Massachusetts Energy Market

November 14, 2023 Massachusetts State House

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Retail Choice – Experience and Prospects

Massachusetts Legislator Briefing November 2023

Paul Hibbard

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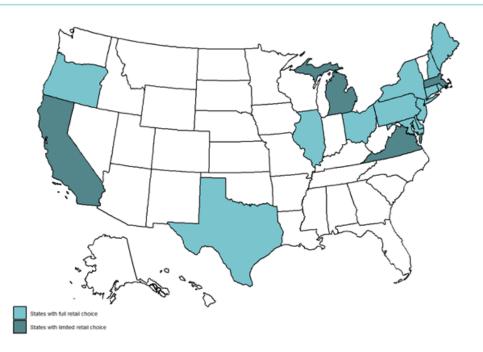
Questions

- While *relatively* new, competitive retail energy supply has had a couple decades to evolve
- What has been the experience to date?
- How should experience with retail supply be evaluated?
- What role may retail competition play in the transition to decarbonized energy supply?
- Recommendations going forward

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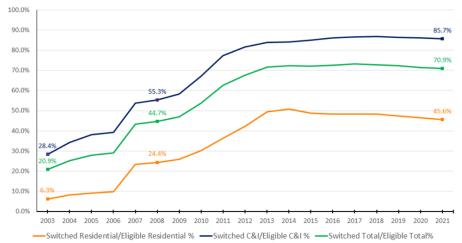
Experience With Retail Choice

- 20+/- years
- Solid growth in access
- Product diversity and innovation (many tailored to energy/environmental policy goals)
- Wide variety, from all-in (e.g., Texas) to limited access (e.g., commercial/industrial only)
- Disparate market and pricing conditions variation across states, regions
- Constant hostage to endogenous energy market conditions
- Some bad actors, poor marketing, customer service
- Emergence of community access



Percentage of Load Switched in the 14 Competitive Jurisdictions

The great majority of eligible load in the choice jurisdictions is served by competitive suppliers Figure 6 of Restructuring Recharged Source: DNV GL 2021 Retail Energy Outlook



How to Evaluate Retail Competition

- Competition Does retail choice expand consumer options for meeting their electricity needs? Does and will retail competition expand the flexibility and diversity/optionality of electricity supply options?
- Energy Market Evolution and Climate Goals Do retail energy markets empower companies to evolve with customer demand and state policy goals and requirements? Can retail energy markets accelerate the adoption of state climate goals?
- Consumer Control, Engagement and Preferences Do consumers have more control over their usage and products? Are consumers more likely to be active participants and engaged energy users in retail energy markets? Do consumers have options tailored to their unique needs and preferences?
- Long-Run Consumer Costs Is retail choice likely to put downward pressure on energy costs to consumers over time?
- Education and Transparency Does and will retail competition increase consumers' knowledge and understanding of options for electricity service, and does retail choice meet state requirements and objectives for product clarity and transparency?
- Customer Service and Consumer Protection Does and will retail competition meet state requirements and objectives for customer service and consumer protection?

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Retail Choice – Can Help With the Transition to Decarbonized Energy Supply

Electric Vehicle Products: TXU's **Drive for Free** and **EV Pass**

Simple fixed-rate retail electricity supply with free or half-off charging for customer's electric vehicle

- Texas residential product
- Free charging of your EV from 7:00 pm – 1:00 pm, 7 days per week (energy plus delivery)
- Fixed-rate retail electricity supply, 12- or 24-month plans
- 100% renewable energy
- Connects home charger to TXU via mobile app
- EV Pass program offers 50% off EV charging, at a lower retail electricity supply rate

Electric Vehicle Products: Constellation's Green Electricity Plan

Simple fixed-rate retail electricity supply sourced by 100% renewable energy

- Massachusetts residential product
- 100% renewable supply, almost twice the amount required of all suppliers by the Commonwealth
- Long-term, fixed-rate retail electricity supply
- Current price almost half the price of default service

Electric Vehicle Products: NRG's Bundled Energy with Charitable Contribution

Fixed-rate and variable-rate retail electricity *and* natural gas supply, with donations

- Pennsylvania residential product
- Bundles the customers energy needs into a single product (gas and electric)
- Month-to-month with a three month introductory price
- Up-front contribution of \$100 to Children's Hospital, *plus* annual contribution equal to one percent of total energy bill

- Transportation electrification
- Building electrification
- Distributed energy resources
- Energy efficiency
- Creative pricing
- Bundled energy
 - services

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Retail Choice and the Future of Energy Supply

