Presentation to

NEVADA GOVERNOR'S COMMITTEE ON ENERGY CHOICE

Technical Working Group on Consumer Protection

April 20, 2018

Discussion of Massachusetts Report

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Introduction

Massachusetts Report

- Questions Asked
- Approach to Analysis
- Key Results

Some of the Questions Asked

- Do customers pay more or less as a result of choice?
- How does the market affect low-income customers?
- Is there any evidence of greater participation or higher rates in communities of color, communities with higher percentages of residents lacking English proficiency, and low-income communities?
- If there is consumer harm, what remedies would be appropriate?
- What is the regulatory burden associated with protecting consumers?

Approach

- Electric companies render billing on behalf of more than 50 suppliers
- We asked for all bills rendered, separately for each supplier and each month
- We compared the amounts that customers *did* pay with what they *would have paid* had they stayed with their electric company
- Our analysis is supplier-specific and we looked for savings and for losses relative to electric companies
- We also asked for one month of data disaggregated to the zip code level so we could examine suppliers' presence at the community level

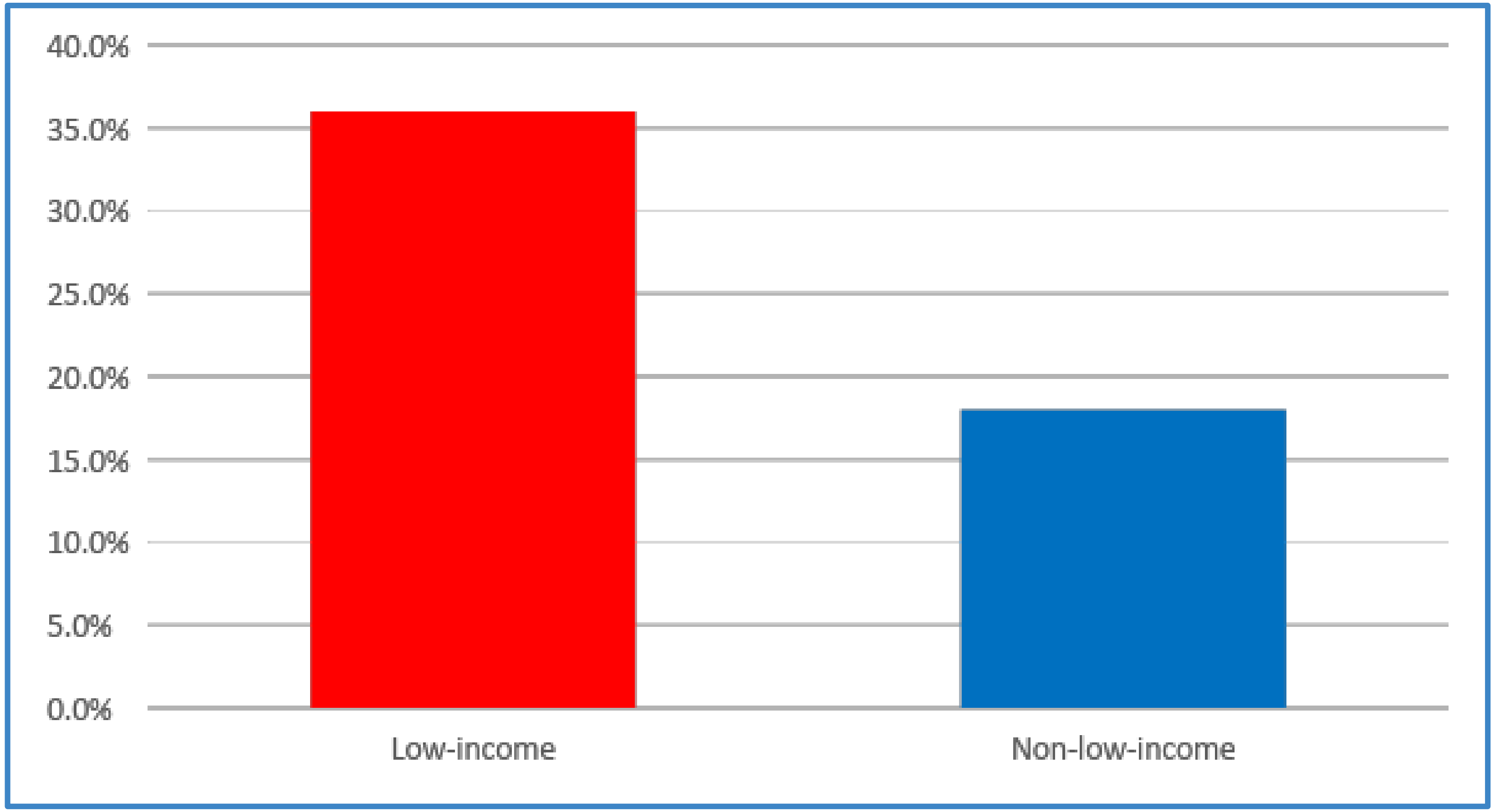
Results

Net Consumer Loss Is Large and Increasing

	July 2015 – June 2016	July 2016 – June 2017	Two-Year Total Net Loss
Total Net Consumer Loss (millions)	**$65.4 m**	**$111.4 m**	**$176.8 m**

Results

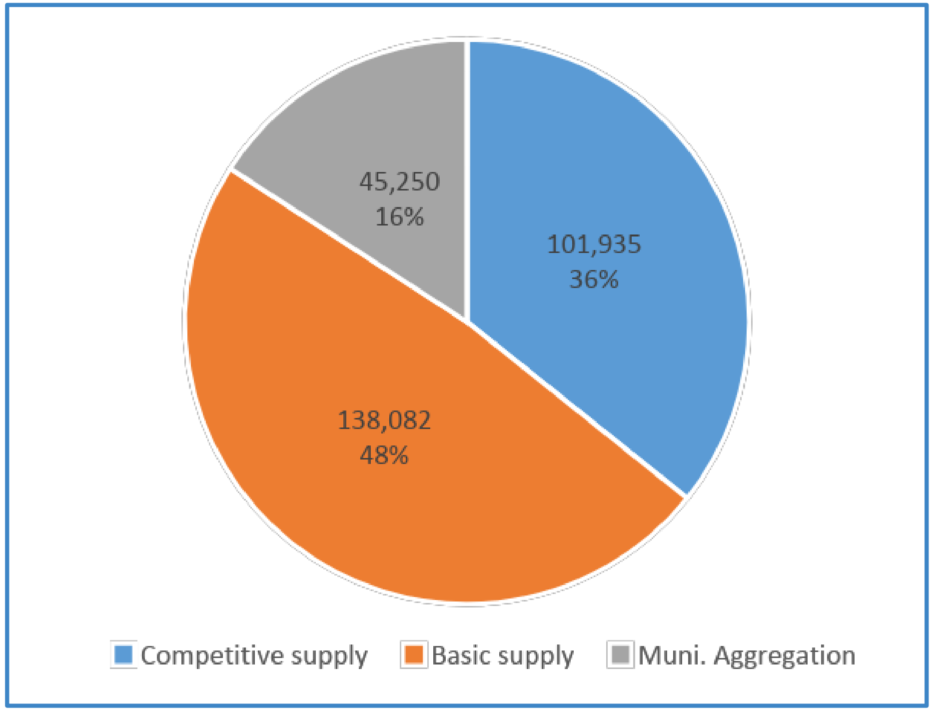
Low-Income Participation Is Twice that of Non-Low-Income Participation



