

MARYLAND PUBLIC SERVICE COMMISSION

***Reporting on Enforcement Actions Taken Between
Calendar Years 2010 and 2022***

November 1, 2023

Prepared in response to the 2023 Joint Chairmen's Report from the Senate Budget and Taxation Committee and House Appropriations Committee, addressing enforcement actions against third-party energy suppliers

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I. INTRODUCTION

The Maryland Public Service Commission (PSC) hereby submits this report in response to the 2023 Joint Chairmen’s Report (“JCR”) from the Senate Budget and Taxation Committee and House Appropriations Committee, pertaining to actions taken by the Commission in enforcement matters involving third-party retail energy suppliers (“suppliers”) for the period between calendar years 2010 and 2022.

II. BACKGROUND

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 supplier (“supplier”). In accordance with Public Utilities Article (“PUA”) §§ 7-507(a) and 7-603(a), the Commission is authorized to grant licenses to electricity and natural gas suppliers. The Commission is further authorized, pursuant to sections 7-507(e) and 7-603(b), to adopt regulations or issue orders to, among other matters, protect retail electric and natural gas consumers from anticompetitive and abusive practices and ensure that customers have “adequate and accurate” information to enable customers to make informed choices regarding retail energy suppliers. In addressing violations of consumer protection laws, pursuant to PUA § 7-507(e) and § 7-603(a), the Commission has the power to revoke or suspend licenses of competitive retail suppliers, impose a civil penalty, or other remedy. Code of Maryland Regulations (“COMAR”) Title 20, Subtitles 53 and 59, prescribe regulations governing pre-enrollment, enrollment, transfers of service, and non-residential and residential consumer protections.

III. THE CONSUMER AFFAIRS DIVISION

The Consumer Affairs Division (“CAD”) is the department within the PSC responsible for the investigation and resolution of complaints by Maryland ratepayers against regulated companies in accordance with applicable laws, regulations, and tariffs. CAD collects and tracks information regarding complaints received to identify potential patterns of regulatory noncompliance. The PSC is authorized to regulate aspects of electric and gas supplier marketing practices, but not the rates that suppliers charge their customers. If a customer has a complaint 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 COMAR 20.32.

IV. COMPLAINTS AND THE DISPUTE RESOLUTION PROCESS

The table at Figure 1 contains complaints received by CAD against suppliers as compared to total complaints against all companies combined for calendar years 2010 to 2022.

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

FIGURE 1 – Complaints Received by CAD
Calendar Years 2010 to 2022

YEAR	COMPLAINTS AGAINST SUPPLIERS	TOTAL COMPLAINTS RECEIVED	PERCENTAGE OF TOTAL AGAINST SUPPLIERS	SUPPLIER UTILIZATION²
2022	446	1,725	25.9%	16.6%
2021	414	1,868	22.2%	18.6%
2020	436	1,473	29.6%	20.0%
2019	702	2,800	25.1%	20.8%
2018	599	2,696	22.2%	21.2%
2017	403	2,659	15.2%	21.9%
2016	403	3,123	12.9%	23.3%
2015	667	3,737	17.8%	23.8%
2014 ³	2,288	5,258	43.5%	25.6%
2013	1,218	5,278	23.1%	28.1%
2012 ⁴	N/A	5,734	N/A	25.7%
2011	N/A	5,318	N/A	21.8%
2010	N/A	5,508	N/A	15.7%

The PSC maintains a cloud-based complaint data management system (“CDMS”) through Salesforce. This CDMS launched in February 2022 and contains data from our legacy system from 2018 through the February 2022 launch and forward to the present. Prior to the CDMS launch, CAD’s customer complaint information was stored in a database created in Microsoft Access. That system was outdated and, following data migration to the new CDMS, was taken offline and retired. The Commission has data specifically relating to complainant ZIP codes and primary complaint issue dated from 2018 forward and are reflected in the following tables.

² Reported pursuant to PSC Case No. 8378, this figure refers to the percentage of all eligible customer accounts enrolled with electric suppliers as of December 31st of each calendar year. For additional enrollment data, please refer to the Commission’s Monthly Enrollment Reports page: <https://www.psc.state.md.us/electricity/electric-choice-monthly-enrollment-reports/>

³ In 2014, the region experienced a polar vortex; during the winter months, due to the extreme cold, suppliers that offered variable rates saw an increase in the market price for electricity. Suppliers passed higher prices on to customers resulting in a complaint increase due to rate shock, company inaccessibility, and other related concerns. For more information, please refer to the Commission’s 2014 Annual Report: <https://www.psc.state.md.us/wp-content/uploads/2014-MD-PSC-Annual-Report.pdf>

⁴ Prior to 2013, complaints against utilities and complaints against suppliers were clustered together in CAD’s legacy database.

