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OCC FACT SHEET:
In Support of Legislation to End the Residential Retail Choice Electric Supply Market

I. Economic Harm: CT’s Economy is Thwarted by Residential Electric Retail Choice
      i. 2015: $58,263,855 Overpayment
      ii. 2016: $59,011,285 Overpayment
      iii. 2017: $46,316,174 Overpayment
      iv. 2018: $38,564,580 Overpayment
      v. Note: the overpayment figures from 2015-2018 have subsided somewhat due primarily to the gradually decreasing number of consumers participating in the retail choice electric market.
   B. Other States Have Issued Reports Detailing Economic Harm from Residential Retail Choice
      ii. “Competing to Overcharge Consumers: The Competitive Electric Supplier Market in Massachusetts,” April 2018 Report issued by the National Consumer Law Center
      iii. “Maryland’s Residential Electric and Gas Supply Markets: Where Do We Go from Here?,” November 2019 Report Issued by the Maryland Office of People’s Counsel
   C. Third-Party Electric Suppliers Do Not Bring Meaningful Employment to CT
      i. Most marketing is done by third-party agents who are generally paid by commission.
      ii. Telesales marketing vendors are mostly from outside of CT.
      iii. Door-to-door marketing is not as significant as telesales due to CT winters, and many door-to-door marketing agents are bused in from out of state to solicit in CT neighborhoods for a day. OCC Brief at 62-63.
      iv. Even if in-state, most marketing jobs are transitory. OCC’s collective experience shows that most marketing agents do not stay in their positions for meaningful periods of time.

II. Legislative: CT Has the Most Robust Consumer Protections Nationally Yet Consumer Harm Persists
   A. CT was the first state to implement a Variable Rate Ban through Public Act No. 15-90
   B. Considerable Consumer Protection Legislation was enacted through Public Act No. 14-75
   C. The MA Attorney General found: “In Connecticut, the legislature and [PURPA] strengthened consumer protections through the adoption of a number of comprehensive measures, including a ban on variable rates. However, these measures have merely mitigated the loss and not transformed the market into one that provides net benefits.” Report at 40.
III. **CT Regulatory Proceedings:** Despite Strong PURA Enforcement, Consumer Harm is Still Rampant

E. Spark Energy, $900k Civil Penalty (pending), PURA **Notice of Violation**, Mar. 21, 2018
F. Choice Energy: $250k Civil Penalty, PURA **Decision**, June 13, 2018
G. Liberty Power: $57,475 Civil Penalty, PURA **Decision**, July 2, 2018
H. Spark Energy, $750k Civil Penalty (pending), PURA **Notice of Violation**, Sept. 5, 2018
I. Direct Energy: $1.5M Civil Penalty (pending), PURA **Notice of Violation**, Sept. 11, 2018
J. Liberty Power: $1.5M Civil Penalty (pending), PURA **Notice of Violation**, Sept. 12, 2018

IV. **The Retail Electric Choice Electric Market Causes a State & Regulatory Resource Drain**

A. All of the above and the sampling of below PURA enforcement proceedings involved thousands and thousands of work hours by staff of resource-strapped state agencies (PURA, OCC, AGO)
C. PURA Docket Nos. 14-07-19, 14-07-19RE01, 14-07-19RE02, 14-07-19RE03, 14-07-19RE04, and 14-07-19RE05 (ongoing): all investigating issues related to supplier information in the residential electric bill redesign
D. PURA Docket Nos. 14-07-20 & 14-07-20RE01 (ongoing): establishing third-party electric supplier marketing standards
E. PURA Docket: No. 18-06-02 (ongoing): investigating whether “hardship” customers should be placed on electric utility standard service

V. **Other State Actors Have Called for the End of Residential Retail Choice**

A. The MA Attorney General Has Co-Sponsored **Legislation** to End the Residential Retail Choice Market, Jan. 22, 2019; MA Attorney General’s **Press Release** to End the Residential Retail Choice Market, Mar. 29, 2018
B. The IL Attorney General’s **Press Release** Calling for the End of the Residential Retail Choice Market, Oct. 15, 2018

VI. **CT’s Most Vulnerable Populations are Harmed and Targeted in CT’s Retail Choice Market**

A. Vulnerable populations include, but are not limited to, Senior Citizens, Low-Income Residents, English as a Second Language Residents, and Disabled Residents
   i. High frequency of consumer complaints come from vulnerable populations
   ii. Vulnerable populations are more frequently marketed to by electric suppliers
B. PURA Docket: No. **18-06-02**: investigating whether “hardship” customers should be placed on electric utility standard service