Low-Income Forum on Energy

Welcome!

We will be starting soon.

NEW YORK STATE OF OPPORTUNITY.

Low-Income Forum on Energy

The Low-Income Forum on Energy Presents:

Impact of Supplier Choice Programs on LIHEAP Clients and LIHEAP Agencies

Aimee Gendusa-English,
Citizens Utility Board of Illinois

January 26, 2016
1:30 p.m. – 2:30 p.m. ET

NEW YORK STATE OF OPPORTUNITY. | Low-Income Forum on Energy

Working to help low-income New Yorkers address energy issues.

LIFE, the Low-Income Forum on Energy, is a unique statewide dialogue that brings together organizations and individuals committed to addressing the challenges and opportunities facing low-income New Yorkers as they seek safe, affordable and reliable energy.

Supported by the New York State Public Service Commission and the New York State Energy Research and Development Authority (NYSERDA), the LIFE dialogue encourages an interactive exchange of information and collaboration among the programs and resources that assist low-income energy consumers.

NEW YORK
STATE OF
OPPORTUNITY.

Low-Income
Forum on Energy

SAVE THE DATE!

LIFE 2016 Statewide Conference

May 25-26, 2016
Albany, New York

Low-Income Forum on Energy

→ Monthly webinars

Wednesday, February 24, 2016 @ 1:30-2:30 p.m. ET

Weatherization Assistance Program National Evaluations

Bruce Tonn, Three3, Inc.

→ Monthly email newsletter

Sign up at lifenynews.org

→ Social media

LinkedIn: Low-Income Forum on Energy

Twitter: @LIFEnys

NEW YORK STATE OF OPPORTUNITY.

