

Maine Public Utilities Commission

Report Regarding Methods to Educate Customers About Electricity Supply



**Submitted to the Joint Standing Committee on
Energy, Utilities and Technology**

February 12, 2024

I. Introduction

On May 8, 2023, [Resolves 2023, chapter 12](#) (Resolve) was enacted. Section 1 of the Resolve required the Commission to issue a request to competitive electricity providers (CEPs) and standard-offer service providers (SOPs) for the following information:

1. Whether it is feasible for competitive electricity providers and standard-offer service providers to supply transmission and distribution utilities with a cost in cents per kilowatt-hour for each power source used by each provider to serve the provider's load to be included by the transmission and distribution utilities on residential and small nonresidential consumer disclosure labels¹;
2. If it is feasible, how useful is the information under subsection 1 to residential and small nonresidential consumers in understanding their electric supply costs and what are the estimated costs to competitive electricity providers and standard-offer service providers for supplying the information;
3. If it is not feasible, what are the barriers to providing the information under subsection 1 to transmission and distribution utilities and what information is available to competitive electricity providers and standard-offer service providers that may be provided to assist consumers in understanding their electric supply costs; and
4. Whether it is feasible for competitive electricity providers and standard-offer service providers to calculate the levelized cost of electricity for each power source used by each provider to serve the provider's load and, if not, what data elements would be needed in order to calculate the levelized costs. For the purposes of this subsection, "levelized cost of electricity" means a measurement of the cost of building and operating a source of electrical generation over an assumed lifetime.

Section 2 of the Resolve directed the Commission to consider methods the Commission could undertake to better educate electric consumers on their electric energy supply and the reasons for fluctuations in the price for that supply. Finally, the Resolve directed the Commission to submit a report to the Joint Standing Committee on Energy, Utilities and Technology by February 10, 2024, that includes the information gathered pursuant to Section 1 and the methods the Commission considered pursuant to Section 2 including any recommendations. The Committee may report out a bill related to the report to the 131st Legislature in 2024.

II. Inquiry

The Commission initiated a Notice of Inquiry² on November 2, 2023 and comments were required to be filed by December 1, 2023. Comments were filed by Texas Retail Energy, LLC

¹ Disclosure labels contain generation resource and emission information that can be used to compare supply offers and are provided to residential and small commercial customers four times a year.

² [Docket No. 2023-00291](#).

(TRE)³; NRG Business, NRG Business Marketing LLC, Direct Energy Services, LLC, NRG Home, and XOOM Energy Maine, LLC (collectively, “NRG” or “NRG Retail Companies”); Constellation Energy Services (Constellation); Central Maine Power (CMP); and Versant Power (Versant). Below is summary of those comments.

Constellation Energy Services (Constellation)

Constellation states that it is not feasible to include the cost in cents per kilowatt-hour (kWh) for each power source used by each provider for inclusion on the disclosure labels. Constellation explains that because CEPs and SOPs typically source their supply from the wholesale electricity market, most suppliers are unable to tie purchases to specific generation sources or otherwise determine costs on an individual power source basis. Constellation states that suppliers procure the necessary supply from the ISO New England wholesale markets and may not own generation or contract for power supply from specific resources. As a result, in most cases, suppliers’ power sources will reflect the resource mix dispatched by ISO New England and will change frequently as wholesale prices rise and fall and different resources come online. Finally, Constellation notes that revealing the granular cost information contemplated would likely involve disclosure of proprietary or confidential information.

NRG Retail Companies

NRG Retail Companies also states that it is not possible to include the cost in cents per kWh for each power source used for inclusion on the customer disclosure labels. NRG Retail Companies explains that to the extent they buy system power to meet their customer load obligations, they are only able to see the clearing price of the entire system, and any breakdown of costs by generators is highly competitive information which they do not have access to. NRG Retail Companies suggest that the Commission could inquire of ISO New England whether that granular cost information could be obtained from the generation sources. NRG Retail Companies further states that such information would not be useful or practical because each customer’s load shape is different. Additionally, NRG commented that it does not have insight into the levelized cost of electricity.

While NRG Retail Companies strongly supports efforts to better inform customers about their electricity supply; in their view, presenting customers with complex financial information on a disclosure label may not necessarily help them control their energy costs. NRG Retail Companies encourage the Commission to consider commissioning consumer research conducted by organizations accredited by the American Association of Public Opinion Researchers (AAPOR) via telephone or online surveys along with focus groups as well as undertake a review of existing consumer research to determine the type of information and delivery methods that most help customers be smarter energy consumers.