FIGURE 2 – ZIP codes with 20+ complaints against suppliers from 2018 – 2022

COMPLAINANT ZIP CODE	COMPLAINTS, 2018 - 2022
21218	71
21229	66
21215	64
21222	62
21234	55
21061	54
21213	53
21216	48
21212	47
21217	47
21206	42
21207	42
21224	42
21239	36
21220	35
21221	35
21230	34
21225	30
21244	30
21401	29
21144	28
21228	28
21204	27
21117	26
21133	26
21214	26
21044	25
21122	25
21205	25
21208	25
21209	25
21223	25
21236	25
20707	24
20904	24
21202	24
21227	22
21042	21
21403	21
21043	20
21045	20
21136	20

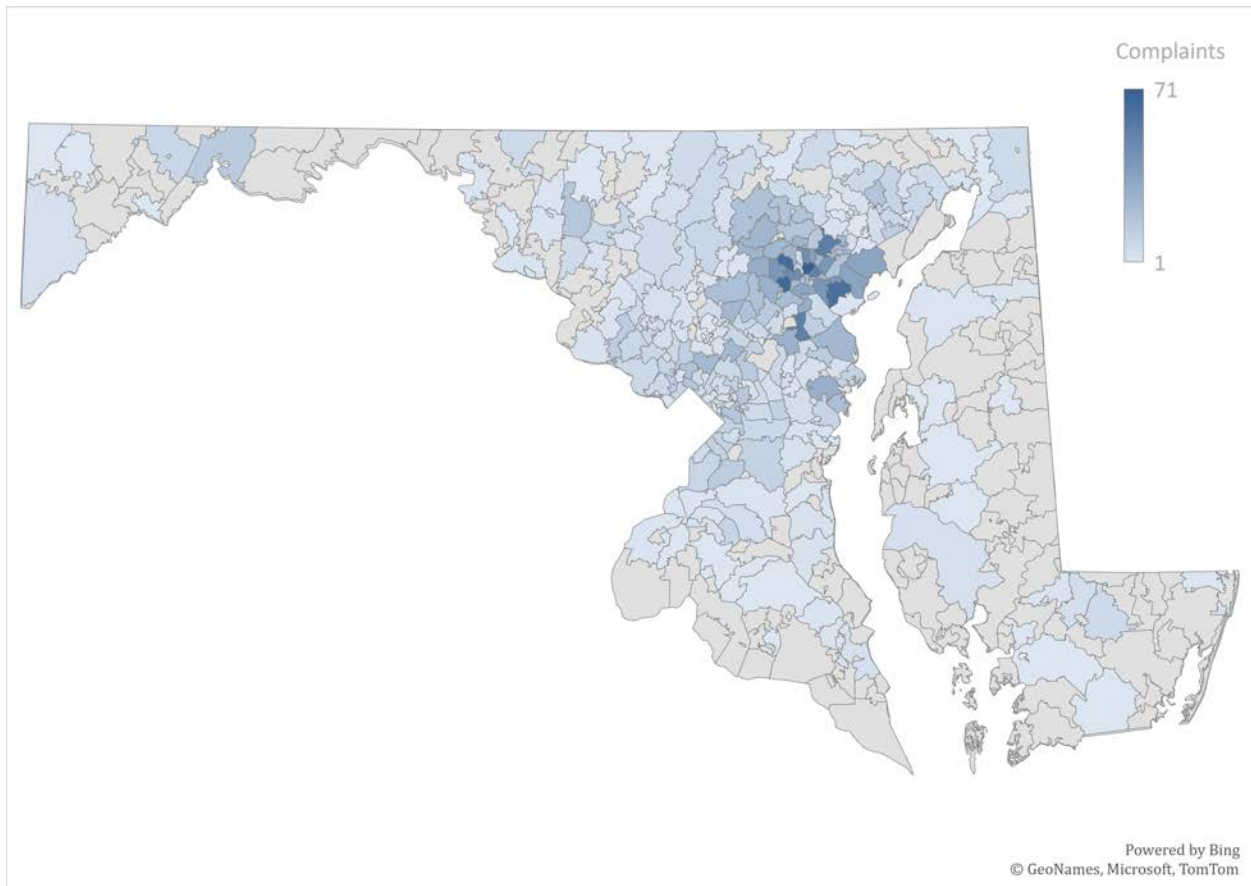
For the full list of supplier complaints organized by complainants’ service address ZIP codes from 2018 – 2022, please refer to attached **Appendix I**.