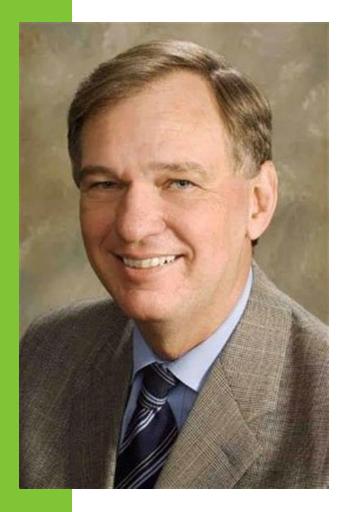
- The benefits of a functioning competitive market for retail electricity go well beyond price; it allows consumers to exercise choice, drives lower long-run costs through the pressure of competition, fosters innovation, and allows for unique product offerings tailored to consumer interest
- Take active steps to level the playing field between distribution utilities providing default service, community aggregators, and retail suppliers
 - In most states, incumbent utilities have primary or exclusive access to customer data and billing administration, and these frustrate the purpose and conditions of competition
 - Establish fair price to compare (i.e., do not misrepresent other utility costs (transmission etc.) in retail prices)
 - Create level playing field for innovative program offerings like EV charging, energy efficiency, demand response
- The bad experiences some states have had with the actions and predatory practices of some retail suppliers can be effectively ironed out of the framework for retail choice with relatively straightforward changes to the regulatory construct
- States, utilities, and retail suppliers need to double down on efforts to increase consumer education and establish familiarity with retail choice. Competition thrives with active, growing and informed consumer demand



Contact

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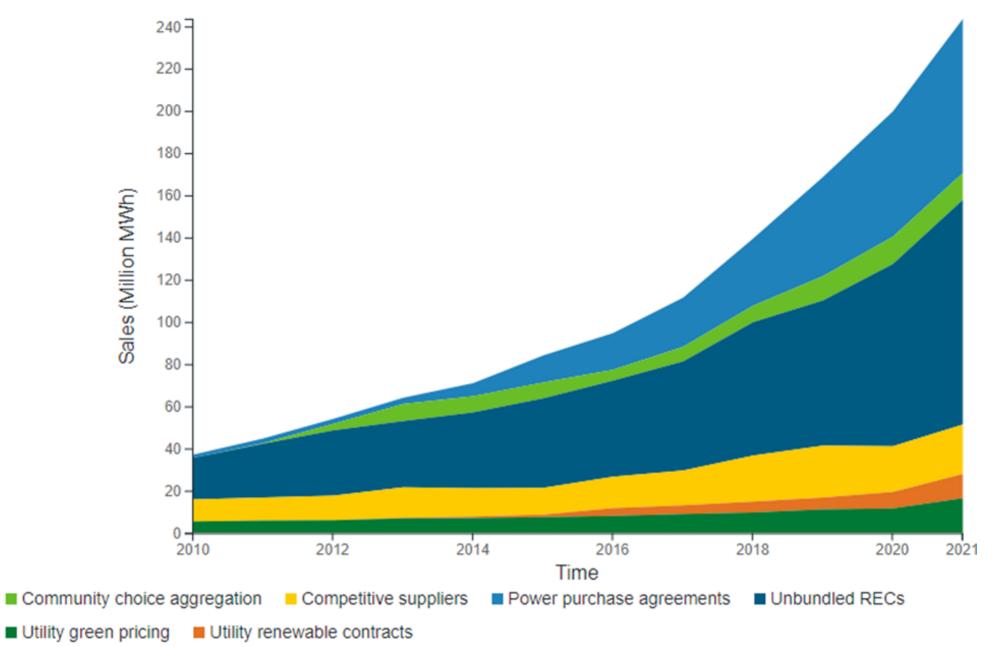
paul.hibbard@analysisgroup.com



John Hanger

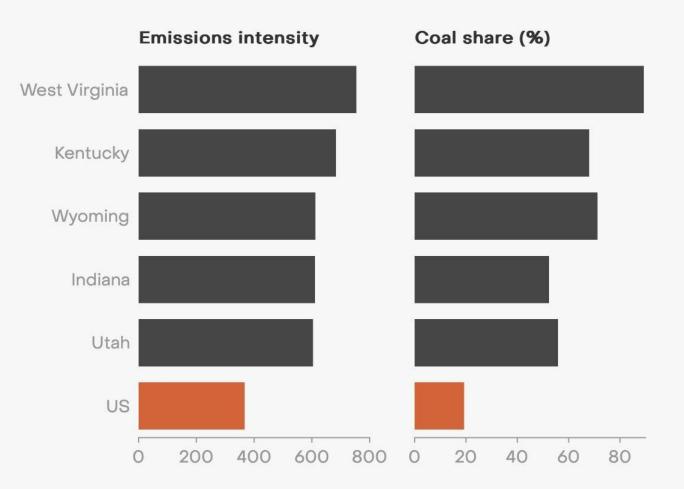
Former Commissioner for the Pennsylvania Public Utility Commission and Secretary of the Pennsylvania Department of Environmental Protection