Low-Income Forum on Energy

Find more information on the website

www.lifenynews.org

Join the mailing list

www.lifenys.org/signup

Share article suggestions, webinar ideas, events

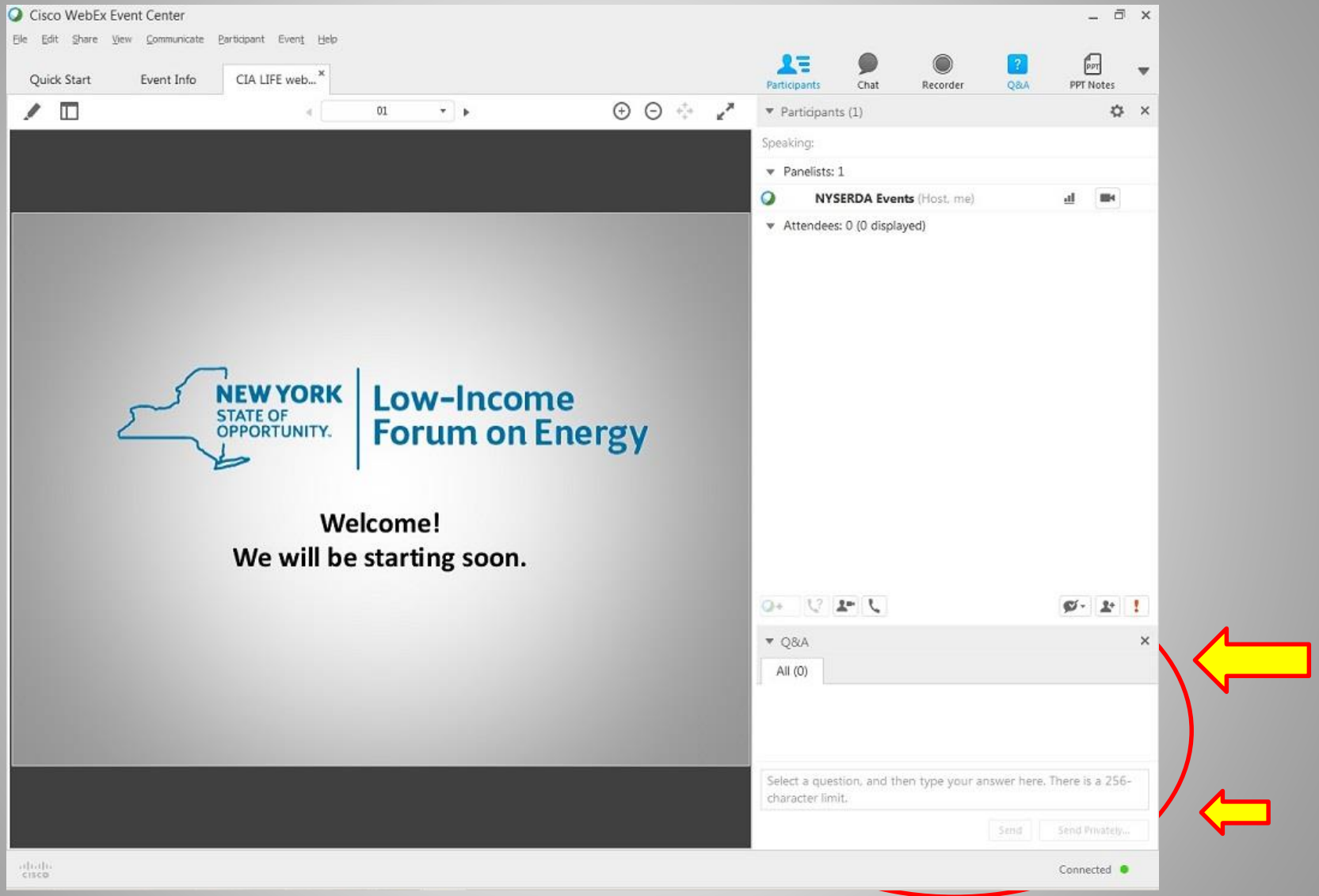
www.lifenys.org/share

Contact LIFE

1-877-NY-SMART, Option #5

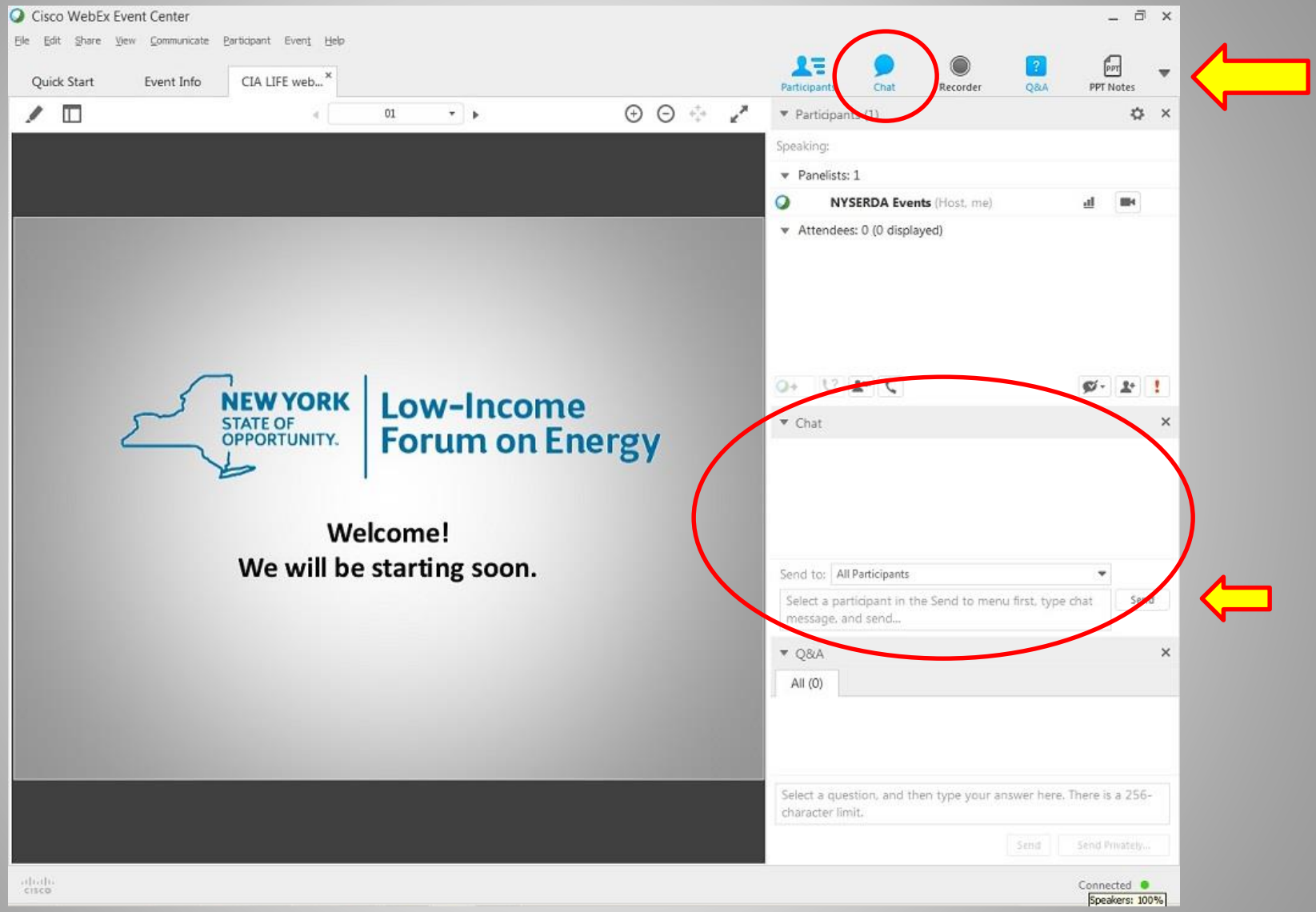
LIFE@nyserda.ny.gov

Asking and Responding to Questions

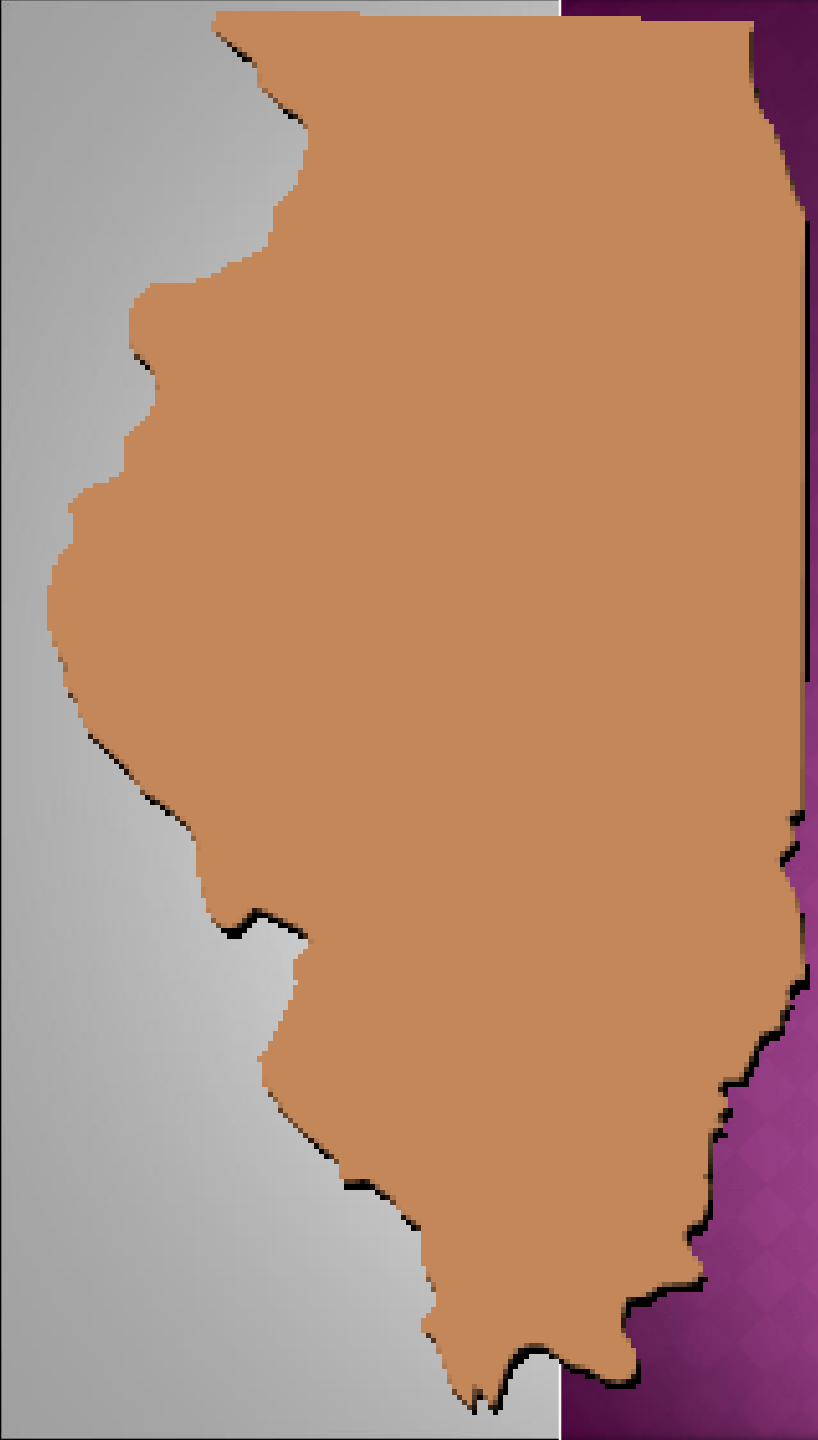


Type into the text field and click “send.”

Technical Difficulties or Contacting the Host



Click on the “Chat” icon to activate the chat function.



GAS AND ELECTRIC DEREGULATION IN ILLINOIS

How supplier choice programs have impacted the public in general, and LIHEAP clients and LIHEAP agencies in particular

Aimee Gendusa-English

Senior Consumer Rights Specialist

& Community Service Liaison

Citizens Utility Board of Illinois

aenglish@citizensutilityboard.org

www.citizensutilityboard.org

WELCOME TO ILLINOIS!

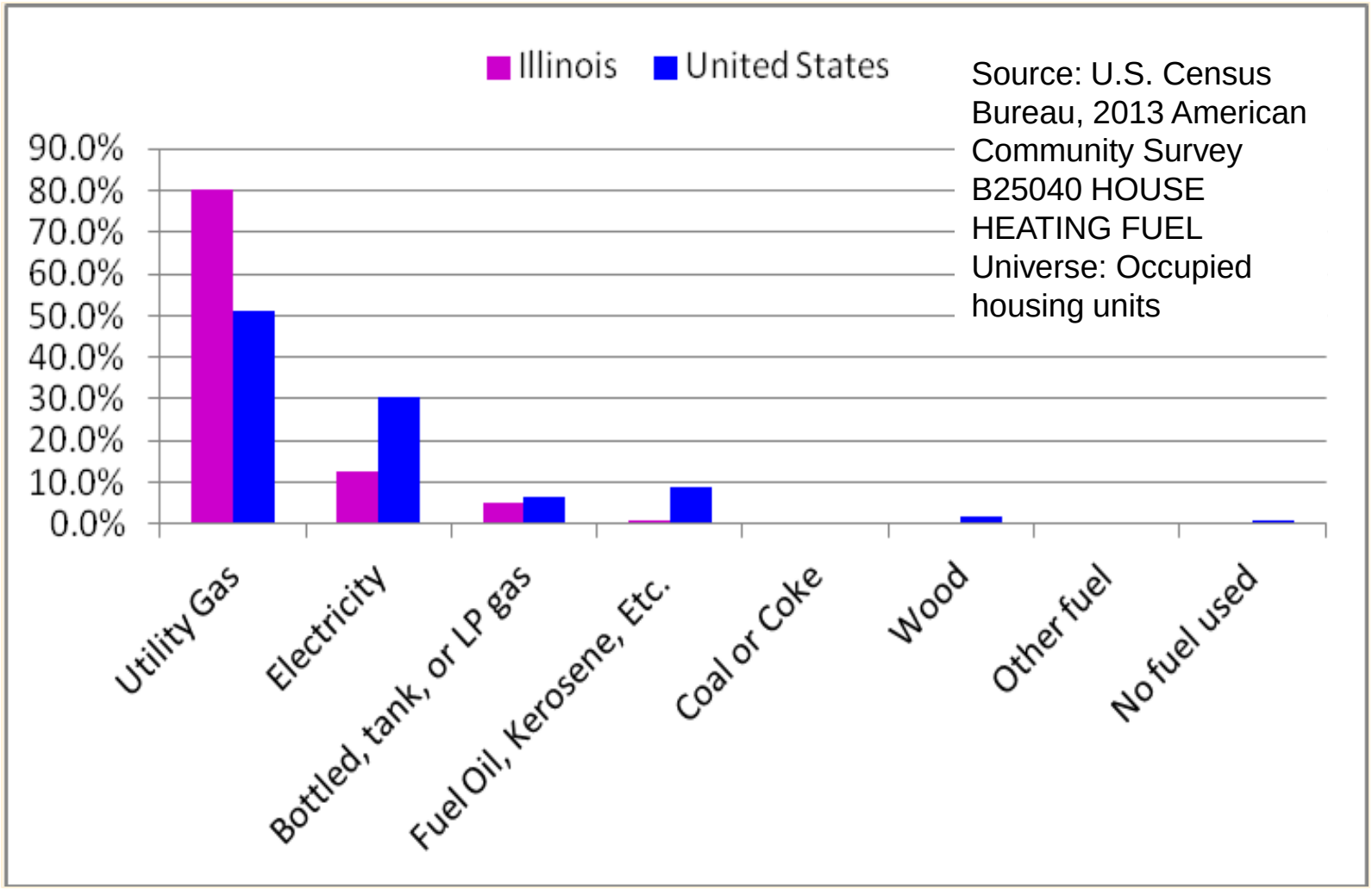
- 2014: 12.88 million people
  - 5th most populous state
  - 17th median income ($54K)
- Illinois LIHEAP
  - 102 counties
  - 35 LAAs
- PY 15:
  - $154 million federal
  - $77 million state
  - 334,000 households
    - Including 56,000 on PIPP
      - "Percentage of Income Payment Plan"

