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GOVERNOR'S OFFICE OF ENERGY
MINUTES
Committee on Energy Choice

February 8, 2018

Technical Working Group on Consumer Protections: Protecting Against Undue
Rate Increases and Fraudulent Practices

The Committee on Energy Choice held a public meeting on February 8, 2018, beginning at
1:00 P.M. at the following location:

Legislative Counsel Bureau
401 South Carson Street, Room 2134
Carson City, NV 89701

The meeting was also available via videoconference at:
Grant Sawyer State Office Building
555 East Washington, Room 4412
Las Vegas, NV 89101

1. Call to Order and Roll Call: The meeting was called to order at 1:06pm by Vice Chair
Figuroa. The agenda item was opened up for roll call and a quorum was confirmed.

Members Present

Ernest Figueroa – Carson City

Ann Silver – Carson City

Barry Gold – Las Vegas

*Jeremy Newman – Las Vegas

Rosalie Bordelove (Deputy Attorney General)-via telephone

Members Absent

Senator Kelvin Atkinson

*Senator Atkinson assigned Mr. Newman as temporary, technical working group member for
this meeting. A letter authorizing the temporary assignment was provided with the meeting
material.

2. Public Comment and Discussion:

Vice Chair Figueroa opened up for public Agenda Item No. 2 and asked if anyone from the
public sought to make a comment in both Carson City and Las Vegas locations.

No public comment.

Vice Chair Figueroa closed agenda item No. 2 and moved to Item No. 3 on the agenda.

3. Approval of Minutes from the October 18, 2017 meeting.

Vice Chair Figueroa opened up Agenda Item No. 3 asking if members of the Committee approved the minutes from the October 18, 2017 meeting. A motion was made to approve the minutes by Barry Gold and seconded by Ann Silver.

Vice Chair Figueroa closed agenda item No. 3 and moved on to agenda Item No. 4.

4. Retail Choice and Residential Customers – Bill Malcolm, Senior Legislative Representative, AARP National Office; John Erlingheuser, Advocacy and Outreach Director, AARP Connecticut (For Discussion)

Relating to retail choice Bill Malcolm and John Erlingheuser outlined what worked and has not worked, citing specific experiences from New York, Illinois and Connecticut.

The presentation included a detailed, Eversource Connecticut electric bill relating to consumer protection.

An explanation of the “Do’s and Don’ts” of choosing a supplier was provided along with a suggestion that the technical working group review Connecticut’s Official Rate board.

Vice Chair Figueroa opened it up for questions from the committee.

Vice Chair Figueroa-Requested they provide additional background on the high administrative costs to residential market.

Bill Malcolm-The reason we see shady marketing practices is it is difficult to acquire new customers. Other states have gone to community aggregation rather than going door to door.

John Erlingheuser-In Connecticut, if the market is about choice, you are taking away their right to choose. 75% of the energy is consumed by commercial and industrial customers. 25% is consumed by residential customers. You have 30 suppliers competing to get energy to each of the households. As a result, they end up farming it out to third parties.

Vice Chair Figueroa-How receptive was the industry to accept the consumer protections?

John Erlingheuser-They did not want any of the consumer protections and they fought everyone.

Ann Silver-Is AARP going to actively oppose the Energy Choice measure?

Barry Gold-AARP Nevada is looking at the measure and how it will affect our residents.

Ann Silver-In Connecticut, how much information was provided to residential and commercial consumers so they understood what they were getting into?

John Erlingheuser-Not a lot of effort went into informing the consumers of the due diligence that they would need to do to make an energy choice decision, however a lot of effort went into getting consumers to switch.

Ann Silver-Are you endorsing the statement in your presentation that states that don’t have deregulation should not pursue it?

Barry Gold-AARP has a public policy book online for reference on issues like this. State by state we look at what the regulatory agenda is going to be and what things we need to weigh in on what will affect our members.

Jeremy Newman-What would the environment look like if you didn't have the standard utilities in place in Connecticut?

John Erlingheuser-For all of the northeastern states that deregulated if we didn't have the incumbent in place, all of the consumers would be in a challenging position and we wouldn't have known what we should have been paying. People would get a bill that went from \$100 to \$400.

Vice Chair Figueroa-It appears that the State of Connecticut provided all of the information to the consumers, but the consumers were not making an effort to educate themselves. Possibly a study of consumer behavior is needed to figure out why this occurs.

John Erlingheuser-Change is difficult for the elderly, understanding the new energy choice is challenging for low income, individuals with a second language. They tend to fall prey to unscrupulous marketing practices. It is complex and the reward is never as great as the risk, unless you are a high-use customer. There is so much, complex information on the bill that lay people don't understand, that it is intended to be complicated. When the deregulation took place initially in 1998, a few of the legislators who are remaining, indicated that if there was one vote that they could take back, it was that one.

Vice Chair Figueroa-In Connecticut what fraudulent practices occurred?

John Erlingheuser-There have been many suppliers in Connecticut that have incurred millions of dollars in fines for bad practices, violating Connecticut law and violating consumer protections on notifications.

Bill Malcolm-Some states have increased the authority of the Public Utilities Commission or the Attorney General to do something if there is a problem.

Barry Gold-Have any states outlawed having third party marketers, thereby forcing the suppliers to do their own business acquisitions?

John Erlingheuser-In Connecticut the suppliers are responsible for the actions of their third-party agent. Annually he incurs challenges with the suppliers in getting them to relinquish the obligations that go with the bad practices of their third-party agents.

Barry Gold-Can you explain how it is not cost effective for the residential suppliers to service these accounts?

Bill Malcolm-Based on the states that we cited in our presentation, energy supply is more community focused. In California, the supplier can be chosen for the customer. That eliminates the door to door marketing to each residential customer. This is not a wise economical move reflecting back on the last 17 years that the states have experienced and what we have seen.