Sales Over Time



The dirtiest electricity in the US comes from states with a high share of coal

Emissions intensity (gCO2/kWh) and coal share of electricity generation for the 5 dirtiest electricity producers

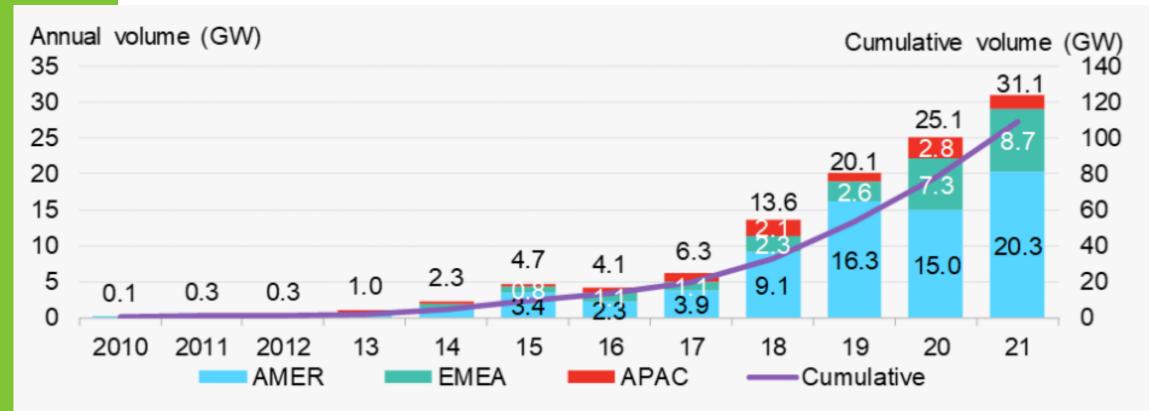


The *five* dirtiest electricity states use government power and monopoly utilities to protect coal and prohibit competition.

Source: Ember US electricity data based on EIA annual electricity generation statistics · ember-climate.org



1



Global corporate PPA volumes, 2010-2021. Onsite PPAs excluded. APAC volume is an estimate. Pre-reform PPAs in Mexico and sleeved PPAs in Australia are excluded. Capacity is in MW DC(Source: BloombergNEF).

Massachusetts Energy Market - Options & Education

A review of the options available to Massachusetts electric customers, how to shop based on price and a summary of state best practices in public-facing communications and resources to empower customers in competitive markets with information and options.

Presented by:

Abby Foster, Retail Energy Advancement League (foster@retailenergychoice.org)



Massachusetts Energy Market

Residential Customers (DPU - 2022)

2.4 million

Utility (default service) *Eversource, National Grid or Unitil*

1 million

Municipal Aggregation 176/351 municipalities offer aggregation plans (2022 data)

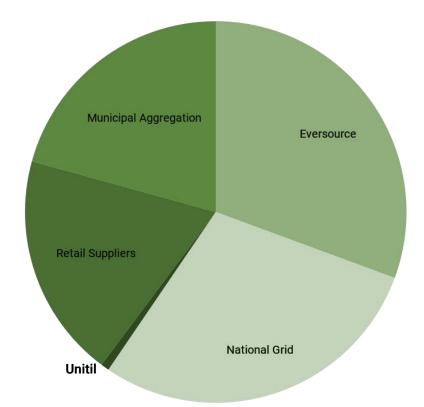


Retail Energy Supplier 71 suppliers licensed in Massachusetts (2022 data)

