERVICE COMMISSION OF MARYLAND

Energy Supplier Marketing Practices

December 21, 2022

Prepared in response to the 2022 Joint Chairmen's Report from the Senate Budget and Taxation Committee and House Appropriations Committee, addressing door-to-door marketing activity reported by retail energy suppliers



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I. Introduction

The Maryland Public Service Commission submits this report in response to the 2022 Joint Chairmen’s Report (JCR) from the Senate Budget and Taxation Committee and House Appropriations Committee, addressing the Committees’ interest in door-to-door sales and marketing activity reported by retail energy suppliers, as well as the PSC’s consumer education and outreach activities and actions taken against retail energy suppliers. Specifically, the Committees seek data on the number of suppliers reporting activities by ZIP code, for the period of November 2020 through October 30, 2022. In this report, the Commission provides an update on data relating to energy supplier marketing activity as well as the PSC’s consumer education efforts and enforcement actions taken against suppliers.

II. Background

The Consumer Affairs Division (CAD) is the department within the PSC responsible for the investigation and resolution of complaints by Maryland ratepayers against utilities in accordance with applicable laws, regulations, and utility tariffs. CAD collects and tracks information regarding complaints received to identify potential patterns of regulatory noncompliance. Maryland law allows gas and electric utility account holders to decide whether to purchase electricity and gas supply from a utility or from a licensed third-party retail energy and gas supplier. The PSC is authorized to regulate aspects of supplier marketing practices, but not the rates that suppliers charge their customers. If a customer has a complaint that warrants investigation and has already attempted to resolve their dispute with the company directly, the customer may file¹ their complaint pursuant to the dispute resolution procedures outlined in the Code of Maryland Regulations (COMAR) at 20.32.

Maryland is one of two states that require suppliers to report where they plan to engage in door-to-door solicitation.² Pursuant to COMAR at 20.53.10.07A (competitive electricity supply) and 20.59.10.07A (competitive gas supply), a supplier shall notify CAD in advance of its intention to engage in door-to-door activity. “The notification shall include general, nonproprietary information about the activity, the period involved and a general

¹ Although CAD accepts handwritten complaints, CAD encourages citizens to file online at https://mdpsc.force.com/complaints/s/?language=en_US.

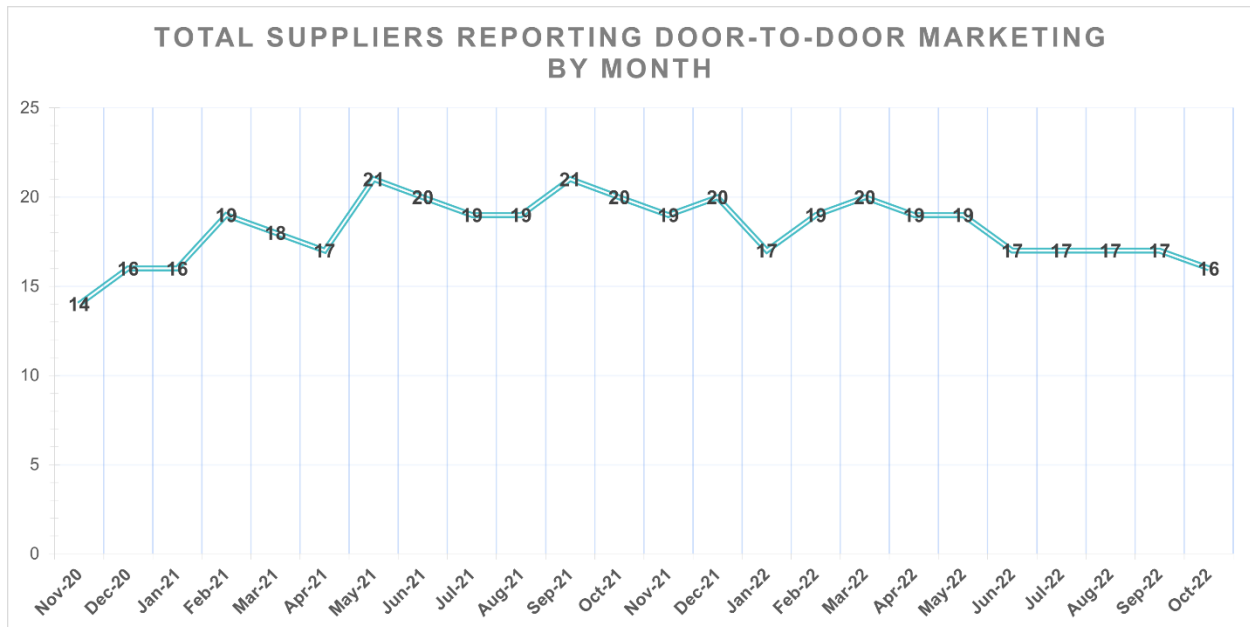
² From the PSC’s Response to 2021 Joint Chairmen’s Report, in which the PSC conducted a 50-state survey of existing energy deregulation policies and associated consumer protections: <https://www.psc.state.md.us/wp-content/uploads/2021-Joint-Chairmens-Report-on-Residential-Retail-Energy-Offerings-for-Electric-and-Natural-Gas-Service-and-Consumer-Protections.pdf>.