³ TRE stated that it only provides self-supply electric generation services to its corporate parent's locations within Maine and does not serve any residential or small commercial customers and, therefore, the inquiry does not apply to TRE.

NRG Retail Companies had the following additional suggestions for helping consumers better understand their energy choices and take control of their usage:

Customer Education: The Commission should expand its website to include more robust information on how to shop for electricity, explain the kinds of products and services available in the market, provide a glossary of key terms, provide information on customer rights and protections, and the ways consumers can save energy and point to the Pennsylvania Commission's PPowerSwitch website (<https://www.papowerswitch.com/>) as an example.

Customer Billing: The Commission should consider enabling CEPs to offer their own consolidated bills directly to their customers and pointed to Maryland as an example. NRG Retail Companies states that the Maryland Public Utilities Commission determined this was necessary for the competitive retail market to function properly because it brings: 1) transparency to consumers about what they are buying and from whom; 2) accountability from suppliers who will have the responsibility to handle billing and collections from their customers; and 3) more product innovation that can help consumers better control their energy bills and reduce their energy consumption.

Time-of-Use (TOU) Rates: The Commission should consider making TOU the default rate for customers who take service from regulated utilities. NRG Retail Companies states that TOU conveys a more accurate retail price signal to customers that contours to the wholesale market. In addition, NRG Retail Companies state that other options available in the third-party competitive landscape should be primarily communicated through marketing efforts and suggests that State agencies consider partnering with the Maine State Housing Authority's Community Action Partnership and other community service organizations to provide education and outreach on energy choices to Maine's vulnerable populations such as senior citizens, low-income households, and new immigrants or asylum seekers.

Smart Meters: The Commission should require the utilities to file data access plans laying out the process for CEPs to access their customers granular energy usage data (or interval usage data) within 48 hours or less every day. NRG Retail Companies note that the availability of such data spurs innovation and customized energy solutions that enable customers to take control over their energy usage and their energy budgets through products and services designed to help them shift their usage based on their individual needs.

NRG Retail Companies concludes by asserting that ensuring electric customers understand what rate option they are on and how changes in consumption can help them achieve lower bills can be more effective than layering cost break outs for every power source in their generation mix on a disclosure label.

Central Maine Power (CMP)

CMP⁴ states that it doesn't have any anecdotal data regarding whether customers would find it useful to see the cost per kWh of various fuel sources noting that in its experience, customers call

⁴ CMP stated that as it does not compile or post disclosure labels for CEPs, its comments focus on SOPs disclosure labels.

to express concern on the total amount on their bill, rather than ask for cost information pertaining to the various fuel types displayed on the disclosure label.

With respect to any costs that would be incurred by the transmission and distribution utilities, CMP states that its incremental costs would depend on the complexity of the label template and the number of resources SOPs send but would be limited to the labor hours required to include the required information and estimates that it would likely add a full day of work to the current process.

Versant Power (Versant)

Versant similarly states that it is unaware of whether customers would find it useful to see the cost per kWh of various fuel sources noting that in its experience most customers that contact the Company are interested in the bottom-line total of their supply charge. With respect to costs that would be incurred by Versant, the Company states that it believes the cost and time required to reformat the disclosure labels would be a one-time effort which the Company believes could be met by current employees in their normal performance of related duties.

III. Commission Analysis

Based on the comments in the inquiry, it does not appear that including the cost in cents per kWh for each power source on the disclosure labels can be easily done. Additionally, even if feasible it is unclear how much value this would actually provide to customers in understanding energy supply costs. It is clear that a majority of the supply serving Maine residents comes from natural gas and that the volatility of the natural gas supply market is often the main contributor to higher supply prices.

As noted above, the Resolve also directed the Commission to consider methods the Commission could undertake to better educate electric consumers on their electric energy supply and the reasons for fluctuations in the price for that supply. The Commission has taken various steps to educate consumers about supply costs. The Commission has educational information on its website including CEP and standard offer prices, things to consider when choosing an electricity supplier and customer rights. While the Commission revamped this information last year, we are currently considering ways to improve and update this information. In addition, the Commission has engaged a marketing/public relations firm to develop a public outreach plan for 2024 and communicating electric rate information will be part of that effort. The three Commissioners will be leading the outreach efforts and will present educational information at in-person events. The first event is being planned for March.

IV. Conclusion

The Commission appreciates the thoughtful input provided by stakeholders in its inquiry. We are happy to continue to engage with both the Committee and stakeholders to find more ways to educate consumers about their electric energy supply options and the costs.