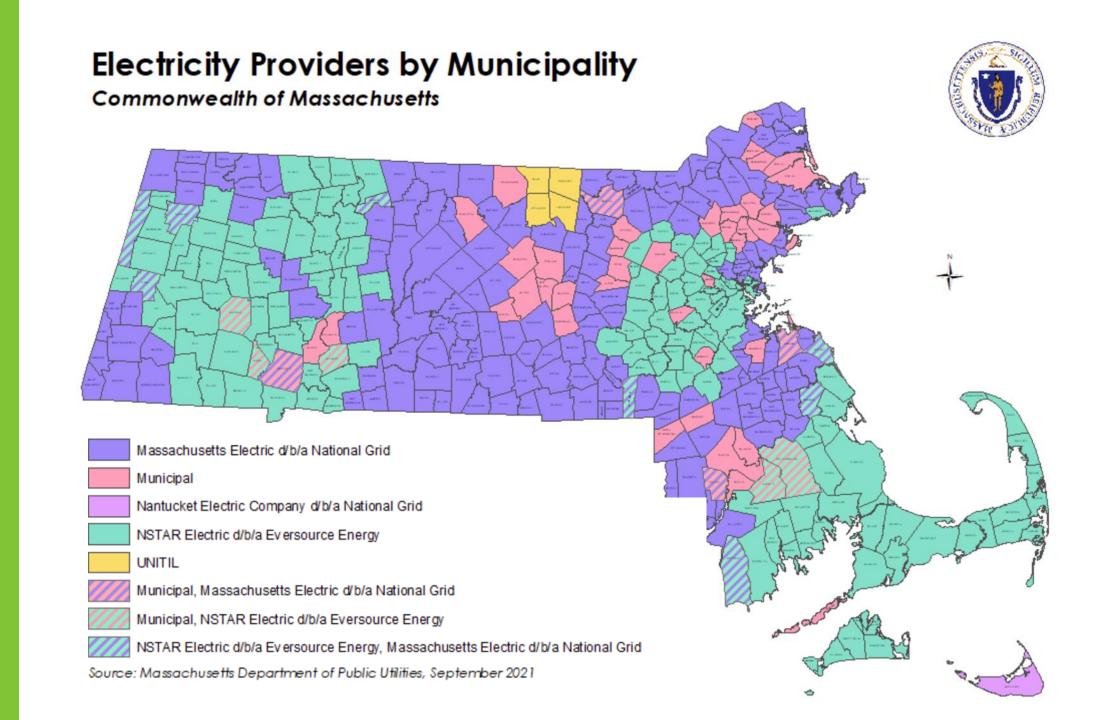


Municipal Light Plants

50 towns where customers must purchase electricity from the plant owned by the town



2022 kWh load served (R+C+I customers) by supplier



Renewable Energy

The same renewable energy requirements apply across utilities, retail suppliers and municipalities.

Massachusetts Renewable and Alternative Energy Portfolio Standard (RPS & APS) 59% requirement

- Clean energy standard (including RPS Class I) (26%)
- Clean energy standard for clean existing generation units (26%)
- RPS Class II renewable energy (3.5%)
- RPS Class II waste-to-energy (3.7%)

Voluntary RECs purchased and retired on behalf of customers that exceed the 59% state requirement for renewable energy plans can be sourced nationally.



"A renewable energy certificate, or REC is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource."



Massachusetts Customer Plans & Incentives

Offered By:	Some Utilities	Some Municipalities	Some Retail Suppliers
Fixed-rate p	lans		
Offered By:	Utilities	Municipalities	Retail Suppliers
Variable rat	e plans		
Offered By:	Some Utilities	Some Retail Suppliers	
Electric Veh Offered By:	icle Charging Some Retail Sup		
		phers	
		phers	
Flat Monthl			
Flat Monthl	y Bill Some Retail Sup		
Flat Monthly Offered By:	y Bill Some Retail Sup By Products		
Flat Monthly Offered By: Home Energ Offered By:	y Bill Some Retail Sup By Products	opliers Some Retail Suppliers	



Examples of value-added products or plans available from retail suppliers

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백리 것 - 김 씨의 무슨 것은 바이와 것을 많은 것이 봐.

Residential Electric Rates

Utility Supplier	Rate Term	Supply Rate	Rate Term	Supply Rate	Rate Term	Supply Rate	Rate Term	Supply Rate
NStar- Eversource	7/1/22– 12/31/22	17.9¢/kWh	1/1/23 – 6/30/23	25.6¢/kWh	7/1/23 - 12/31/23	16.1¢/kWh	1/1/24 – 6/30/24	TBD
WMECo- Eversource	7/1/22– 12/31/22	15.4¢/kWh	1/1/23 – 6/30/23	21.9¢/kWh	7/1/23 - 12/31/23	14.9¢/kWh	1/1/24 – 6/30/24	TBD
National Grid	5/1/22– 10/31/22	11.5¢/kWh	11/1/22 – 4/30/23	33.9¢/kWh	5/1/23 - 10/31/23	14.1¢/kWh	11/1/23 - 7/31/24	18.2¢/kWh
Unitil	6/1/22– 11/30/22 12/1/22- 12/30/22	13.4¢/kWh 17.9¢/kWh	1/1/23 – 7/31/23	21.4¢/kWh	8/1/23 – 1/31/24	21.2¢/kWh	2/1/24- 7/31/24	TBD

2022 Average Mass. Residential Utility Rate: 25.97 ¢/kWh 2021 Average Mass. Residential Utility Rate: 22.89 ¢/kWh Data Source: Massachusetts Department of Public Utilities "Basic Service Rates 10.3.2023"

Reading your Utility Bill

Basic service prices have 3 cost components:

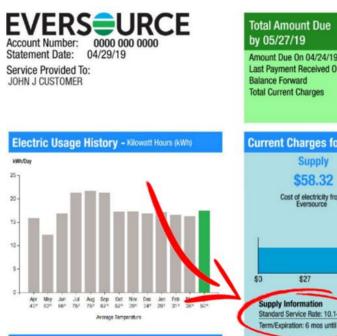
- 1. Supply costs
- 2. Renewable portfolio standards (RPS) compliance costs
- 3. Administrative costs

