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PUBLIC ADVOCATE

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Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate (“OPA”) testifies in support of their proposed bill LD 1853 “An Act Prohibit Door-to-door Marketing of Retail Energy Supply” which prohibits door-to-door sales practices directed at residential consumers by competitive electricity providers.

The OPA offers LD 1853 as an alternative LD 1917 (“An Act To Eliminate Direct Retail Competition for the Supply of Electricity to Residential Consumers”), which is also scheduled for a public hearing today, which proposed elimination of retail marketing to residential customers entirely, and also as a measure that could be implemented immediately during the implementation of LD 1917.

As evidenced by the Public Utilities Commission’s (“PUC”) open investigation of Electricity Maine, abusive door-to-door marketing by competitive energy suppliers is one of the most problematic aspects of retail electricity competition.

Marketers frequently target vulnerable populations, including low income and elderly customers, making false representations. These representations have included:

- Posing as representatives of Central Maine Power Company (“CMP”) and claiming that rates are about to increase or are fluctuating and offering to lower or freeze customers’ rates.

- Claiming to be auditors working to correct CMP high bill problems, seeking to lower or freeze customers' rates pending the resolution of the billing investigation.
- Claiming to be checking customer meters to ensure being billed properly in relation to CMP high bill problems.
- Claiming that CMP's rates are about to increase and representing that customers can protect themselves by locking into a reduced rate with Electricity Maine.

Despite a warning from the PUC, Electricity Maine continued its practices. These practices appear to be exacerbated by some suppliers' use of contractors to perform the marketing who are compensated, at least in part, through commissions.

In its brief filed with the PUC in August, 2019, the OPA recommended fining Electricity Maine \$1 million for its repeated and continuing violations of Maine law. The Commission has yet to act.

Electricity Maine is likely the largest competitive supplier serving the residential market, in part because of its aggressive marketing. However, Electricity Maine is not alone in these behaviors. Complaints have been filed with the Maine PUC against other marketers as well.

The Massachusetts Attorney General has brought action against multiple competitive suppliers for engaging in aggressive and deceptive sales tactics. Two suppliers agreed to pay over \$4 million each in restitution and civil penalties as a result of their behavior.

Along with this written testimony we are making available copies of the Massachusetts AG's 2018 Report on retail competition in Massachusetts and the OPA's 2019 Brief in the PUC's investigation of Electricity Maine for your further information on this bill:

- o <https://www.mass.gov/doc/2019-ago-competitive-electric-supply-report/download>

- <https://mpuc-cms.maine.gov/CQM.Public.WebUI/MatterManagement/MatterFilingItem.aspx?FilingSeq=103459&CaseNumber=2010-00256>

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 1853, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barry J. Hobbins". The signature is fluid and cursive, with the first name "Barry" being more prominent.

Barry J. Hobbins, Public advocate