HOME HEATING IN ILLINOIS

Utility gas	3,757,212
Electricity	734,516
Bottled, tank, or LP gas	204,784
No fuel used	27,318
Wood	25,245
Other fuel	23,835
Fuel oil, kerosene, etc.	8,689
Solar energy	1,112
Coal or coke	710
Total:	4,783,421

Source: U.S. Census Bureau, 2013 American Community Survey B25040 HOUSE HEATING FUEL Universe: Occupied housing units

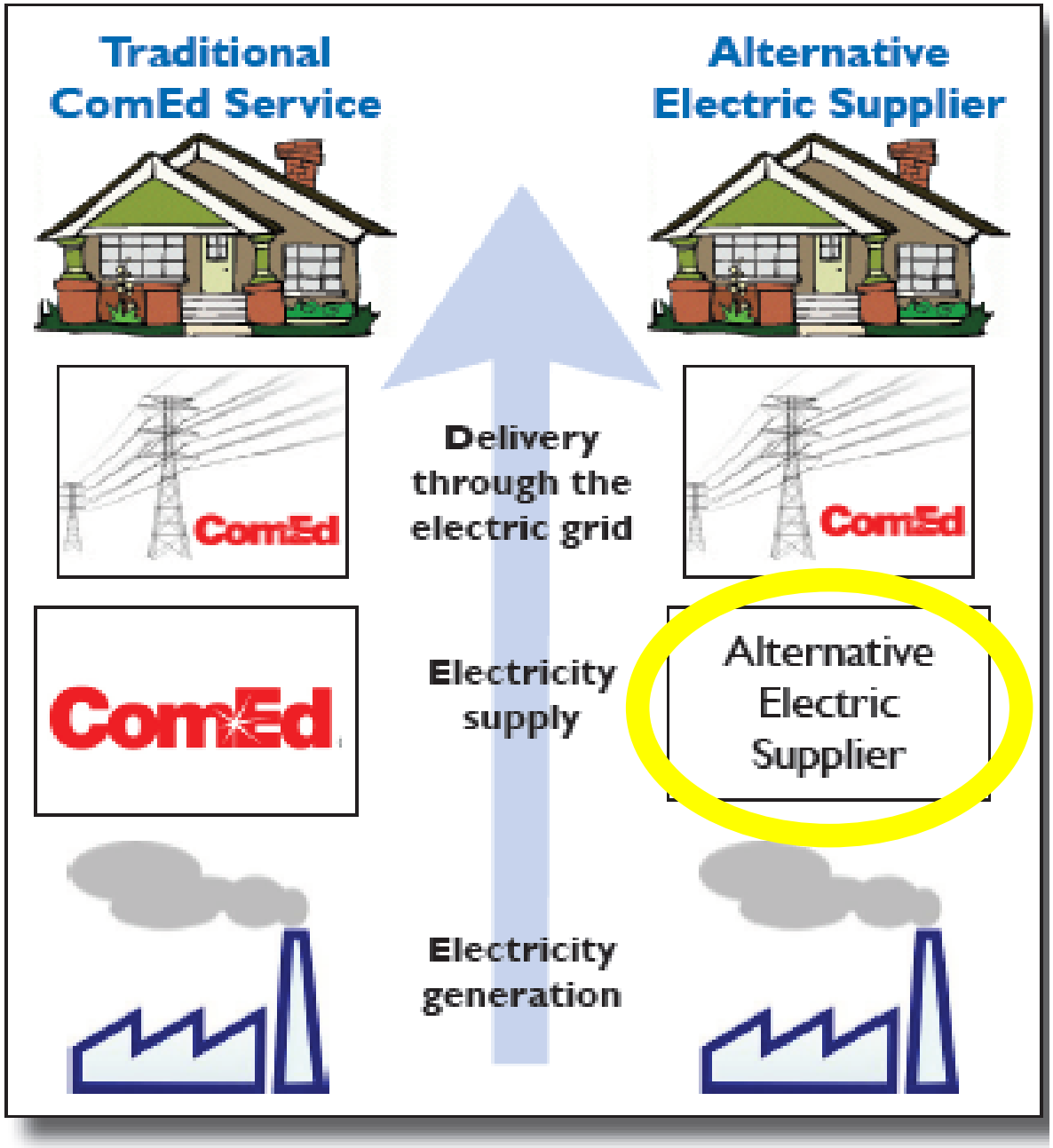
NATIONAL CONTEXT



Source: U.S. Census Bureau, 2013 American Community Survey B25040 HOUSE HEATING FUEL Universe: Occupied housing units

DEREGULATION BASICS

- Delivery by traditional public utility infrastructure
- Suppliers sell energy to utility on customer's behalf
- Gas & electric work differently


Traditional
ComEd Service
Alternative
Electric Supplier
ComEd
ComEd
ComEd
Delivery
through the
electric grid
Electricity
supply
Alternative
Electric
Supplier
Electricity
generation

ComEd

Page 1 of 2

Account Number 12345-67890

Name JOHN Q SMITH

Service Location 22 N MAIN ST CHICAGO, IL

Bill Summary	
Previous Balance	$98.21
Total Payments	$98.21
Amount Due	$68.23

Meter Information

Read Date	Meter Number	Load Type	Reading Type	Meter Reading Previous	Meter Reading Present	Usage
11/6	123456789	General Service	Total kWh	70982 Estimate	71492 Actual	510