PAGE 2 of	Mar 8, 2022	to	Feb 8, 2022	SERMCE FOR	national grid
AMOUNT DU	PLEASE PAY BY	R	ACCOUNT NUMBE	ESSEX MA 01929	allonalynu
\$ 70.5	Apr 2, 2022				
10.0				Customer Charge	Choosing an Energy Supplier You can choose who supplies your energy. No
17.1	249 kWh	х	0.06868275	Dist Chg	matter which energy supplier you choose,
-0.24	249 kWh	х	-0.00098569	Transition Charge	National Grid will continue to deliver energy to you safely, efficiently and
7.5	249 kWh	х	0.03035571	Transmission Charge	reliably. We will also continue to provide your customer service, including
2.3	249 kWh	х	0.00938	Energy Efficiency Chg	emergency response and storm restoration. National Grid is dedicated to
0.1	249 kWh	x	0.0005	Renewable Energy Chg	creating an open energy market that lets
0.9	249 kWh	х	0.0036	Distributed Solar Charge	you choose from a variety of competitive energy suppliers, who may offer different
0.1	249 kWh	х	0.00046	Electric Vehicle Charge	pricing options. For information on
\$ 37.8	ery Services	liv	Total De		authorized energy suppliers and how to choose, please visit us online at ngrid.com/ma-energychoice
				pply Services	
				PLIER National Grid	su
32.6	249 kWh	x	0.13113	Basic Service Fixed	
\$ 32.6	ply Services	ium	Total S		

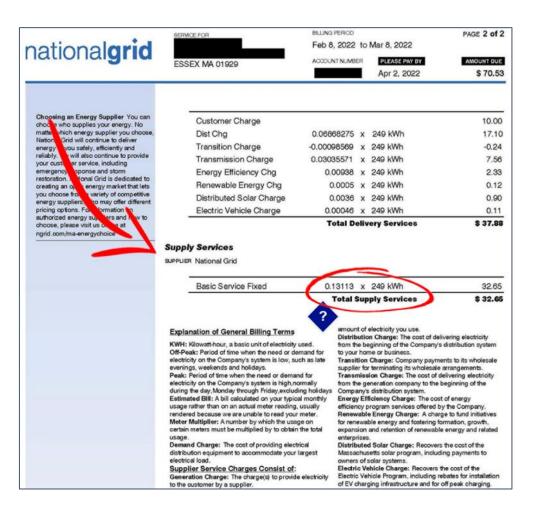
How to Shop Based on Price

step

Find out how much you are currently paying for electric supply by looking at the "standard service rate," "supplier rate" or "supply services" on your electric bill



Total Amount Due by 05/27/19			\$1	29.3	
Amount Due On 04/24/19				\$100.7	
Last Payment Received 0 Balance Forward	In 04/23/19			-\$100.7 \$0.0	
Total Current Charges				\$129.3	
Current Charges fo	or Electricit	у			
Supply			Delivery		
\$58.32			\$71.02		
Cost of electricity fre Eversource	om	Cost to deliver electricity from Eversource			
L				_	
		201			
\$0 \$27	\$54	\$81	\$108	\$135	
Supply Information		our electr	ic supplier is		
Standard Service Rate: 10.1	E1	ersource			
	143 ¢/kWh	ersource Box 270	ic supplier is		

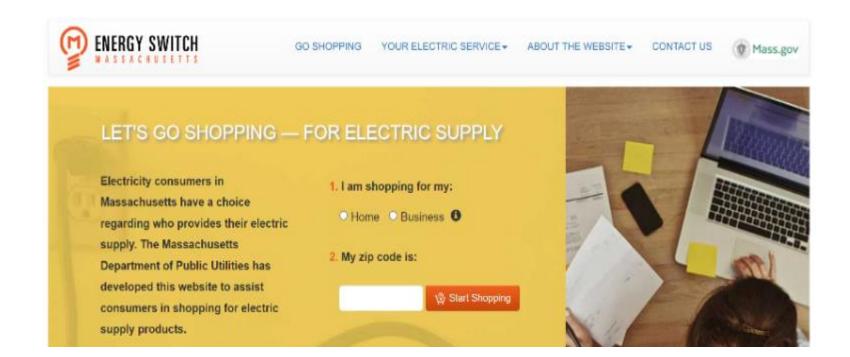


How to Shop Based on Price

step

2

Visit <u>www.EnergySwitchMA.gov</u>, select "Home," enter your home address zip code and click "start shopping."