description of the geographical area.” Beginning in November 2019, the PSC asked suppliers to report their door-to-door activities by ZIP code.

III. Supplier Door-to-Door Marketing Activity

The PSC reviewed the monthly number of suppliers reporting marketing activity by ZIP code for the period of November 2020 through October 30, 2022 (reporting period) in every utility service territory where retail choice is offered. These service territories include Baltimore Gas and Electric Company (BGE), Potomac Electric Power Company (Pepco), Delmarva Power and Light Company (DPL), The Potomac Edison Company (PE), Southern Maryland Electric Cooperative, Inc. (SMECO), and Washington Gas Light Company (WGL). For the entirety of this reporting period, 29 licensed retail suppliers reported their door-to-door activities by ZIP code.

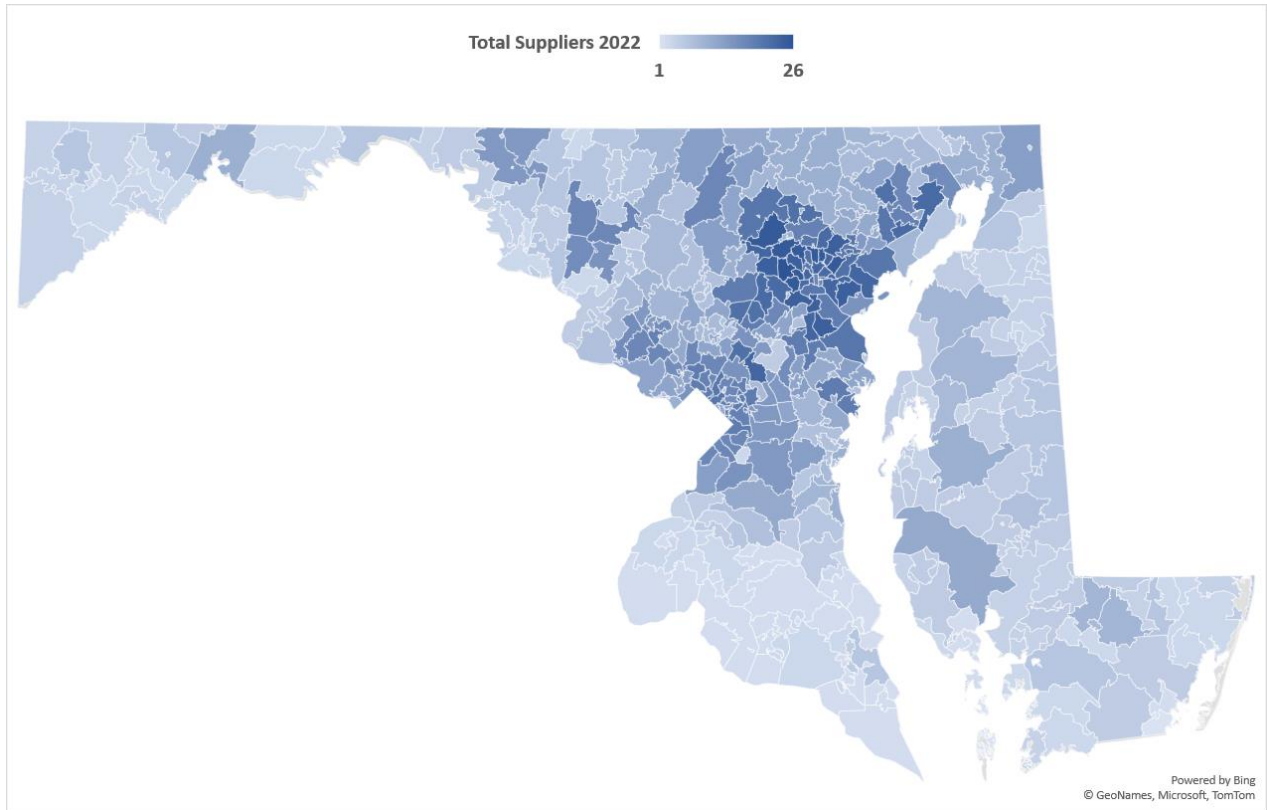
Figure 1 – Total Suppliers Reporting Door-to-Door Marketing by Month