Service from 6/7/13 to 7/6/13 - 30 Days — **Residential - Single**

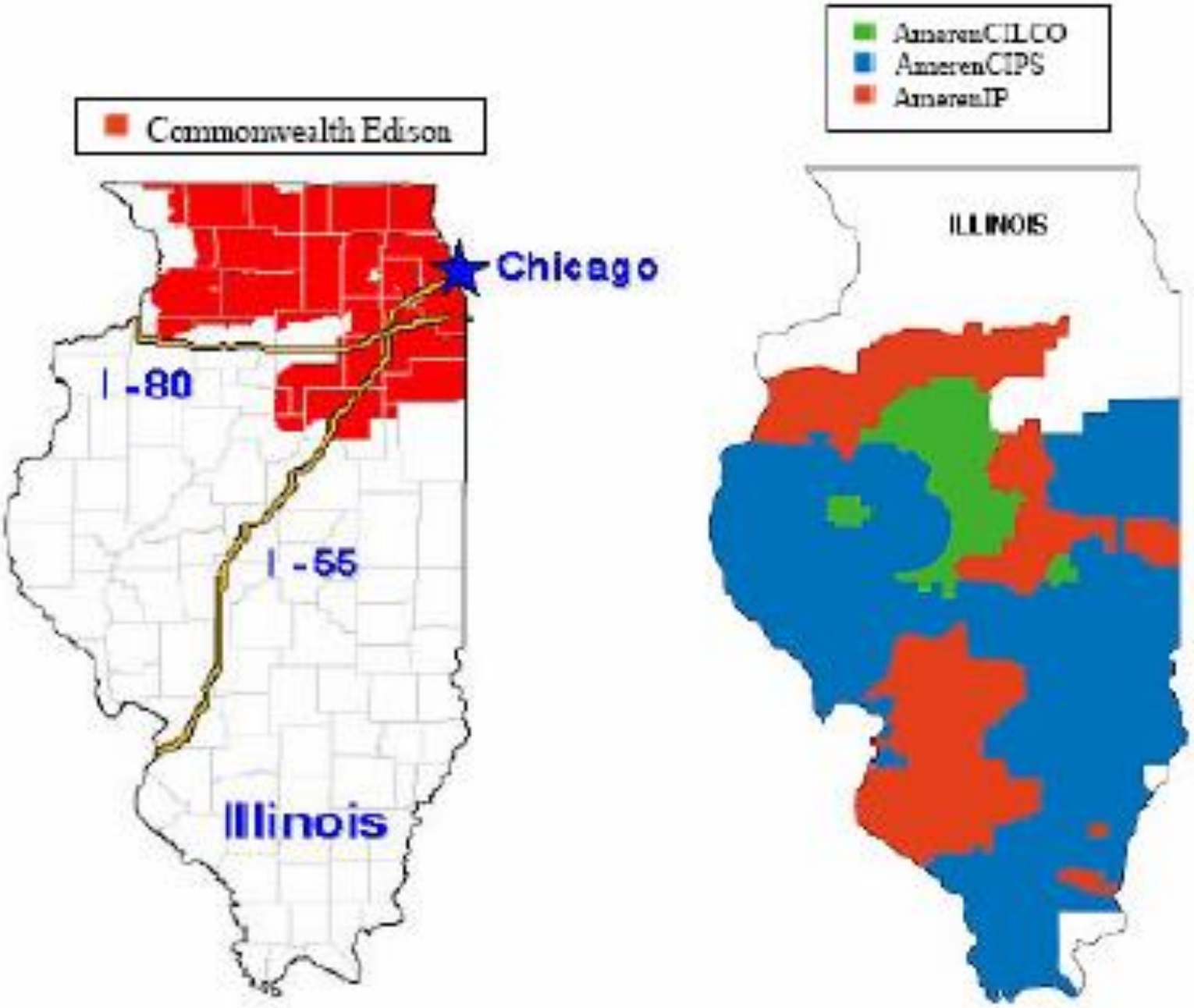
Electricity Supply Services				**$30.65**
Electricity Supply Charge	510 kWh	x	.04597	23.44
Transmission Services Charge	510 kWh	x	.00914	4.66
Purchased Electricity Adjustment				2.55
Delivery Services - IL Electric				**$27.04**
Customer Charge				
Standard Metering Charge				
Distribution Facilities Charge	510 kWh			
Taxes and Other				
Environmental Cost Recovery Adj	510 kWh			
Energy Efficiency Programs	510 kWh	x	.00147	0.75
Franchise Cost				2.55
State Tax				1.70
Municipal Tax				3.06
Total Current Charges				**$68.23**

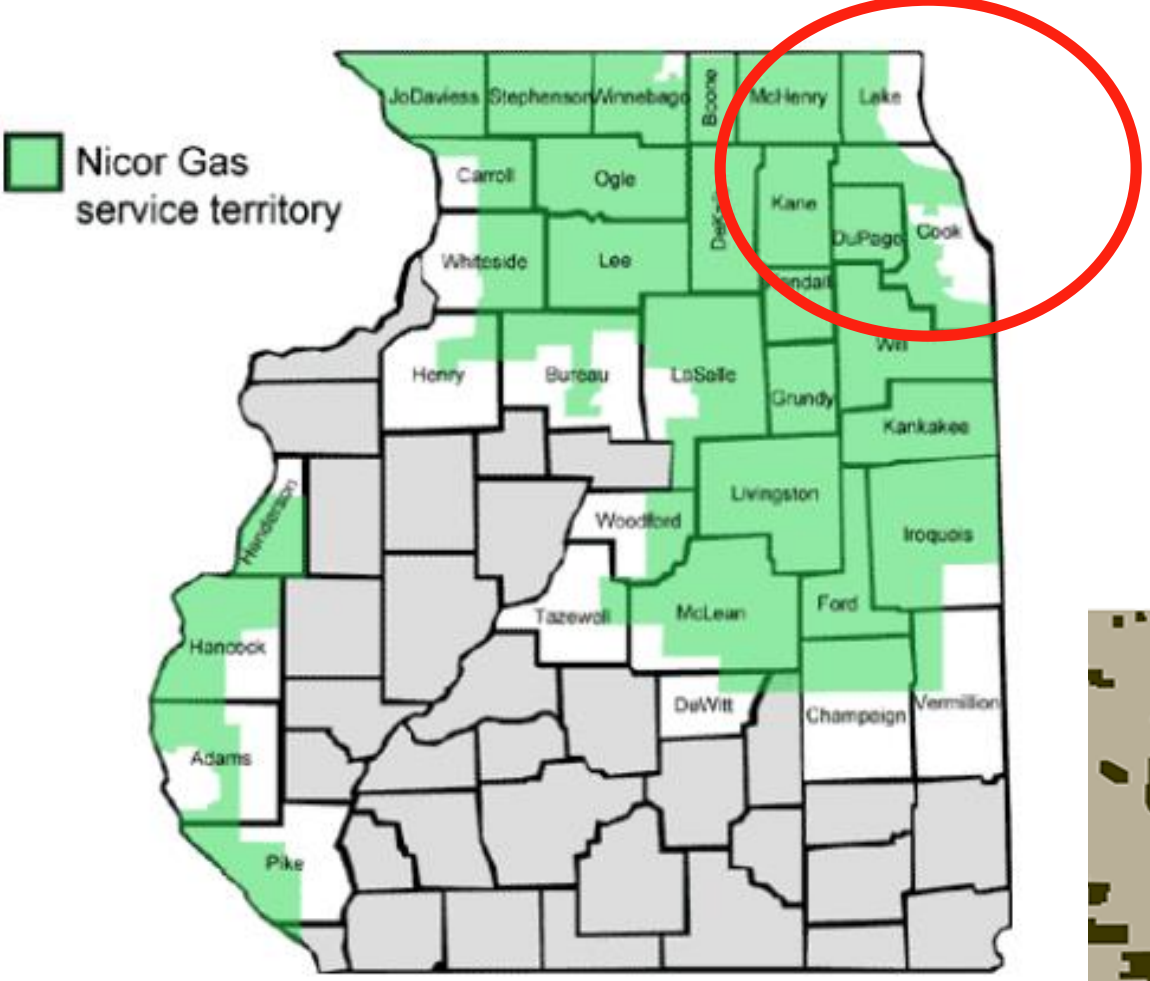
An alternative supplier's charges would appear in the "supply" section of your power bill.

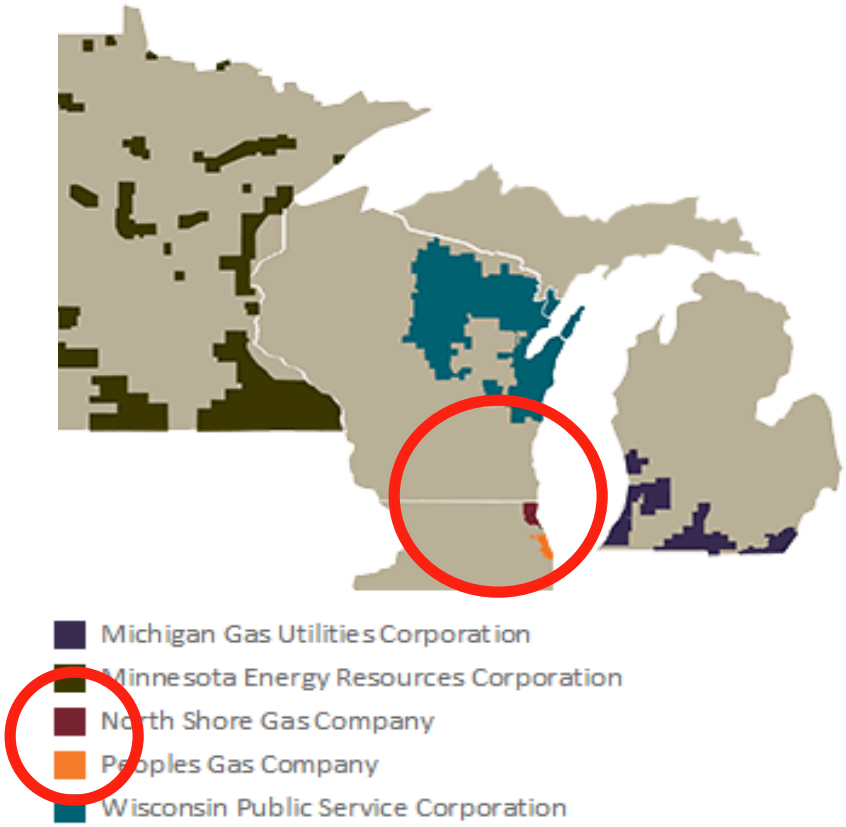
**This is a sample bill. Prices and charges may differ.*