GO SHOPPING YOUR ELECTRIC SERVICE + ABOUT THE WEBSITE + CONTACT US

Mass.gov

products to help you find w	ply products in the National (/hich may be right for you. No	Grid service territory. You can filte te that supplier participation on Er on this website. Click here to viev	nergy Switch MA is voluntary;	Average Monthly Usag Usage / month 600	e (kWh) 3 Update
Filtering Options Pricing	Contract Term	Renewable Energy	Additional Products & Serv		v Options Clear Filter Filter
	t: Low to High →	View Summary ∽	Print Download t	o CSV (Excel)	Compare
Electric Supply Products SUPPLIER NAME	PRICE 3	CONTRACT TERM 3	RENEWABLE ENERGY	ADDITIONAL PRODUCTS & SERVICES	Total Products: 40 ESTIMATED MONTHLY COST 3
Basic Service B	18.213 ¢/kWh TBD	Nov '23 through Jul '24 Aug '24 through Jan '25	Required:59% Voluntary:0% TOTAL : 59%		\$109.28 through Jul '24
B	14.377 ¢/kWh	through Nov '26 No cancellation fee No automatic renewal	Required:59% Voluntary:0% TOTAL : 59%		\$86.26 through Nov '26
	13.290 ¢/kWh	9 months Cancellation fee 3	Required:59% Voluntary:0%		\$79.74 through Aug '24

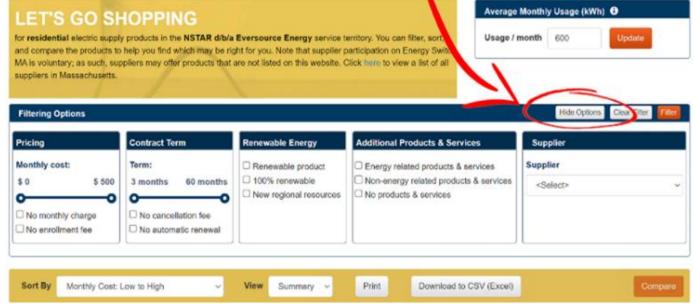
How to Shop Based on Price

step

Select "Show Options" to filter the results based on your preferences.

Contract Term – This is the number of months in your contract at the price per kilowatt hour rate you lock in.

Early Cancellation Fee – If you decide to change suppliers prior to the end of your contract term, some suppliers charge an early cancellation fee. This will be noted in the terms of your contract.



How to Shop Based on Price

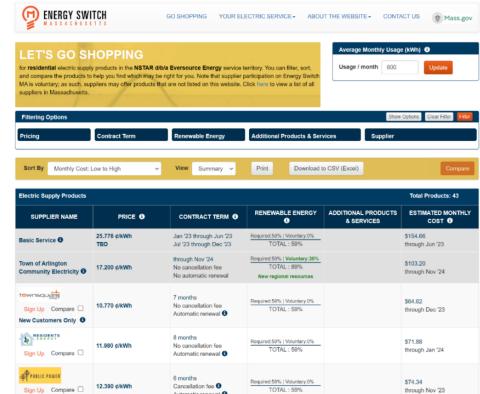
step

Compare the price per kilowatt hour you are paying from your electric bill with the available offers under "Price." Consider upcoming rate increases that have been announced by your utility.

Check the varying lengths of contracts under "Term Length."

The renewable makeup of the product is located under "Renewable Energy."

Your estimated monthly costs based on your personalized inputted usage at the top is the final column. If you do not adjust this, the estimated monthly costs are calculated using the typical monthly usage of 600 kWh.



step

How to Shop Based on Price

After you choose your product and click "Sign Up," you will be directed to the supplier's website. If you are not immediately directed to a page with the offer you have selected, review the supplier's available offers and be sure to select the same product you chose on the Energy Switch MA platform.

Carefully review the terms and conditions before signing up. If you are in the middle of a billing cycle, your updated rate and supplier information will be reflected on the bill following the close of the current cycle you are in.

Shopping Tips

- When you sign up for a new supplier, note the contract end date and set a reminder on your calendar in advance of the end date to review the terms of the contract (if it will be automatically renewed) or shop for a new supplier.
- Even if you are in a long-term contract, check the Energy Switch MA site monthly to determine if you can find an offer that better suits your needs.
- If you are shopping for cost savings, consider your local utility's upcoming rate increases in addition to the current rates. Many suppliers provide long-term, fixed-rate contracts. While the price might not be lower than the current utility rate, it may be lower than what the utility rate will be in the upcoming term and worth switching for future savings.