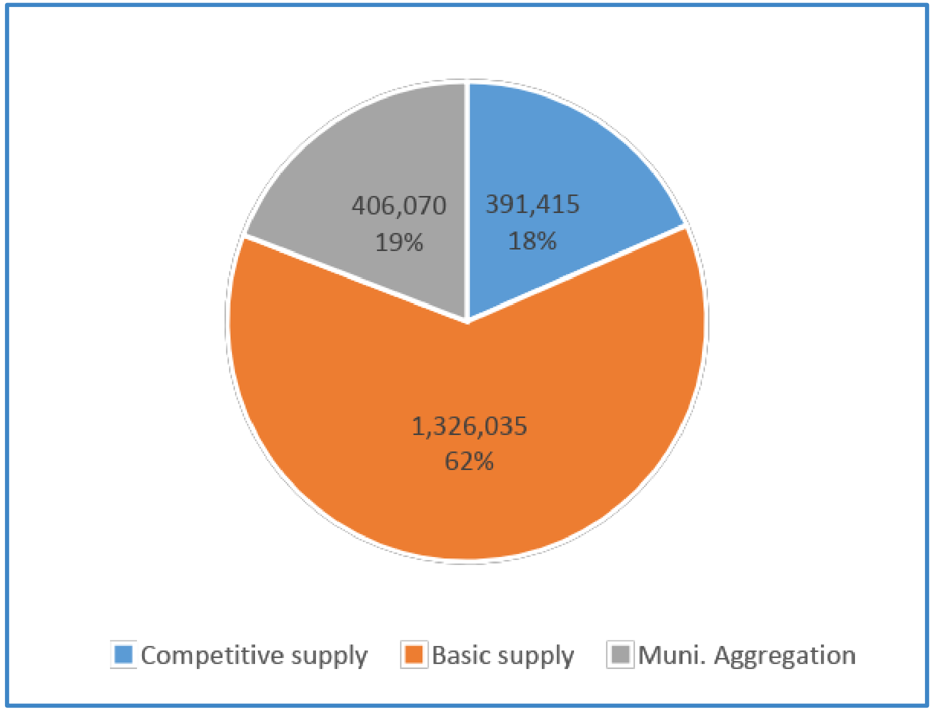
Results

Low-Income Participation Is Twice that of Non-Low-Income Participation

Low-Income

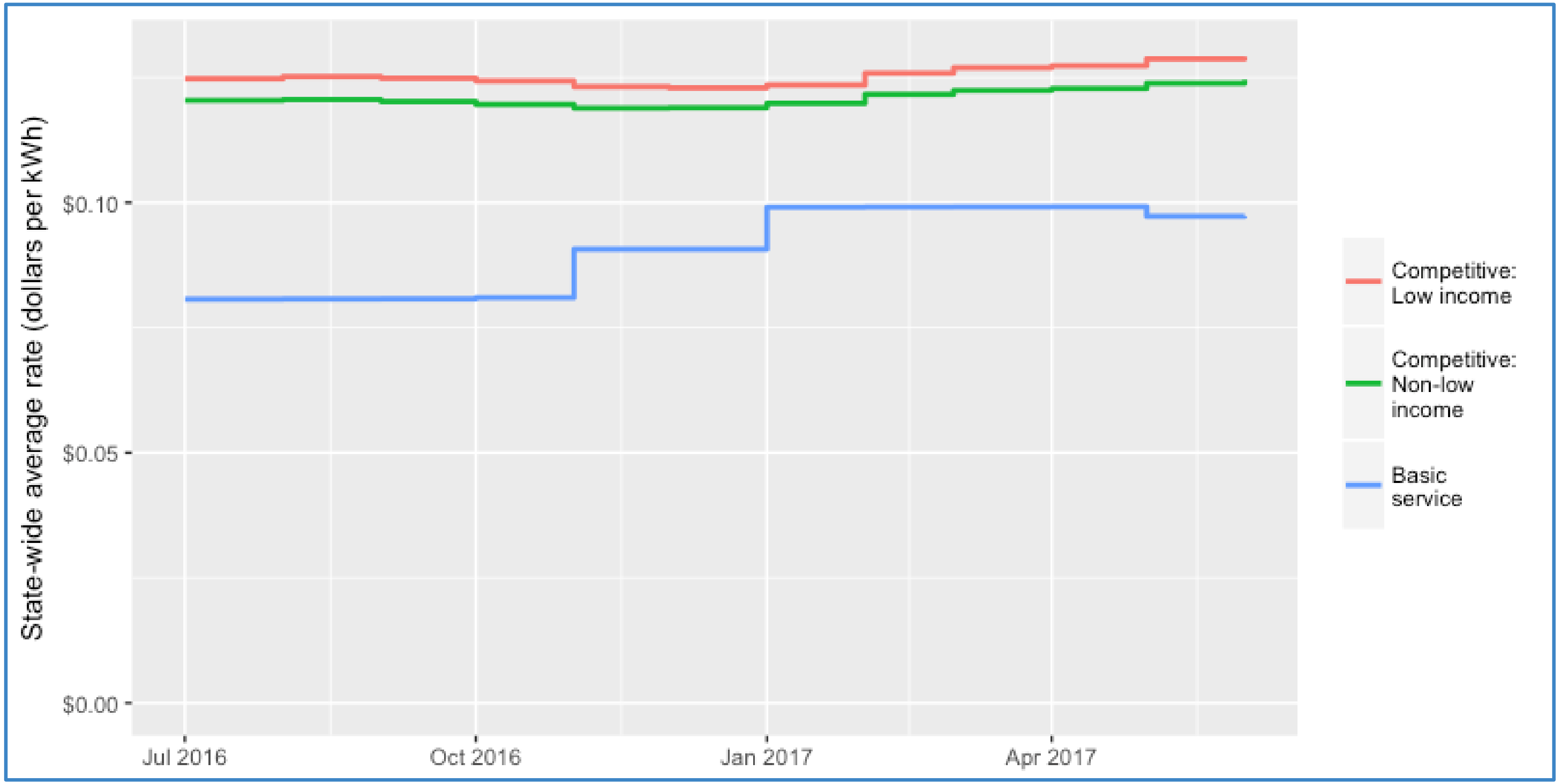


Non Low-Income



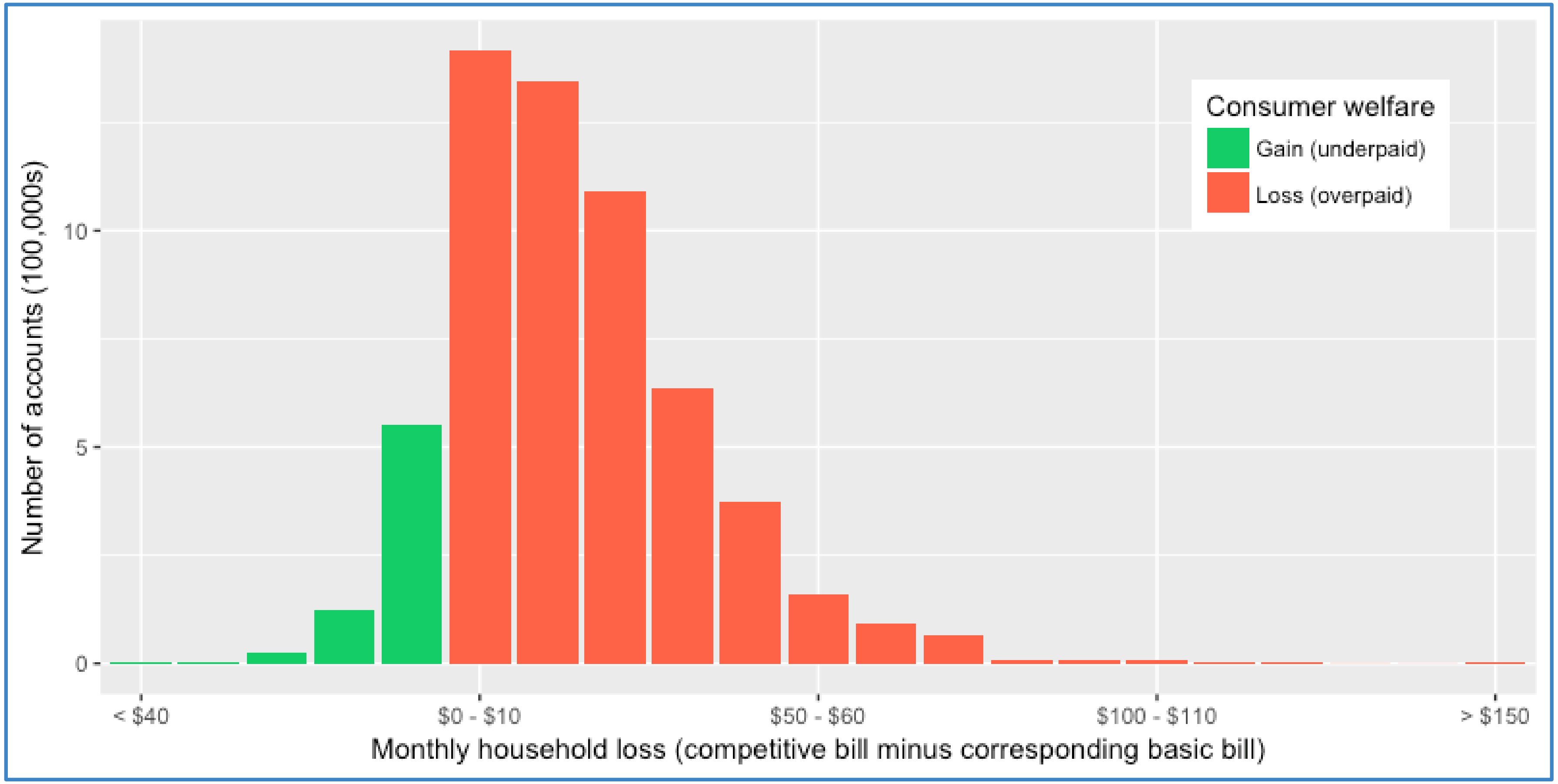