DEREGULATION IN ILLINOIS

- Natural Gas 2002
  - 33 ARGS certified by ICC
- Electricity 2009
  - 84 ARES certified by ICC
  - 2,758,827 residential customers in Illinois have switched as of April 15, 2015 (ICC)
    - Purchase of Receivables
    - Community Aggregation
- **No choice** for Muni/Co-op customers


Commonwealth Edison
Chicago
I-80
I-55
Illinois
AmerenCILCO
AmerenCIPS
AmerenIP
ILLINOIS


Nicor Gas
service territory
JoDaviess
Stephenson
Winnebago
Boone
McHenry
Lake
Carroll
Ogle
Kane
DuPage
Cook
Whiteside
Lee
Henry
Bureau
LaSalle
Grundy
Kankakee
Livingston
Woodford
Iroquois
Henderson
Hancock
Tazewell
McLean
Ford
DeWitt
Champaign
Vermillion
Adams
Pike


Michigan Gas Utilities Corporation
Minnesota Energy Resources Corporation
North Shore Gas Company
Peoples Gas Company
Wisconsin Public Service Corporation

NATURAL GAS CHOICE

- Northern Illinois
  - Consumer Alerts
  - Gas Market Monitor
- Ameren program still pending
- No POR
  - ARGS charges can be removed from utility bill
  - No ARGS shutoffs
- 2009 marketing reforms
  - 30 day cancellation window
  - $50 cap

CUB CONSUMER ALERT:

BEWARE OF NEW GAS COMPANIES

Almost all consumers lose money

New, unregulated gas companies are trying to convince customers to switch their gas service. Aggressive sales people pitch these offers door to door, by mail and over the phone. But according to a CUB analysis: 9 out of 10 of the plans offered so far by these companies are money losers, costing the average consumer hundreds of dollars a year. Beware! The best bet may be to stick with your regulated gas company—Nicor.

HERE'S HOW TO PROTECT YOURSELF:

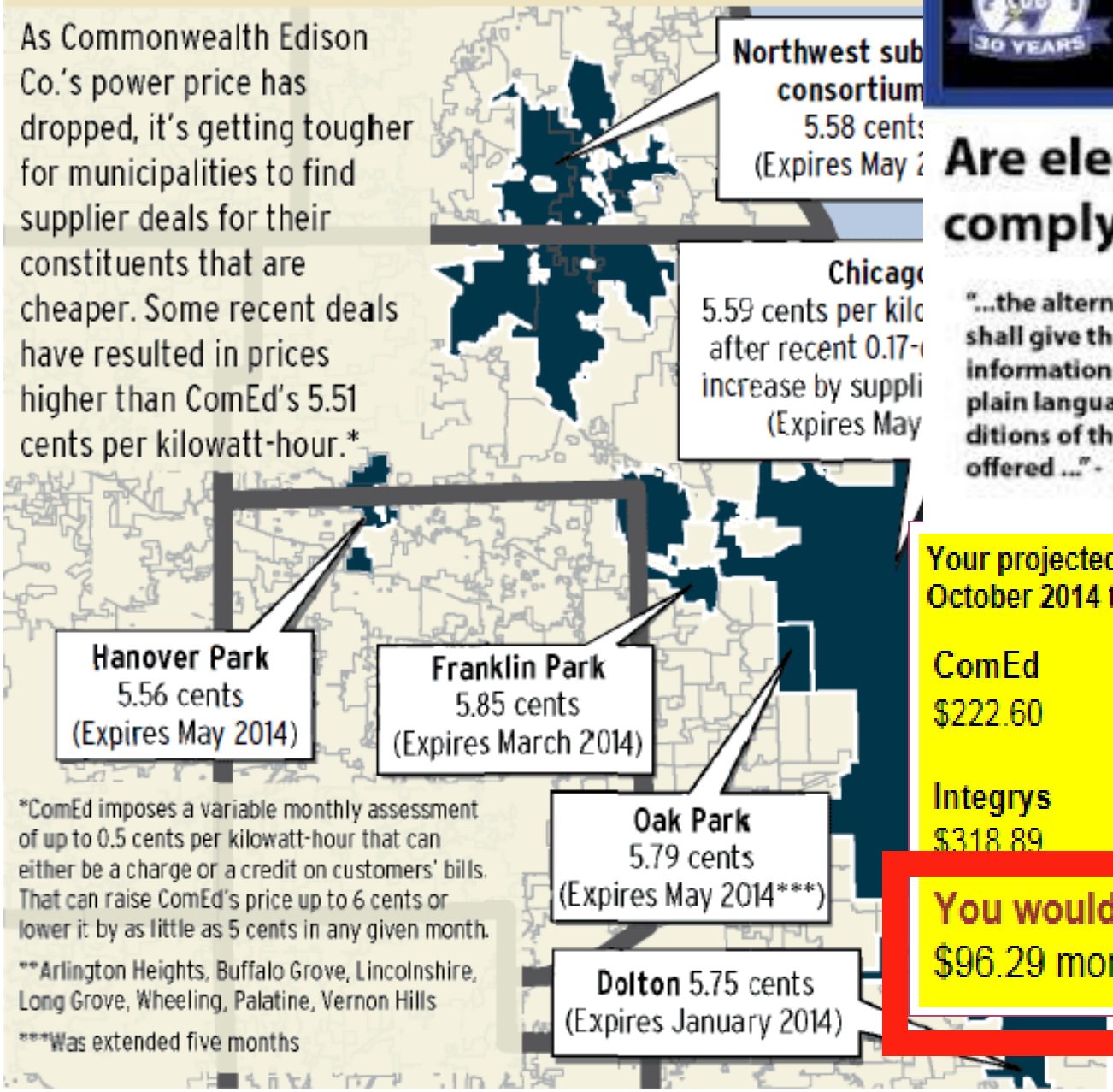
Who are these companies?

ELECTRICITY CHOICE

- Purchase of receivables
  - Full utility collection & disconnection process
  - Seamless/"invisible" to LIHEAP system(s)
- Community Aggregation
  - "Opt out" model
  - As of 6/9/15
    - 738 communities involved
    - 123 discontinued/non-renewed
  - Chicago "Power Deal"

POWER SAVINGS?

As Commonwealth Edison Co.'s power price has dropped, it's getting tougher for municipalities to find supplier deals for their constituents that are cheaper. Some recent deals have resulted in prices higher than ComEd's 5.51 cents per kilowatt-hour.*



*ComEd imposes a variable monthly assessment of up to 0.5 cents per kilowatt-hour that can either be a charge or a credit on customers' bills. That can raise ComEd's price up to 6 cents or lower it by as little as 5 cents in any given month.

**Arlington Heights, Buffalo Grove, Lincolnshire, Long Grove, Wheeling, Palatine, Vernon Hills

***Was extended five months

Sources: Illinois Commerce Commission, Integrys Energy Services, individual municipalities

PETITION FOR INVESTIGATION

Are electric suppliers complying with the law?

"...the alternative retail electric supplier shall give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered ..." - Illinois Public Utilities Act

Your projected supply charges for the months October 2014 to May 2015:

ComEd
$222.60

Integrys
$318.89

You would pay
$96.29 more with Integrys.

CONSUMER BATTLES

- Price gouging
  - Just Energy settlement
    - Seniors and Non-English speakers, many low-income
  - Santana “force majeure” & bankruptcy
    - Current issue in Texas
  - Major Energy Settlement
    - 35c=6x utility!
- Marketing tactics
  - Utility branding
  - Door-to-door sales
  - Multi-Level-Marketing
  - “Green” options
  - Teaser rates
  - Slamming
    - TPV
    - Current rulemaking: video…

www.pluginillinois.org/ComplaintGrid.aspx

Company	Total	Contracts/Billing	Customer Service	Sales/Marketing	Formal Complaints
AEP Energy	0				
Ambit Northeast	27				
Champion Energy, LLC	3				
Clearview Energy	13				
ConEdison Solutions	1				
Constellation Energy	24				
Constellation Energy Power Choice, Inc.	19				
Constellation Energy Services	92				
Direct Energy	159				
Eligo Energy IL, LLC	22				
Energy Plus	24				
Energy Rewards	0				
Energy.ME	0				
Entrust Energy	16				
Ethical Electric, Inc.	9				
Fighting Illini Energy	1				
FirstEnergy Solutions	14				
Green Mountain Energy Company	13				
Hiko Energy	0				
Homefield Energy	10				
IDT Energy, Inc.	14				
IGS Energy	26				
Illinois Gas & Electric	9				
Independence Energy	1				
Liberty Power Holdings LLC	58				
Major Energy	5				
MC Squared Energy Services, LLC	2				
Nicor Electric	0				
Nordic Energy Services	2				
North American Power	29				
NRG Home	20				
PALMco	11	4			
Plymouth Rock Energy, LLC	0	0			
Public Power, LLC	2	0			
Realgy, LLC	24	10			
ResCom Energy, LLC	1	1			
Santanna Energy Services	55	6			
Spark Energy, L.P.	66	23			
Sperian Energy	46	5			
Starion Energy	91	26			
Tara Energy	7	2			
Verde Energy USA	21	5	5	11	0
Viridian Energy PA LLC	7	6	0	1	0
XOOM Energy Illinois, LLC	8	3	1	4	0

