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Greenlight Energy Reaches Settlement in Complaint Case

Company will pay a civil penalty and refund affected customers

For Immediate Release: April 17, 2023 Media Contact: Tori Leonard | tori.leonard@maryland.gov | (410) 767-8054

(BALTIMORE, MD) – The Maryland Public Service Commission has approved a settlement agreement in the formal complaint case against Greenlight Energy, Inc., a New York-based retail supplier of electricity and natural gas. Under the terms of the settlement with the Commission's Staff Counsel and Consumer Affairs Division, and the Maryland Office of People's Counsel, Greenlight will pay a civil penalty of \$40,000 as well as refund certain customers enrolled through an in-person transaction—those customers named in the complaints and those customers who received utility bill assistance from the State. Those refunds will consist of the difference between the rate Greenlight charged and the default rate the customer would have paid to their electric or gas utility, an amount totalling more than \$62,000. Greenlight must notify those customers in writing and explain the reason for the refund.

Among other things, Greenlight will also:

- Not conduct door-to-door marketing for one year;
- Within 90 days, reform its contracting documents and processes, and set up an enhanced customer enrollment verification process for online and telephone sales that must be reviewed and approved by the Commission before those marketing channels can resume;
- Keep its variable price product offers in place for no less than six months at a time (as opposed to changing month-to-month, for example); customers must be notified 30 days in advance of any change to the variable rate; and
- Conduct training with all current and future employees and ensure that its training materials are in compliance with Maryland law and regulations.

Customers alleged that Greenlight's agents did not provide customers with the required contract documents for internet, phone and door-to-door enrollments—including signed contracts as well as the Commission-approved contract summary form. Due to invalid enrollments and insufficient contract materials, many customers received bills with variable

rates well above their utility's default or standard offer service (SOS) rate, also known as the 'price to compare.'

The current actions are related to 34 customer complaints lodged against Greenlight from June 9, 2020 until September 14, 2022, with the Commission's Consumer Affairs Division, which found in favor of the customer in the majority of those complaints. The Commission docketed this proceeding as Case No. <u>9691</u>.

Greenlight is the third energy supplier to be sanctioned in just the last two months (along with SFE Energy and SunSea Energy). On February 1, 2023, the Commission launched a six-month 'maximum enforcement' period, after noting record-high numbers of complaints against suppliers in recent months. This effort is considered 'all hands on deck' to marshal more internal resources to investigate and, if necessary, prosecute retail energy suppliers who are failing to abide by the state's laws and regulations. It will also involve using these resources and expedited procedures to, if necessary, invoke civil penalties and/or revoke supplier licenses. This enhanced effort is over and above actions the Commission already takes to scrutinize the energy supplier marketplace.

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About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities and suppliers, telephone companies (land lines), certain water and sewer companies, passenger motor vehicle carriers for hire (sedans, limousines, buses, Uber, Lyft), taxicab companies (in Baltimore City and County, Charles County, Cumberland and Hagerstown) and bay pilot rates.

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