Results

“Premium” to Participate: Consumers Pay Every Month of the Year



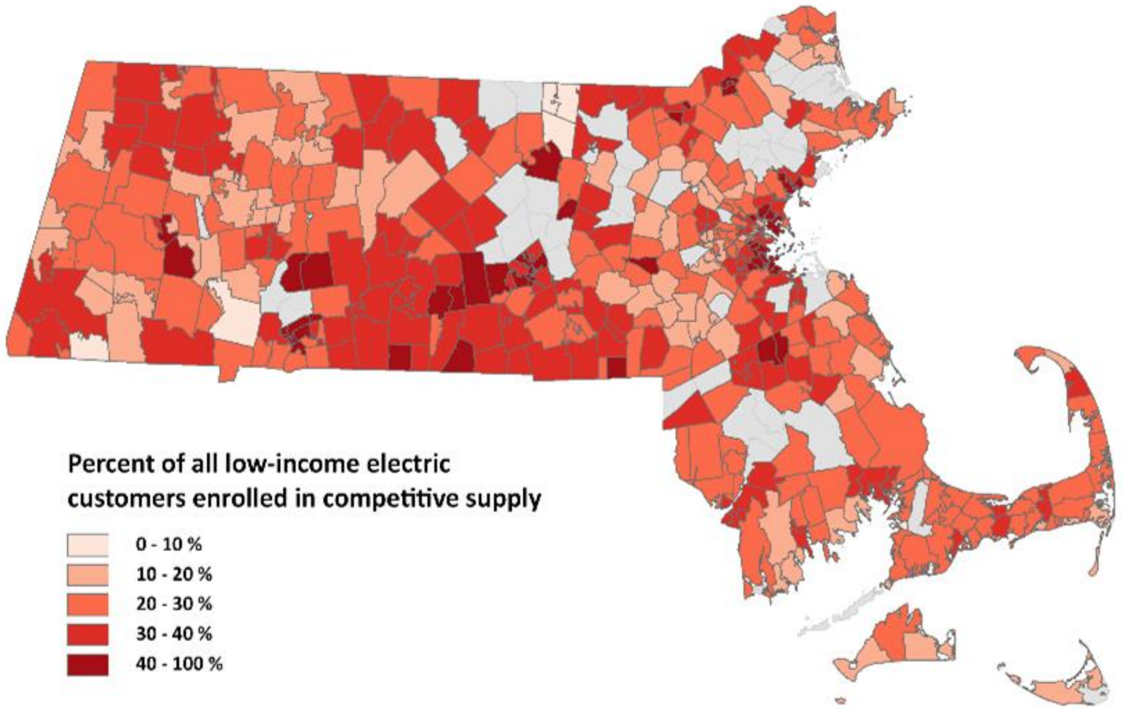
Results

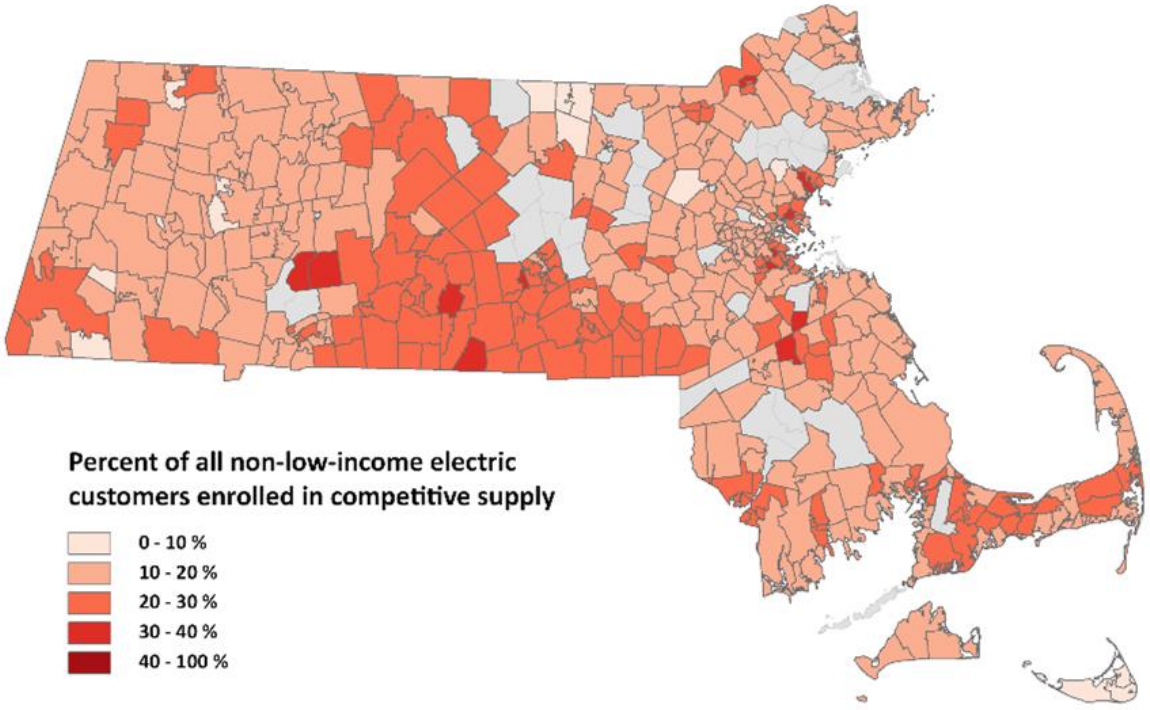
Consumer Losses Vastly Outweigh Consumer Gains



Results

Participation in the Market:
Low-Income Significantly Exceeds **Non-Low-Income**





Results

Some communities participate more.

Participation Rates - All Households		
Demographics	Demographic-Specific Communities	All Other Communities
Majority-Minority	30%	19%
African American – Top 20	32%	20%
Hispanic – Top 20	33%	20%
Limited English Proficiency – Top 20	30%	20%
Bottom 20 Median Income	31%	20%
Percent receiving low-income subsidy – Top 20	32%	20%
Top 20 Median Income	15%	21%