Shopping Tips (hedging)

	products to help you find wh	HOPPING ly products in the National C ich may be right for you, Not	GO SHOPPING YOUR EL Frid service territory. You can filte that supplier participation on E on this website. Click here to view	r, sort, and compare the nergy Switch MA is voluntary;	Average Monthly Usag Usage / month 600	ACT US 💮 Mass.gov e (KWh) O
	Filtering Options				Show	Options Clear Filter Filter
ov. 2022	Pricing	Contract Term	Renewable Energy	Additional Products & Ser	vices Supplier	
ample	Sort By Monthly Cost: Low to High View Summary Print Download to CSV (Excel) Electic Supply Products To					
	SUPP TR NAM	PRICE 0		RENEWABLE ENERGY	ADDITIONAL PRODUCTS & SERVICES	Total Products: 19 ESTIMATED MONTHLY COST ①
	Basic Service		May '22 through Oct '22	Required 51% Voluntary 0% TOTAL : 51%		\$68.95 through Oct '22
	Sign Up Compare	beginning 17.990 ¢/kWh	36 months Cancellation fee Automatic renewal	Required 51% Voluntary 0% TOTAL : 51%		\$107.94 through Oct '25
	ThinkEnergy Sign Up Compare	20.000 c/kWh	18 months Cancellation fee 1 Automatic renewal 1	Required.51% Voluntary:49% TOTAL : 100%		\$120.00 through Apr '24

Consumer Protection Services from the State

If a customer is unhappy with the service provided by a supplier or identifies a billing discrepancy, they should review the terms of their contract and contact the supplier. If they are unable to resolve the issue with the company, they can contact the Commonwealth resources below for assistance.

Massachusetts Department of Public Utilities

Phone: (877) 886-5066 <u>File a complaint online</u> (<u>www.mass.gov/how-to/file-a-complaint-involving-a-gas-electric-or-</u> <u>water-company</u>)

Massachusetts Attorney General's Consumer Advocacy & Response Division

Phone: (617) 727-8400 Monday-Friday, 8 a.m. - 4 p.m.

Customer Resources

EnergySwitchMA shopping FAQs:

<u>energyswitchma.gov/#/faq/restructuredmarketfaq</u>

Current and posted future utility rates:

- <u>mass.gov/info-details/basic-service-information-and-rates</u>
- retailenergychoice.org/monthly-state-product-summaries

Shopping Guide Using EnergySwitchMA.gov:

<u>retailenergychoice.org/wp-content/uploads/2023/06/MA-Energy-Shopping-Guide-2023.pdf</u>

Energy Assistance Programs:

mass.gov/info-details/help-paying-your-utility-bill



PUC Educational Forum

April 26, 2022 | 6 p.m.

PAPUC

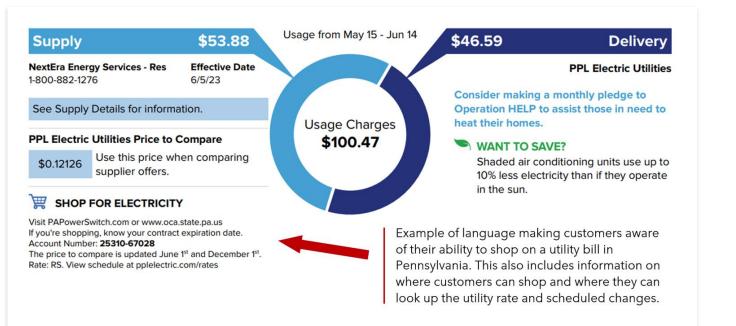


PAPUC_ConsumerEd @PAPUCConsumerEd · Dec 21, 2022 · · · @PA_PUC Consumer Education is one of the commissions core purposes and throughout 2022 the PUC urged financially-stressed households across the state to explore the many options available to help keep their monthly utility bill affordable. #CallUtilitiesNow

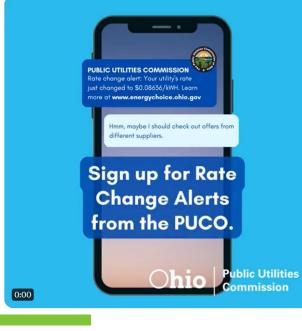


Do ratepayers know they have the option to shop?

- Energy market education videos
- Dedicated space on retail shopping on commission website
- Dedicated space on utility bill on options available to ratepayers with link to state shopping platform
- Community engagement
- Promotion of state shopping website



Public Utilities Commission of Ohio @PUCOhio · Apr 24 · · This could be you, if you signed up for Rate Change Alerts from the PUCO. bit.ly/rate-change-al...



Lindsey Williams @SenWilliamsPA

How much can you **#SaveInPA** by shopping for an electric supplier? **?** The average Pennsylvania household could save up to \$49 per month, according to offers on the PUC's PAPowerSwitch electric shopping website. Learn more about how you can save: buff.ly/3nhZeD1



Do ratepayers receive timely updates to make informed decisions?