Illinois Commerce Commission
527 East Capitol Avenue, Springfield, Illinois 62701

Consumers | Publ

ICC ▸ Utilities and Providers ▸ Certified Utilities in Illinois

UCDB

Public Utility | Certified Utilities | Household Good Movers | Motor Ca

Certified Utilitie

Service Type: Alternative Retail

46-60 of 85 results

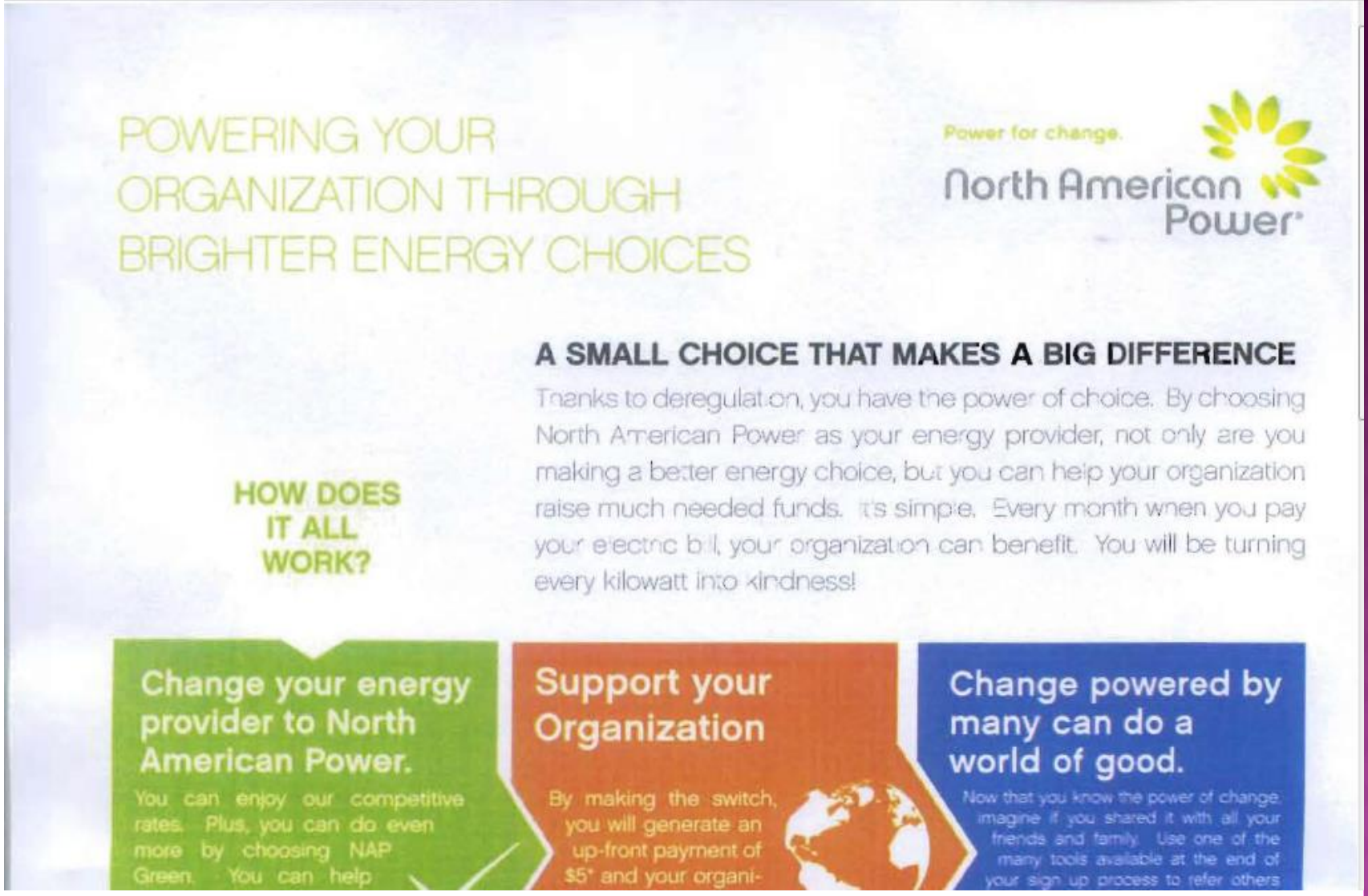
Iron Energy LLC
d/b/a Kona Energyd/b/a Zone Energyd/b/a Fighting Illini Energy
Activated: October 3, 2012
d/b/a Kona Energy
Activated: November 2, 2012
d/b/a Zone Energy
Activated: November 2, 2012
d/b/a Fighting Illini Energy
Activated: February 7, 2014

"Illinois Gas and Electric"

- IN, OH, KY, MI, PA, NY, DC, MD, NJ, CT, MA

LIHEAP CONTEXT

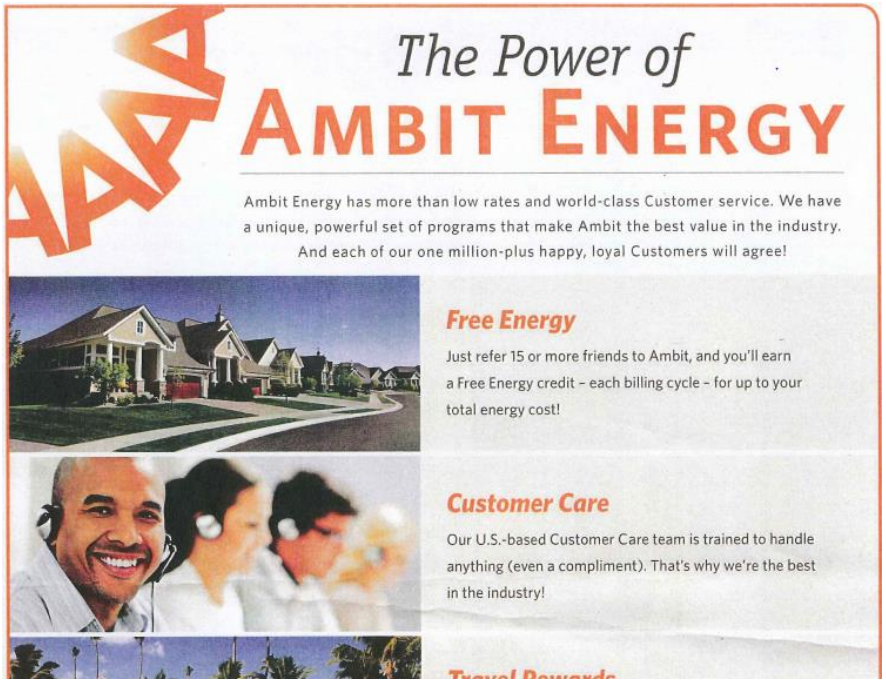
- Marketing as “discounts” or “assistance program”
- Trespassing inside subsidized senior buildings
- Skulking around LIHEAP intake locations
  - Tabling alongside LIHEAP agencies
  - Tabling INSIDE LIHEAP agencies
  - Direct marketing to LIHEAP agencies!
- Intake workers frustrated, confused
  - “Funny Bills” from other companies
  - Normal-looking bills that won’t go into the system (PIPP)
  - Not sure what to tell clients
- *Recruitment of sales agents in low-income neighborhoods…*



- Nonprofit "incentives"
- Churches, community groups
- Groups recruit their members, receive $$
- Teaser rates expire

