

**ORDER NO. 90581**

Complaint of the Maryland Office of  
People’s Counsel against SunSea  
Energy, LLC

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BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF MARYLAND

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CASE NO. 9647  
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**Issue Date: April 11, 2023**

**DELEGATION ORDER**

1. On January 30, 2023, the Commission’s Consumer Affairs Division (“CAD”) issued a memorandum (“CAD Memorandum”) regarding SunSea Energy, LLC (“SunSea”), alleging that the supplier had violated Maryland law governing retail suppliers’ activities and detailing several complaints involving purported defective advertising, enrollment, and contracting practices and agent behavior.<sup>1</sup>

2. On February 13, 2023, the Commission issued a Notice to SunSea, directing the Company to appear before the Commission at its March 8, 2023 Administrative Meeting for the purpose of determining whether there is probable cause to refer this matter to the Public Utility Law Judge (“PULJ”) Division for evidentiary proceedings on alleged violations of Maryland law and regulations.<sup>2</sup>

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<sup>1</sup> Maillog No. 301288.

<sup>2</sup> The probable cause hearing was eventually postponed to April 5, 2023, following requests for extension of time filed by SunSea on February 21, 2023 (Maillog No. 301437), and February 28, 2023 (Maillog No. 301557, confidential). On April 4, 2023, the Commission denied SunSea’s third request for an extension of time, which the Company filed April 3, 2023 (Maillog No. 302238).

3. The Notice also directed SunSea to file, by March 1, 2023, a response to the following alleged violations: (i) defects in contracting practices and documents; (ii) unauthorized enrollment of customers (slamming); (iii) false and misleading advertising and misconduct by agents; and (iv) inaccessibility of customer service representatives.<sup>3</sup> The Commission further directed SunSea to file evidence to show that other similarly situated customers have not experienced the same violations, including information showing that it has the technical and managerial competency to act as a supplier in Maryland's retail energy supply market. Additionally, the Commission required SunSea to file relevant documents used in its Maryland solicitations and contracting including, but not limited to, its marketing materials, training materials and examples of all contract documents.<sup>4</sup>

4. The Notice indicated that the Probable Cause Hearing would consider whether interim protections were necessary, including: (i) whether SunSea's license to provide electricity supply services and/or gas supply services in Maryland should be immediately suspended; (ii) whether SunSea should be precluded from soliciting additional customers in Maryland; and (iii) whether SunSea should be ordered to deposit all Maryland customer proceeds in excess of applicable standard offer service rates into an interest-bearing escrow account pending final resolution of this matter.<sup>5</sup>

5. In its first Request for Extension of Time, filed February 21, 2023, which the Commission granted, SunSea indicated that it had voluntarily suspended residential door-to-door marketing in Maryland pending the Probable Cause Hearing.<sup>6</sup> The Commission

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 1-2.

<sup>5</sup> *Id.*

<sup>6</sup> Maillog 301437.

also granted SunSea’s second Request for Extension of Time, filed confidentially on February 28, 2023. In its March 2, 2023, letter order granting the second extension, the Commission required SunSea to file its response by March 29, 2023.<sup>7</sup>

6. SunSea filed a response to the Notice and the CAD Memorandum on March 29, 2023.<sup>8</sup> The Office of People’s Counsel (“OPC”) filed comments on April 3, 2023.<sup>9</sup>

7. During the Probable Cause Hearing on April 5 and 6, 2023, CAD and SunSea provided testimony, evidence, and argument addressing the allegations involving the nature and resolution of the CAD complaints against SunSea, as well as matters concerning the training and discipline of SunSea’s third party agents, and SunSea’s enrollment processes and upgrades for the complaint period of July 1, 2022, to January 27, 2023. CAD presented Stephanie Bolton, CAD Director, and consumer Seth Yeazel, Esq. as witnesses. SunSea presented its CEO Jacob Adigwe as its witness.

8. Upon reviewing the record and hearing live witness testimony, the Commission found the testimony of CAD’s witnesses credible and persuasive, while the Commission did not find SunSea’s witness credible. Based on CAD’s evidence, the Commission found that SunSea violated provisions of COMAR and enrolled Mr. Yeazel without his consent. The Commission will issue an additional order in the near future outlining the specific findings of violations.

9. The Commission also finds that this matter warrants further proceedings to determine the full extent to which the Company has violated Maryland laws and regulations in its marketing, enrollment and contracting practices or any other violations of the

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<sup>7</sup> Maillog No. 301594.

<sup>8</sup> Maillog No. 302060.

<sup>9</sup> Maillog No. 302207.

consumer protections contained in the Public Utilities Article and the Commission's regulations. The Commission therefore delegates this matter to the PULJ Division for further evidentiary proceedings according to the procedural directives in the transcript of the April 5-6 Probable Cause Hearing.

10. Additionally, the Commission directed the following immediate interim protections to be implemented:

- a. SunSea's license to supply electric and gas, and electric and gas supply services, is suspended, as of 5:00 PM, Thursday, April 6, 2023;
- b. SunSea shall return all of its current Maryland customers to default utility Standard Offer Service ("SOS") by 5:00 PM, Monday, April 10, 2023, and the Commission shall waive any advance customer notice requirements specified in COMAR;
- c. SunSea shall cease all current and future marketing and enrollments of its electric and gas services in Maryland during the remainder of this proceeding; and
- d. SunSea shall, by 5:00 PM on April 20, 2023, double its current surety bonds with the Commission -- from \$250,000 for both its electric and gas licenses to \$500,000 -- totaling \$1 million in bonds to be filed with the Commission.

**IT IS THEREFORE**, this 11<sup>th</sup> day of April, in the year Two Thousand Twenty-Three, by the Public Service Commission of Maryland, **ORDERED**:

- (1) that this matter is delegated to the Public Utility Law Judge Division for any additional findings regarding the matters as alleged by CAD, and for

- a recommendation as to appropriate relief including license revocation, customer refunds, civil penalties and any other remedies, as appropriate;
- (2) that, in order to expedite the proceedings, the parties may seek Requests for Admissions pursuant to Federal Rules of Civil Procedure, Rule 36;
  - (3) that any CAD complainants and other witnesses covered in the complaint period are permitted to testify at the PULJ hearing(s) virtually; and
  - (4) that the interim protections as specified above continue until this matter is resolved.

By Direction of the Commission,

*/s/Andrew S. Johnston*

Andrew S. Johnston  
Executive Secretary