WHAT IS A COMPLAINT
A complaint refers to a completed online or print form received by CAD from a customer detailing a dispute with a regulated company.

HOW TO MAKE A COMPLAINT
CAD accepts written complaints submitted through the PSC’s online portal or completed handwritten complaint forms sent via fax, mail, or email.

INVESTIGATION UPON FILING
CAD reviews and investigates each complaint received. Upon receipt, complaints are assigned to CAD Administrative Specialists for investigation. During investigation, a CAD Administrative Specialist will inform the company at issue about the complaint and request relevant information and documents. The CAD Administrative Specialist then renders a written decision after review of applicable law, regulation, and tariff.

FIGURE 3 – Map of all complaints against suppliers by ZIP code from 2018 – 2022



The complaint information collected in the CDMS includes the primary issue cited in each complaint. For electricity supplier and gas supplier complaints respectively, Figure 4 and Figure 5 contain tables with complainants' primary issue for each complaint against suppliers filed between 2018 – 2022.⁵

⁵ With the February 2022 launch of the new CDMS, CAD consolidated issue selection options from more than 100, down to roughly 1/3 of that, for a more manageable experience for both online complaint portal users and back-end system users.

FIGURE 4 – Complaints against electric suppliers from 2018 – 2022: Primary issue

Primary Issue / Electric Suppliers	Complaints
Slamming	808
Misrepresentation	461
Stop/start service issue	201
Billing dispute	175
Sudden price increase	120
Early termination fee dispute	54
Contract renewed w/o notice or authorization	45
Unwanted solicitation	26
Electric supplier - other issue	26
Slamming - in-person sale	21
Withdraw by customer	14
Disputes fees on bill	12
Budget billing dispute	12
Withdraw by company	12
Agents overly aggressive	10
Payment dispute	10
Refund dispute	8
Termination of service - payment plan	5
No jurisdiction	4
Solar questions or complaints	4
Misrepresentation - failure to show ID	4
Customer service issue	3
Net metering	3
Special investigation	3
Collections issue	3
Estimated/adjusted bill dispute	2
Meter concerns	2
Meter tampering	2
Security deposit issue	1
Termination of service issue	1
CC of letter to company	1
Unwanted solicitation - annoying calls/faxes	1
Smart meters	1
Community solar pilot	1

WHAT IS SLAMMING

The illegal practice of switching a customer’s electricity or gas supply service without their permission.

WHAT IS MISREPRESENTATION

Use of false and deceptive statements in an effort to enroll customers. Statements may relate to a company’s identity, its association to a utility or to the product the company is selling.

FIGURE 5 – Complaints against gas suppliers: Primary issue from 2018 – 2022

Primary Issue / Gas Suppliers	Complaints
Slamming	236
Misrepresentation	113
Stop/start service issue	75
Billing dispute	50
Sudden price increase	21
Contract renewed w/o notice or authorization	12
Early termination fee dispute	6
Washington Gas e-service billing problem	5
Agents overly aggressive	4
Customer service issue	3
Payment dispute	3
Unwanted solicitation	3
Extension requested	2
Tariff/rates/fees/charges	2
Refund dispute	2
Gas supplier - other issue	2
General/miscellaneous	1
Security deposit issue	1
Estimated/adjusted bill dispute	1
No jurisdiction	1
CC of letter to company	1
Budget billing dispute	1
Meter concerns	1
Company did not send free gift	1
Slamming - in-person sale	1
Withdraw by company	1

V. ENFORCEMENT ACTIONS

CAD investigates each individual complaint that it receives, renders a decision, and communicates that decision to the parties. On a broader scale, CAD utilizes its CDMS to monitor supplier compliance by identifying patterns of violations and potential violations throughout multiple complaints. When, in CAD’s assessment, a company demonstrates a pattern of noncompliance, CAD makes a recommendation to initiate an enforcement action, and a

docketed proceeding in front of the Commission is established. As suppliers may avail themselves of the right to judicial review of Commission decisions to circuit and appellate courts, some enforcement actions may take extended time to close. A list of enforcement actions from 2010 through the present is below, at Figure 6.