AMBIT AT LIHEAP ENERGY FAIR

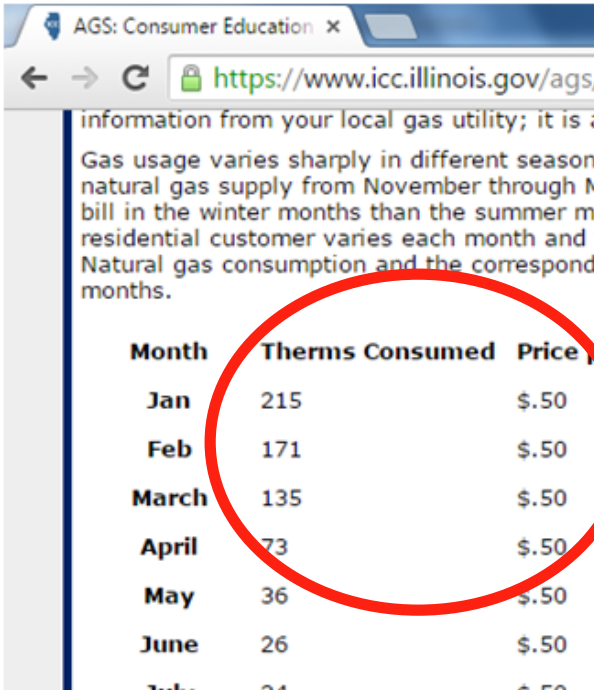
- Taking down contact info for LIHEAP applicants
- Enrolling or recruiting?
  - Upcoming "meeting"
  - "Free Energy"?
    - Fees to become a seller



AMBIT AT LIHEAP ENERGY FAIR

- Electric offer: "guaranteed" 3% discount
  - Dubious
- Gas offers:
  - 43.1 c/therm
  - 91.41 c/therm
    - Utility: 35.85
- Exorbitant gas rates far outpace any electric savings or "credits"

NATURAL GAS CLIENT IMPACT



2015PAYMENT MATRIX — NORTH #2 51% - 100%

FUEL TYPE	DVP	HOUSEHOLD SIZE 1	2	3	4	5
Natural Gas/ Other	Primary	$407	$407	$423	$456	$466
	Secondary	$192	$192	$219	[illegible]	$267
	TOTAL	$599	$599	$642	$702	$733
All Electric	TOTAL	$502	$502	$553	$606	$645
Propane	Primary	$497	$497	$515	$556	$568
	Secondary	$286	$286	$343	$396	$427
	TOTAL	$783	$783	$858	$952	$995
Fuel Oil	Primary	$497	$497	$515	$556	$568
	Secondary	$286	$286	$343	$396	$427
	TOTAL	$783	$783	$858	$952	$995
	CASH	$104	$104	$112	$120	$128

- 1,088 therms/year
- 75% Nov-Mar
- $456 DVP = 912 therms
- 84% of annual supply

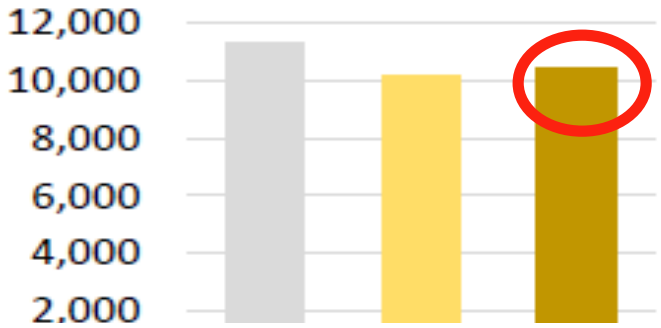
- Client locked at $.79/therm
- $456 DVP = 577 therms
- 53% of annual supply
- RA cycle starts earlier

ELECTRICITY CLIENT IMPACT

Independent Statistics & Analysis
U.S. Energy Information Administration

Site Consumption

kilowatthours



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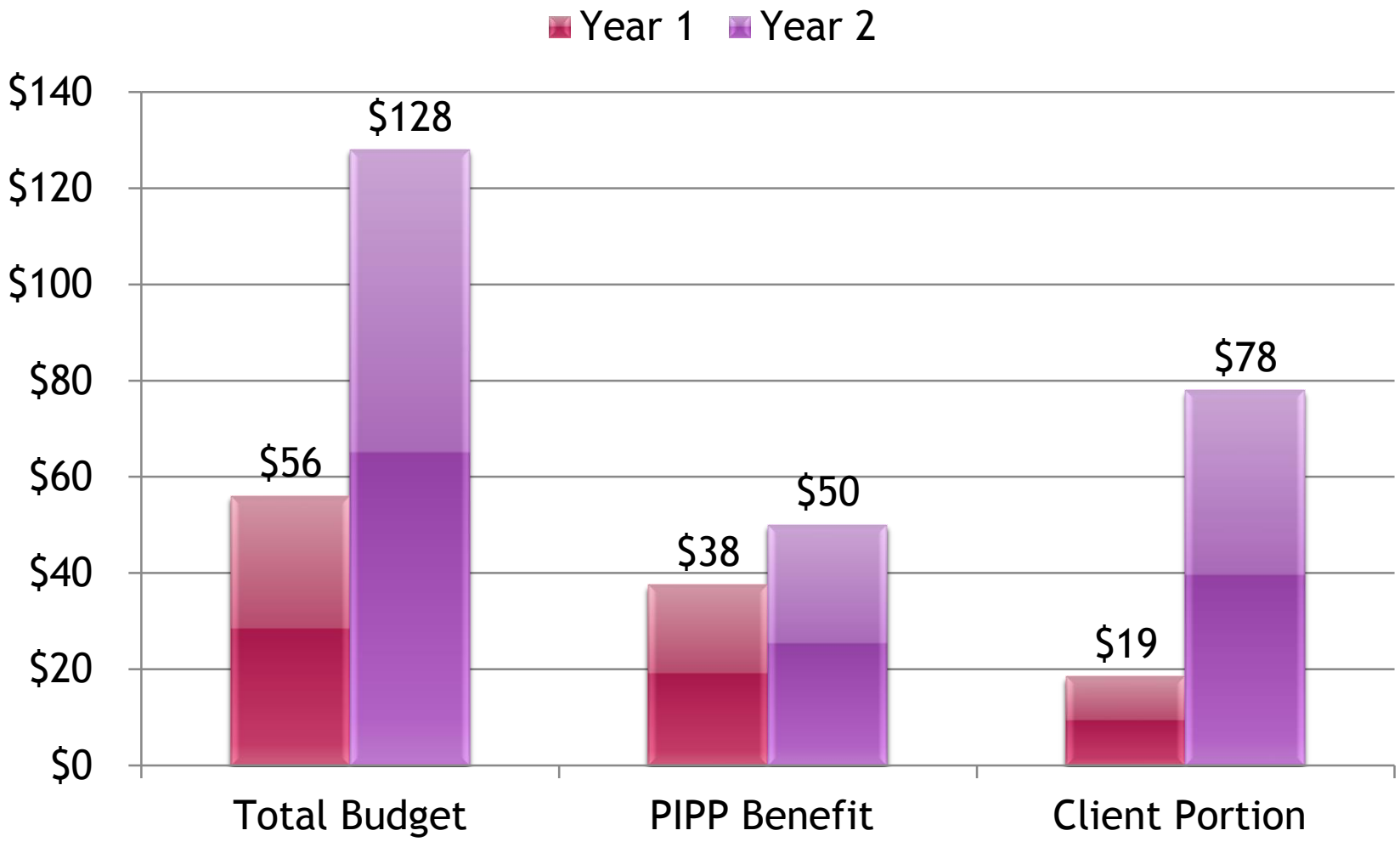
	TOTAL	$783	$783	$858	$952	$995
	CASH	$104	$104	$112	$120	$128

- 10,100 kWh/year (IL)
- Utilities $.075/kWh
- $246 DVP = 3,280 kWh
- 32% of annual supply
- Client locked at $.095/kWh
- $246 DVP = 2,589 kWh
- 26% of annual supply
- +Electric shutoffs deplete RA

PIPP ENVIRONMENT

- Supplier price spikes cost more for clients AND state
- Price spikes are imperceptible and unpredictable



PIPP IMPACT

- Even small changes in state benefit amounts add up quickly

Price Difference	Monthly bill impact	Cost per 100 PIPP clients per year
($0.02)	($13.47)	($16,164)
$0.01	$8.42	$10,104
$0.04	**$31.14**	**$37,368**

PIPP CONTEXT

Source: IL Department of Commerce and Economic Opportunity, report to the LIHEAP Policy Advisory Council

- PY 2014:
  - 80,719 active PIPP accounts
  - 35,033 (43%) have an alternative electric supplier
  - Of the 35,033, 25,302 (72%) had switched within the most recent program year
- Average annual budget bill increase ("true-up") for utility-supplied electricity: $6.03
  - For ARES accounts: $17.48 (nearly 3x higher)
  - As high as $76.58