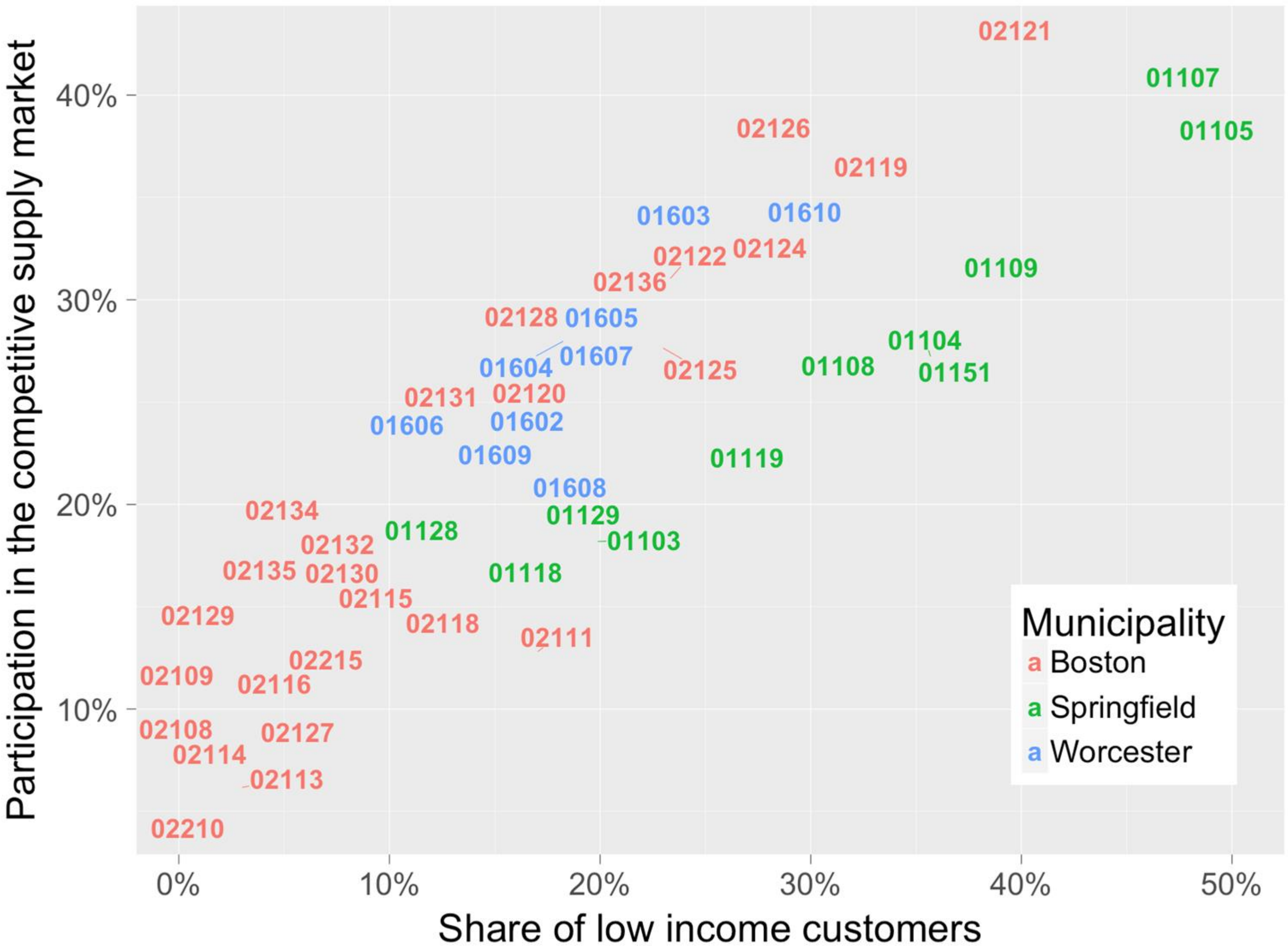
Results

Some communities pay more.

	Premium		
Demographics	Demographic-Specific Communities	All Other Communities	Demographic Mark-Up
Majority-Minority	$0.03328	$0.02953	13%
African American – Top 20	$0.03220	$0.03010	7%
Hispanic – Top 20	$0.03521	$0.02986	18%
Limited English Proficiency – Top 20	$0.03442	$0.02990	15%
Bottom 20 Median Income	$0.03427	$0.03000	14%
Percent receiving low-income subsidy – Top 20	$0.03487	$0.02999	16%
Top 20 Median Income	$0.02933	$0.03034	-3%

Results

Participation by Zip Code



Presentation by Susan M. Baldwin to the NEVADA GOVERNOR’S COMMITTEE ON ENERGY CHOICE

Results

SOME OF OUR FINDINGS

- Suppliers bill Massachusetts customers more than $430 million annually.

- Suppliers issued 5,920,193 monthly bills to all Massachusetts residential customers during a twelve-month period, suggesting that suppliers serve an average of approximately 493,349 households in Massachusetts, of which approximately 102,000 are low-income households.

- It is getting worse: average household loss of $134 during the 2015–2016 study period and an average household loss of $226 during the 2016–2017 study period.

- Twelve percent of bills are associated with competitive suppliers who charged rates that would provide savings relative to the electric company rates. For this small group of customers, savings are, on average, $74.56 per year, or less than a third of the average annual overpayment of $269

Results

SOME OF OUR FINDINGS (cont'd)

- Low-income households make up approximately 21 percent of the residential competitive supply market, yet make up only 12 percent of the market for all electric customers.
- Over one-third (36 percent) of *all* low-income customers take service from a competitive electric supplier.
- Regulatory burden associated with enforcing consumer protection measures is extremely high

Conclusion

Are residential customers benefiting from retail electric competition?

No.