FIGURE 6 – Enforcement actions, 2010 - present

Case #	Company	Date Opened or Reopened	Date Closed	Duration (Days)	Civil Penalty
9691	Greenlight Energy	2/14/2023	4/20/2023	65	\$ 40,000.00
9647	SunSea Energy	2/13/2023	-		
9690	SFE Energy	1/26/2023	-		
9661	StateWise Energy	12/10/2020	1/11/2022	397	\$ 150,000.00
9647	SunSea Energy	6/4/2020	8/18/2021	440	\$ 400,000.00 ⁶
9624	Atlantic Energy	5/15/2019	6/15/2021	762	\$ 250,000.00
9615	Maryland Gas & Electric	5/15/2019	-		
9614	Direct Energy	5/15/2019	-		
9617	Smart One Energy	5/10/2019	3/6/2020	301	\$ 561,000.00 ⁷
9613	SmartEnergy	5/10/2019	-		⁸
9382	Blue Pilot Energy	5/29/2015	4/28/2016	335	\$ 57,000.00
9347	Maryland Gas & Electric	4/1/2014	11/5/2014	218	\$ 2,500.00
9346	American Power Partners	4/1/2014	12/17/2014	260	\$ -
9346	Blue Pilot Energy	4/1/2014	12/1/2016	975	\$ 140,000.00
9346	Xoom Energy	4/1/2014	12/1/2016	975	\$ 40,000.00 ⁹
9346	Major Energy	4/1/2014	2/26/2016	696	\$ 300,000.00
9324	Starion Energy	5/13/2013	3/7/2014	298	\$ 350,000.00
9255	Viridian Energy	1/26/2011	6/12/2012	503	\$ 60,000.00
9253	North American Power & Gas	1/14/2011	6/9/2011	146	\$ 100,000.00

Regarding the effectiveness of the Commission's enforcement actions in deterring prohibited marketing practices, the Commission submits that enforcement actions tend to be effective in bringing an errant supplier into compliance, with the goal of deterring repeat

⁶ Supplier ordered to refund \$66,675 to customers

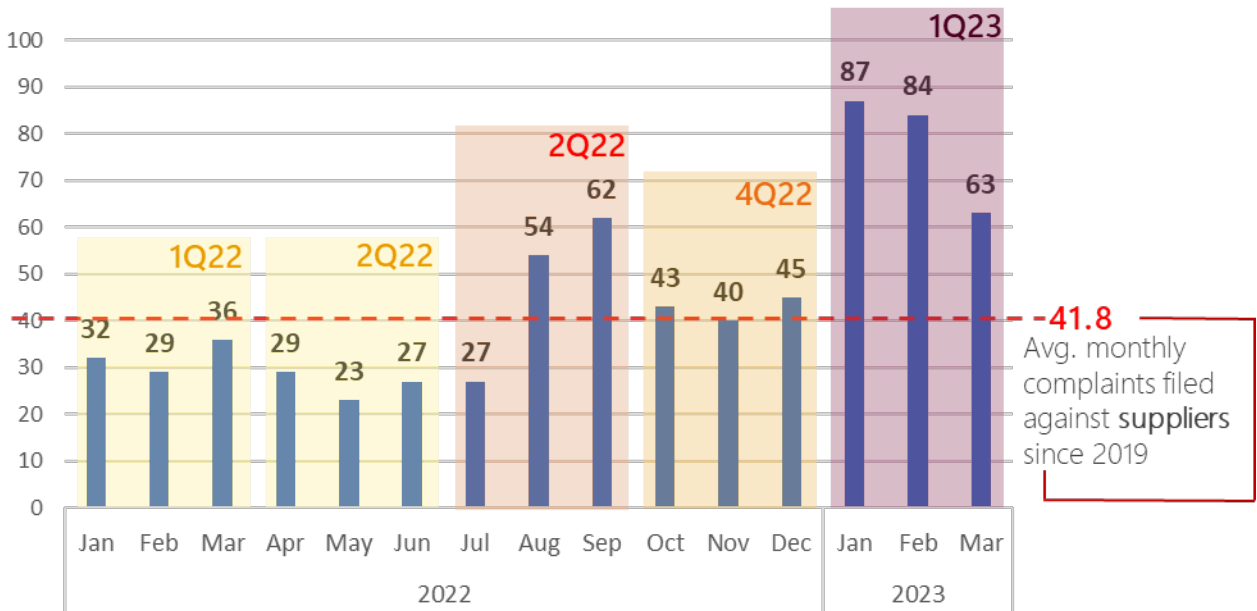
⁷ Supplier ordered to refund up to \$14.3 million to customers