CHICAGO PIECE

- Chicago aggregation contract with Integrys
- 10,127 (12%) were with Integrys
- Integrys average true-up: $6.97
- Translation: $114,232.56 in added program costs to state because of one city contract

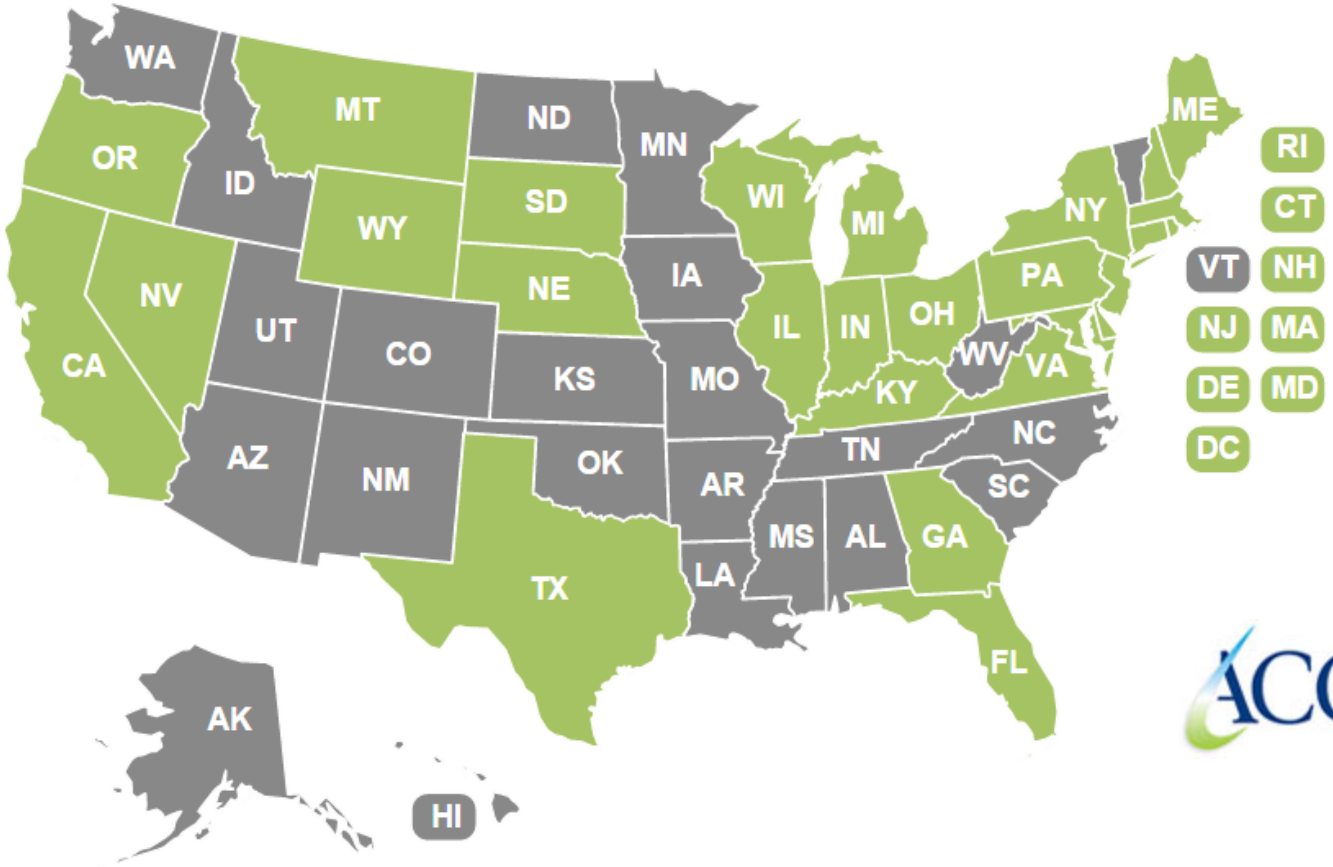
NATIONAL PICTURE

- 28 states have choice of some kind
- Electric choice is more widely available than gas choice
- Roughly 35 Illinois suppliers are active in other states

Company	States
Xoom Energy	18
Ambit Energy	14
Constellation	14
Viridian	14
Clearview Electric	13

competitiveenergy.org/consumer-tools/state-by-state-links/

State-by-State Information



Key:

- Has energy choice
- Does not have energy choice
- Electric Choice
- Gas Choice

ACCES AMERICAN COALITION OF COMPETITIVE ENERGY SUPPLIERS

NEW YORK PICTURE

- Electric choice territories:
  - Central Hudson
  - ConEd
  - NYSEG
  - National Grid
  - Orange & Rockland
  - RG&E
- Gas choice territories:
  - Central Hudson
  - ConEd
  - Corning Natural Gas
  - National Grid (Keyspan)
  - National Fuel Gas Distribution
  - NYSEG
  - National Grid (Niagara Mohawk)
  - Orange & Rockland
  - RG&E
  - St. Lawrence Natural Gas

Number of Initial Complaints Received Against ESCO's

ode	Company Name	2015	2014	Oct-15	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14	Nov-14	Oct-14
8AB	ABC Energy LLC	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
7AB	ABN Energy, LLC DBA GreatEnergy	3	2	0	1	0	0	1	0	0	0	1	0	0	0	0
128	Accent Energy Midwest, LLC	4	6	2	1	0	0	1	0	0	0	0	0	0	0	0
249	Affordable Power, L.P.	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
1AG	Agera Energy	2	0	0	0	1	0	0	0	0	0	1	0	0	0	0
0AG	Aggressive Energy, LLC	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0
001	Agway Energy Services, LLC.	55	153	2	0	4	6	4	5	7	11	6	10	2	4	4
5AL	Alpha Gas And Electric, Llc	53	204	2	3	4	9	4	6	7	10	5	3	5	2	6
230	Ambit Energy	1101	448	45	51	46	114	114	287	155	95	111	83	60	33	41
002	Amerada Hess Corp.	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0
1AM	American Power & Gas, LLC	297	196	25	11	23	22	27	22	40	45	40	42	16	14	23
5AM	American Power Partners, LLC	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
240	Ameristar Energy, LLC	1	3	0	0	0	0	0	0	0	1	0	0	0	0	1
9AM	Amplified Power & Gas, LLC	6	59	0	0	0	0	0	2	0	3	1	0	1	2	2
3AP	Ap Gas & Electric (ny), Llc	17	6	5	1	0	1	1	2	2	0	2	3	1	0	1

https://www.palmcoenergy.com/contact/
PALMco
Privately owned, Family in business since 1938
SALES
Phone: (877) 726-5862
Fax: (718) 851-2427
Email: sales@palmcoenergy.com
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ENROLL
CONNECTICUT
ILLINOIS
MARYLAND
MASSACHUSETTS
NEW JERSEY
OHIO
PENNSYLVANIA
MAILING ADDRESS
PALMco Energy
Brooklyn, NY 11219
Yes, we're hiring! Want to start a career with PALMco?

STATE OF CONNECTICUT

NEWS RELEASE

Consumer Counsel Elin Swanson Katz

FOR IMMEDIATE RELEASE
Contact: Elin Swanson Katz
Elin.Katz@ct.gov
(860) 827-2910

STATE INVESTIGATION RAISES ALLEGATIONS OF DECEPTIVE MARKETING PRACTICES AGAINST ELECTRIC SUPPLER PALMCO; CONSUMER COUNSEL ASKS PALMCO CUSTOMERS TO VOICE THEIR COMPLAINTS

NEW BRITAIN, Conn. (December 2, 2015) – Consumer Counsel Elin Swanson Katz is advising Connecticut residents who are current or past customers of the third-party retail electric supplier Palmco Power CT, LLC (Palmco) that Palmco's alleged deceptive marketing practices are being investigated by the Public Utilities Regulatory Authority (PURA), along with other terms of Palmco's supplier license, and encouraging other Connecticut residents who believe they were affected by Palmco's alleged overly aggressive solicitation tactics to participate in PURA Docket No. 10-01-24RE01, *Application of Palmco Power CT, LLC For An Electric Supplier License – Investigation of Marketing and Enrollment Practices*, in the ways specified below.

On April 16, 2015, PURA issued a Cease and Desist Order for Palmco's door-to-door marketing practices, in response to 26 complaints regarding Palmco's door-to-door marketing practices since 2012, including two Eversource Energy (Eversource) customer complaints that Palmco agents misrepresented themselves as employees of Eversource, presented Palmco sales materials, and told customers that their electric service would be shut off if they did not sign contracts for service with Palmco.

THANK YOU !

NEW YORK STATE OF OPPORTUNITY.

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