

Office of the Attorney General Energy & Ratepayer Advocacy Division

Adriana Bakhos Presentation for National Consumer Law Center April 10, 2024



Best Ways to Save Energy

- **Turn down your thermostat.** It is cheaper to run your heating a few degrees cooler than it is to crank up the heat for a short blast. Short, intense blasts of heat require more effort from your boiler and often waste energy.
- Think of your energy usage when you do your laundry. Washing clothes at 30 degrees is far more efficient than using hotter water. Unless you're disinfecting your towels, clothes, or bedsheets, any temperature higher than that isn't necessary.
- Make sure your home is well insulated. Huge amounts of heat leave a building if it isn't properly insulated, so make sure that your doors, windows, and walls are free of any holes or cracks that could let out heat. Install double glazed windows. Make sure your curtains are closed at night.
- Switch to energy-efficient light bulbs. LED light bulbs are typically the most efficient and can add to your monthly savings.
- Consider solar energy to reduce electricity usage. The AG's Office has an FAQ with consumer tips at mass.gov/ago/solar.
- Contact Mass Save for an energy efficiency audit to see how you can reduce your overall energy use
 - Phone: 1-866-527-SAVE (7283)
 - Website: masssave.com



If you're having trouble paying your bills

- We urge customers to contact their utility company to learn about the range of financial assistance programs available to them.
- Your utility offers a number of flexible billing options including:
 - Budget billing
 - Flexible payment plans
- Income-eligible customers qualify for:
 - Discount rates on their utility bill;
 - Arrearage Management Programs; and
 - LIHEAP for heating (Low-Income Home Energy Assistance Program)



Electric Bill Overview

- The electric company –also referred to as the utility – sends you a bill each month.
- The bill includes charges for **delivery** (the cost to maintain the system of poles and wires that deliver electricity to your home) and **supply** (the cost of the electricity itself).
- The utility's delivery rates are regulated.
- The supply rates on your bill are NOT regulated and there are several options beyond the utility.



Your Electric Supply Options

- Basic Service: From your utility company. Electricity procured every 6
 months and new rates are set.
- Municipal Aggregation: Your city/town negotiates a price with a competitive supplier for the city/town's residents.
- Competitive Supply: When you sign up with a competitive supplier to receive electric supply at a specific rate.







What is a Competitive Electric Supplier

- A competitive supplier is NOT your utility.
 They are a company that purchases electricity wholesale and sells it to retail customers.
- If you switch to a competitive supplier, you would see it reflected on a line item on your electricity bill.
- Your delivery charges are unaffected by your electric supplier; only your supply charges would be affected.



Example

- It is February, you're on basic service and you're paying 15.79 cents per kilowatt/hour.
- A competitive supplier offers you a fixed rate of 12.25 cents per kilowatt/hour and a 9month contract term.
- Should you switch?



Example, continued

- Probably not!
- While you don't know for sure, your price with basic service rate is likely to go down in the Summer months. The price in the example is your utility company's price, and it's going down to 10.82 cents per kilowatt/hour in a few months.
- That means in the summer months, when total electricity bills are at their highest, you will be paying more than if you had stayed on the basic service rate.
- The AGO's analysis has showed that low-income customers of individual competitive electric suppliers tend to experience net losses, on average, over time.







AGO Report on Competitive Suppliers

The AGO released a report in 2024 that shows in the last 8 years, individual residential customers who received their electricity from competitive suppliers paid \$577.6 million more on their bills than they would have paid if they had stayed with their utility companies.

	July 2015 - June 2016	July 2016 - June 2017	July 2017 - June 2018	July 2018 - June 2019	July 2019 - June 2020	July 2020- June 2021	July 2021- June 2022	July 2022 - June 2023	Eight-Year Total Net Loss
Total Net Consumer Loss (millions)	\$65.4	\$111.4	\$76.2	\$87.0	\$85.7	\$99.5	\$82.8	-\$30.4	\$577.6

Attribute of Market	July 2021 - June 2022	July 2022 - June 2023
Average Net Consumer Loss per household	\$202	\$(80)
Avonogo Not Congumen Logg non		
Average Net Consumer Loss per household - Low-Income	\$224	\$10



Tips for Consumers

- **Beware of impersonators:** Your utility will never go door-to-door or ask you to see your bill or account.
- Protect your utility account number as if it were your credit card.
- Know how to evaluate your electric rate: Your basic service rate changes every 6 months. It is usually higher in the winter and lower in the summer.



Tips for Consumers – Contracts

If you decide to switch to a competitive supplier, beware that you are signing a contract. Before signing the contract, you should ask:

- How long is the contract?
- Is my rate fixed or variable?
- Does this contract auto-renew?
- Is there a cancellation fee?
- Are you saving money over the course of the contract?
- If my contract auto-renews, will I be charged the same rate or a different rate?

You have 3 days to cancel a contract with a competitive supplier.



Consumer Protections

- Your utility cannot shut off your source of heating during the winter months (11/15 through 3/15). This applies to customers who heat with gas and/or electricity.
- If all residents of your home are over 65 your electricity and/or gas cannot be shut off without permission from the Department of Public Utilities (the "DPU").
- If you have a financial hardship and one of the following applies you cannot have your electricity shut off without authorization from DPU:
 - You, or someone in the home is seriously ill
 - You have an infant under 12 months in your home
 - All adults in the home are age 65 or older and a minor child resides in the home.



Contact Us

- If you are having trouble with a competitive electric supplier, you can contact:
- The **Attorney General's Consumer Hotline**: (617) 727-8400, www.mass.gov/how-to/file-a-consumer-complaint
- The Department of Public Utilities: (617) 737-2836, www.mass.gov/how-to/file-a-complaint-involving-a-gas-electric-or-water-company
- For more help and assistance options, visit the AGO's FAQ page about Electric and Gas Utilities:
 - https://www.mass.gov/info-details/frequently-asked-questions-about-electric-and-gasutilities
- You also can file a complaint with the Attorney General's Office and request assistance from the Consumer Advocacy Service.