⁸ Supplier ordered to refund an estimated \$6 million to customers

⁹ Supplier ordered to refund \$510,361 to customers

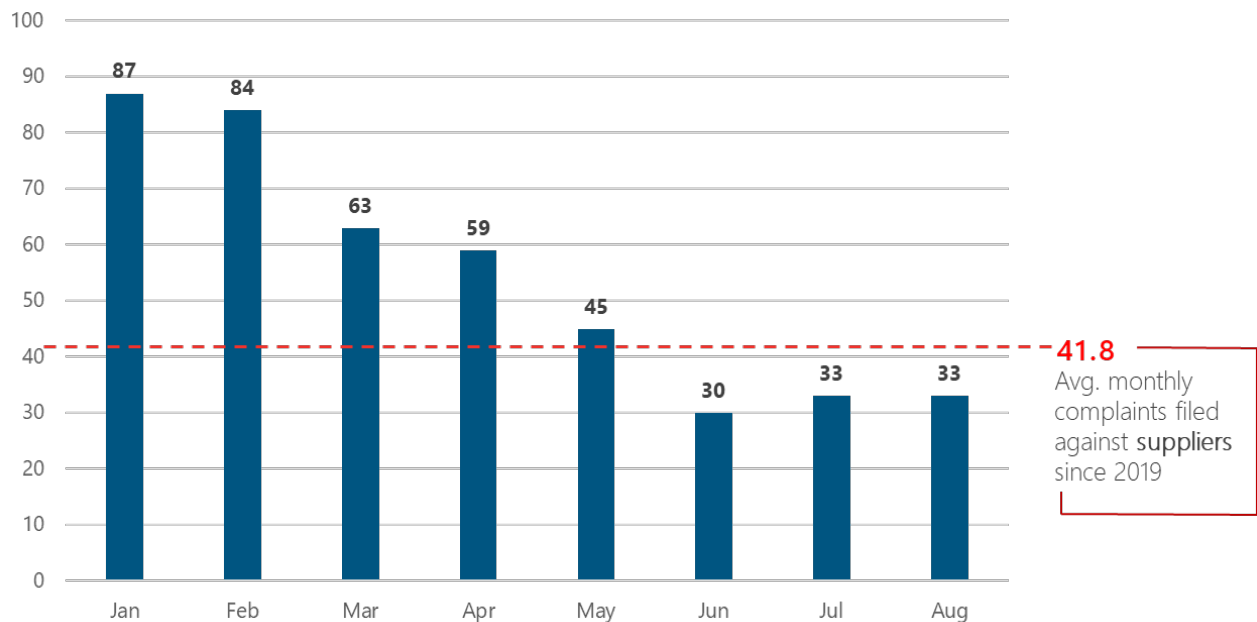
violations. For instance, on February 1, 2023, the Commission launched its Maximum Enforcement initiative in response to a recent influx of complaints against suppliers.

FIGURE 7 – Complaints against suppliers, 1Q22 – 1Q23



As a result of the multi-division collaboration on Maximum Enforcement, CAD’s supplier complaint intake numbers returned to levels at or below its historic average.

FIGURE 8 – Complaints against suppliers, January – August 2023



Comparing the first quarter of the 2023 calendar year to the third quarter, complaints against suppliers decreased by 61%. Among the three suppliers incurring the most complaints in 1Q23, complaints against those suppliers dropped from 79 in the first quarter, to 14 in the third quarter, a decrease of 82%. Enforcement and noncompliance remediation do work; however, the difficulty lies in sustaining the staff’s time commitment, across multiple divisions, to rigorously pursue these matters for a significant duration while balancing other competing commitments. The Commission recommends additional staffing resources to allow for continued enhanced enforcement and the ability to more proactively monitor supplier practices.