For the reporting period, the total number of suppliers reporting door-to-door marketing activity ranged between 14 and 21 different suppliers each month, with an average of 18.2 suppliers.

Figure 2 is a map of the geographical boundaries of Maryland’s ZIP code areas. The map shows data corresponding to reported supplier door-to-door marketing activity. The darker color denotes a higher concentration of reported activity over the 24-month reporting period.

Figure 2 – Mapping of Suppliers Reporting Door-to-Door Marketing Activity by ZIP Code



Areas of Baltimore City and Baltimore County, including ZIP codes that overlap portions of both Baltimore City and Baltimore County, generally saw the highest concentration of suppliers reporting door-to-door marketing over the 24-month reporting period. CAD received a total of 834 complaints against suppliers during the reporting period. 297 of those complaints (35.61%) came from the 25 Maryland ZIP codes with the highest rates of supplier door-to-door marketing reporting.

Figure 3 – ZIP Codes with Highest Numbers of Suppliers Reporting Door-to-Door Marketing from November 2020 – October 2022

ZIP Code	Suppliers Reporting	County / City	# CAD Complaints Against Suppliers
21207	26	Baltimore City / County	11
21117	25	Baltimore County	14
21206	25	Baltimore City / County	11
21208	25	Baltimore City / County	13
21209	25	Baltimore City / County	9
21212	25	Baltimore City / County	13
21216	25	Baltimore City	13
21229	25	Baltimore City / County	13
21239	25	Baltimore City / County	10
21060	24	Anne Arundel County	4
21215	24	Baltimore City / County	19
21222	24	Baltimore City / County	9
21225	24	Baltimore City / County	8
21227	24	Baltimore City / County	4
21234	24	Baltimore City / County	23
21244	24	Baltimore County	12
20708	23	Prince George's County	9
21061	23	Anne Arundel County	30
21133	23	Baltimore County	7
21205	23	Baltimore City	4
21214	23	Baltimore City	7
21217	23	Baltimore City	8
21218	23	Baltimore City	25
21221	23	Baltimore County	10
21224	23	Baltimore City / County	11

IV. Education and Enforcement

In order to educate the public on supplier-related issues and other Commission matters, PSC staff have participated in a variety of events in the community, such as town halls and informative webinars as well as “Power in the Park” events and other resource fairs sponsored by local elected officials and nonprofit organizations. In August 2021, the PSC launched its MDEnergyChoice.com landing page for its gas and electricity supply education and comparison-

shopping pages³. Four newly created brochures are posted under the “Resources” tab of each site and are available in print at community events:

- What is Energy Choice?
- Finding Better Prices for Your Utility Bills
- Making the Energy Supply Switch
- Know Your Energy Choice Rights

In May 2022, the Commission launched a campaign to help promote awareness of the MDEnergyChoice.com website and brand. The campaign consisted of billboards located along key high-travel roadways around the state, along with displays, posters, door signage, and brochures in select shopping malls. The campaign ran until late summer/early fall and was supplemented by paid social media promotion. The PSC maintains social media accounts on Facebook and Instagram under the MDEnergyChoice brand in addition to the PSC’s agency accounts.