Timely Updates

- Changes in Utility Rates
 - Subscription for rate change alerts
 - Press Release
 - Social media
 - Partner amplification
 - Media
 - Consumer advocate
 - Legislators
 - Towns and local government
 - Consumer groups
 - Community groups
 - Retail energy suppliers
 - Industry trade groups
 - Organizations that represent minorities
- Seasonal Usage Reminders

Tweet 4

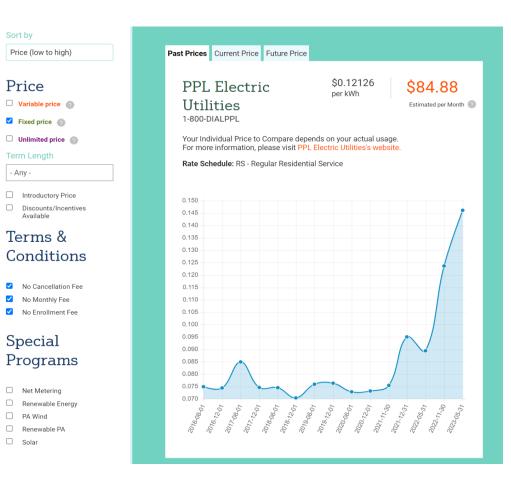
@PUCOhio

Public Utilities Commission of Ohio

...

If you've decided to switch energy suppliers, there's a few things you should do to get the most out of it. Let's break down the steps:





Are ratepayers empowered with information to identify bad actors?

Consumer information and protections

- Questions to ask a supplier
- Contract term requirements
- Supplier marketing requirements
- Easy noncompliance reporting
- Complaint reporting transparency

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Energy choice: How to handle a door-to-door sales pitch



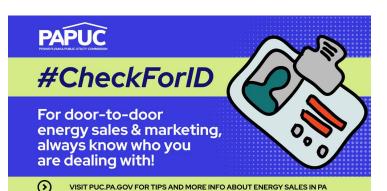
A Share Ξ+ Save ··· 13 19 57

PA PUC @PA_PUC · Jul 18, 2022 PAPUC Consumers should watch out for deceptive or high-pressure energy marketing efforts & misleading claims about savings ow.ly/gkfZ50JYnyG **#PUC4U BEWARE OF** CLEAR RULES FOR ENERGY SCAMS MARKETIN rketing efforts and leading claims about saving

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\leftrightarrow \rightarrow C $($ powertoch	hoose.org/en-us/Plan/Results#		Q B	☆ ⇒ ⊀ □ 🕼	Relaunch to update
	Shop. C	òmpar	re. Cho	ose.	
75001	1-10 OF 38	1 2 3 > so	RT BY PRICE/KWH	VIEW IO PER	
REFRESH RESULTS	COMPARE Company	Plan Details	Price/kWh *	Pricing Details	Ordering Info
TDU Area () ONCOR ELECTR ¥ Estimated Use () 1,000 KWH ¥	CleanSky Company Rating History	Embrace Green 8 - New Customer Special Fixed Rate 8 Months 100% Renewable NEW CUSTOMERS	1,000 kWh 12.8¢ 500 kWh 2000 kWh 13.2¢ 12.6¢	Cancellation Fee: \$100.00 Fact Sheet 12 Terms of Service 12 YRAC 12	Special Terms (888) 733-5557 OR SIGN UP
Price/kWh () ¢ to ¢ Contract Length () to mo	Company Compan	Octo 12 with Electric Vehicle (EV) Connected Fixed Rate 12 Months 100% Renewable	1,000 kWh 13.2¢ 500 kWh 2000 kWh 14.7¢ 12.5¢	Cancellation Fee: \$100 Fact Sheet Terms of Service Terms of Service Terms	Special Terms (833) 628-6888 OR SIGN UP
Pricing and Billing () Show All Plans Plans without a minimum usage fee/credit and plans	Company Compan	 Octo 12 with Smart Thermostat Connected Fixed Rate 12 Months 100% Renewable 	1,000 kWh 13.2¢ 500 kWh 2000 kWh 14.7¢ 12.5¢	Cancellation Fee: \$100 Fact Sheet 2 Terms of Service 2 YRAC 2	Special Terms (833) 628-6888 OR SIGN UP
without tiered pricing Plan Type Fixed Rate Variable (Changing Pete)	Company Company Company	Embrace Green 12 - New Customer Special Fixed Rate 12 Months 100% Renewable NEW CUSTOMERS	1,000 kWh 13.4¢ 500 kWh 2000 kWh 13.8¢ 13.2¢	Cancellation Fee: \$150.00 Fact Sheet 12 Terms of Service 12 YRAC 12	Special Terms (888) 733-5557 OR SIGN UP

Summary of Resources Available Online

retailenergychoice.org/summary-of-resources-consumer-education

Examples from state commissions

- Energy choice explanations
- Questions to Ask
- Mailers
- Videos
- Campaign materials
- Graphics
- Press releases

Resources from REAL

Unbranded materials available upon request

- State shopping guides
- Monthly market summaries



Questions?

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