The Commission continues to explore and consider additional measures to assist in enforcement efforts.

VI. EDUCATION

Revenue from civil penalties imposed against retail suppliers are added to the Retail Choice Customer Education and Protection Fund, per Public Utilities Article § 7-310. There are a number of ways the PSC uses these funds for to educate the public. Using these funds, in August 2021 the PSC launched its MDEnergyChoice.com landing page for its gas and electricity supply education and comparison-shopping pages¹⁰. The PSC's MDEnergyChoice.com allows customers to explore available supply rates and easily compare them to their utilities' standard offer service rates. Four newly created brochures are posted under the "Resources" tab of each site and are made 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 2022 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.

¹⁰ 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.

This past summer, the Commission signed an interagency agreement with the Maryland State Ad Agency to explore strategies to educate consumers using traditional and digital media. That collaboration is in the development stages – more detailed information can be provided as plan components are finalized and implemented.

To further 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. The Commission recommends additional staff resources to expand educational opportunities to both the public and to suppliers entering the market in Maryland. In addition, the Commission recommends altering Public Utilities Article § 7-310 for the Retail Choice Customer Education and Protection Fund to allow for use of the funds for additional educational purposes. This would allow the PSC to more broadly educate customers on making energy choices and taking steps that help meet the State’s climate goals.

VII. CONCLUSION

The Commission appreciates the opportunity to provide information regarding the enforcement actions taken by the Commission in addressing retail energy supplier matters. The Commission will continue to monitor supplier marketing activities and to post complaint data on its website.¹¹

¹¹ Data is available at <https://www.psc.state.md.us/retail-energy-supplier-complaint-reports/>

Appendix I – Table of all complaints against suppliers by ZIP code from 2018 – 2022

ZIP codes are as entered by complainants

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21217	47
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21239	36
21220	35
21221	35
21230	34
21225	30
21244	30
21401	29
21144	28
21228	28
21204	27
21117	26
21133	26
21214	26
21044	25
21122	25
21205	25
21208	25
21209	25
21223	25
21236	25
20707	24
20904	24
21202	24
21227	22
21042	21
21403	21
21043	20
21045	20

21136	20
20902	19
21030	19
21201	19
21237	19
21014	18
21093	18
20785	17
20910	17
21702	17
20706	16
21286	16
20708	15
20814	15
21075	15
21502	15
20735	14
20874	14
21040	14
21146	14
20906	13
21060	13
21211	13
20716	12
20724	12
20770	12
21231	12
20743	11
20746	11
20748	11
20772	11
21409	11
20602	10
20852	10
21015	10
21037	10
20723	9
20744	9
20783	9
20815	9
20850	9
20877	9
20878	9
21001	9
21009	9
21046	9

21532	9
21701	9
21784	9
20705	8
20774	8
20817	8
20853	8
20854	8
21050	8
21113	8
21157	8
20721	7
20745	7
20794	7
20876	7
20901	7
21108	7
21152	7
21161	7
21210	7
21226	7
21703	7
21742	7
21804	7
21921	7
20720	6
20747	6
20879	6
21029	6
21074	6
21076	6
21078	6
21131	6
21158	6
21771	6
21797	6
20601	5
20740	5
20784	5
20855	5
20872	5
20886	5
21035	5
21085	5
21090	5
21114	5

21801	5
20653	4
20715	4
20763	4
20851	4
20882	4
20903	4
20912	4
21012	4
21032	4
21048	4
21128	4
21550	4
21613	4
21776	4
21842	4
20639	3
20678	3
20695	3
20711	3
20722	3
20732	3
20737	3
20759	3
20776	3
20781	3
20782	3
20832	3
20833	3
20837	3
20866	3
20895	3
20905	3
21028	3
21047	3
21057	3
21084	3
21102	3
21140	3
21704	3
21774	3
21903	3
20603	2
20607	2
20613	2
20619	2

20634	2
20636	2
20640	2
20769	2
20841	2
20871	2
21054	2
21132	2
21163	2
21219	2
21620	2
21651	2
21716	2
21758	2
21769	2
21773	2
21794	2
21795	2
21830	2
08701	1
10003	1
17315	1
19406	1
20015	1
20020	1
20166	1
20609	1
20611	1
20616	1
20622	1
20646	1
20659	1
20701	1
20710	1
20736	1
20764	1
20777	1
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20816	1
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21051	1
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21660	1
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