The PSC’s MDEnergyChoice.com allows customers to explore available supply rates and easily compare them to their utilities’ standard offer service rates:

³ The Commission launched www.MDElectricChoice.com on March 9, 2020 and www.MDGasChoice.com on September 29, 2020. Each website is accompanied by a secure portal for suppliers to upload their offers.

Refine Results

Utility Company ⓘ

BGE ▼

Monthly Usage ⓘ

950

Type of Plan ⓘ

Fixed Price ▼

Intro Offer ⓘ

Select ▼

Term Duration ⓘ

Select ▼

Renewable ⓘ

Select ▼

Monthly Fee ⓘ

Select ▼

Cancellation Fee ⓘ

Select ▼

Current Supply Service

BGE \$0.09773
Price/kWh **\$92.84**

(800) 685-0123 Estimated per Month

<https://www.bge.com/MyAccount/MyService/Pages/ElectricPriceComparison.aspx> *Based on 950 kWh

Price per kWh is scheduled to change to \$0.09896/kWh effective June 1, 2023 - September 30, 2023.

Territory Selected: BGE

**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.*

Sort By: Name (Z to A) ▼

**XOOM Energy
Maryland, LLC**

609.524.5203

<http://www.xoomenergy.com>

Type of Plan: Fixed Price Renewable: No
Intro Offer: No Cancellation Fee: Yes
Term Duration: 12 Months Monthly Fee: No

\$0.1519
Price/kWh \$144.31

Estimated per Month
*Based on 950 kWh

CONTACT SUPPLIER

Incentives/Learn More About This Offer ▼

Regarding enforcement activity, the PSC has initiated formal complaints against the following suppliers:

- Staff of the PSC v. SmartEnergy Holdings, LLC d/b/a SmartEnergy – Case No. 9613
- Staff of the PSC v. Direct Energy Services, LLC – Case No. 9614
- Staff of the PSC v. U.S. Gas & Electric d/b/a Maryland Gas & Electric and Energy Services Providers, Inc. d/b/a Maryland Gas & Electric – Case No. 9615
- Staff of the PSC v. Smart One Energy, LLC – Case No. 9617
- Staff of the PSC v. Atlantic Energy MD, LLC – Case No. 9624
- Staff of the PSC v. Statewise Energy Maryland LLC – Case No. 9661

In addition, Commission Staff participated in the complaint of the Maryland Office of People’s Counsel v. SunSea Energy, LLC – Case No. 9647. For more information concerning these cases, the PSC maintains a publicly available docket search on its website at

<https://webpsc.psc.state.md.us/DMS/>.

V. Looking Forward

Pursuant to Maryland Code, Public Utilities Article (PUA) §7-311, the PSC plans to develop a mandatory training and educational program for licensed suppliers. The program will require that suppliers demonstrate a thorough understanding of Commission regulations, including sales and consumer protection. The PSC is in the process of initiating a competitive procurement for a consultant to assist in developing this program.

The PSC recently undertook a rulemaking to establish regulations to implement the new requirements under PUA §4-308. Under the law and the regulations, suppliers are prohibited from serving energy assistance recipients at rates above the applicable utility default rate. The regulations establish marketing limitations, contracting language, customer communication requirements, and how suppliers will handle existing supply customers who begin receiving energy assistance. The law goes into effect on July 1, 2023, and CAD will oversee enforcement.

The PSC appreciates the opportunity to provide information on supplier marketing activities. The PSC will continue to monitor supplier marketing activities and to post complaint data on its website.⁴

⁴ Data is available at <https://www.psc.state.md.us/retail-energy-supplier-complaint-reports/>.