Barry Gold-What would be the three things that you would have put in place in Connecticut if you had enough advance notice that deregulation would be taking place in order to solve some of the problems that you are having? Additionally, do you think they would be effective and for how long?

John Erlingheuser-I would suggest not doing it because it is almost impossible to create a system that isn't going to lead to some confusion or the ability for there to be misleading or fraudulent practices. I would suggest that you have a standard, fair service and let people know that it is their right not to choose an option. I would suggest not being reactionary but examine what happened in other states. Encapsulate, restrict then implement it.

Barry Gold-What things can we put in place ahead of time?

Bill Malcolm-Identify who is responsible for implementing a long-term plan and supplier. In some states the marketers had the ability to dump customers back on the incumbent utility with little notice. Or the price went up and found it was not economical to continue servicing the customers. If you think you will have a competitive market when you don't have a regional market in Nevada, will that be an issue.

Vice Chair Figueroa closed agenda item No. 4 and moved to Item No. 5 on the agenda.

5. Update from Committee on Energy Choice (CEC) staff on the progress of the CEC's request to the PUCN to open an Investigatory Docket *(For Discussion)*

Matt Morris, Legislative Director for Governor Sandoval, gave an update on the PUC workshop and what issue topics were assigned to the PUC and what topics were covered during the workshop period. They had a kick-off workshop meeting on January 9th and the substantive workshops began on January 16th. It was dedicated to discussing the legal issues that are implicated by the Energy Choice initiative. On January 16th the PUCN explored amendments to or repeal of any current Nevada laws, policies or existing energy programs that may be necessary to establish an open and competitive electricity market in Nevada. A follow-up workshop on these issues were held on January 23rd. On January 17th the PUC held a workshop exploring options reasonably available to the state in designing and establishing a wholesale service market. A follow-up workshop on these issues were held on January 24th. On January 18th a workshop was held discussing options reasonably available to the state in designing a competitive retail electric service market including, but not limited to, the relative pros and cons, the best practices and structure for the state and options for a service provider of last resort. A follow-up workshop was held on January 25th dedicated to those issues.

A cost benefit theme was handled on January 19th. The workshop was dedicated to exploring potential short and long term financial benefits and risks to the residents and businesses of the state that may be associated with implementing the energy choice initiative as well as best strategies for maximizing any benefits or savings and mitigating any risks or costs. A follow-up workshop was held on January 26th. The workshop period concluded on January 30th.

Following the workshop period the PUC opened the public comment period which began in December and reopened it on January 31st. It is open through February 16th to allow for any follow-up comments regarding issues that were discussed during the workshops.

Vice Chair Figueroa opened it up for questions.

Ann Silver-Without the published investigatory docket, how can the public make educated comments and what exactly are they commenting on?

Matt Morris-Reviewed the process of the formal request from the committee to the PUC to open up the docket. This would allow the public to engage. This process has been ongoing. The findings will be published in April as a public document and presented to the committee. The committee will have a chance to review, discuss it and decide whether how much of those findings should be sent to the Governor as part of the committee's final report. This report is due to the Governor August 9th. The PUC decided to open the written comment period reflecting the scope of the conversation and the level of engagement. This is open until February 16th.

Vice Chair Figueroa closed agenda item No. 5 and moved to Item No. 6 on the agenda.

6. Public Comment.

Vice Chair Figueroa opened Agenda Item No. 6 and asked if anyone from the public sought to make a comment in the Carson City or Las Vegas location.

Fred Voltz-The PUC investigatory docket meetings allow the public to offer open ended comments. Members of the public did not attend the meetings that I am aware of.

Nevada is establishing new rights and entitlements (section 3A of the initiative) indicating energy costs must be reduced otherwise the state is not fulfilling their requirement of following the law on this particular issue.

I suggest the working group review a document that is available through the U.S. Energy Information Administration. When comparing the states that Mr. Malcolm and Mr. Erlingheuser outlined in their presentation, Nevada has the lowest, average, residential electricity rate of \$12.89. Requested that the committee attach the document to the minutes of this meeting.

No public comment in Las Vegas.

Vice Chair Figueroa closed agenda item No. 6 and moved to Item No. 7 on the agenda.

7. Adjournment.

Vice Chair Figueroa made a motion to adjourn the meeting. Ann Silver made a motion to adjourn. Jeremy Newman seconded the motion.

Vice Chair Figueroa adjourned the meeting.



U.S. Energy Information
Administration

Electric Power Monthly

Data for November 2017 | Release Date: January 24, 2018 | Next Release: February 26, 2018

Previous Issues

Issue: December 2017 Format: pdf Go

Table 5.6.A. Average Price of Electricity to Ultimate Customers by End-Use Sector, by State, November 2017 and 2016 (Cents per Kilowatthour)

Census Division and State	Residential		Commercial		Industrial		Transportation		All Sectors	
	November 2017	November 2016	November 2017	November 2016	November 2017	November 2016	November 2017	November 2016	November 2017	November 2016
New England	19.44	18.87	15.03	14.91	12.26	12.07	8.38	7.21	16.24	15.87
Connecticut	20.70	19.76	16.12	15.90	13.50	12.61	12.51	8.99	17.71	17.02
Maine	16.05	16.21	12.22	12.39	8.79	9.04	--	--	12.63	12.93
Massachusetts	19.36	19.14	14.92	14.91	13.56	13.20	5.59	5.27	16.25	16.02
New Hampshire	19.88	19.05	14.76	14.67	12.19	12.32	--	--	16.36	15.94
Rhode Island	20.48	18.14	15.83	14.59	14.59	13.40	16.93	19.18	17.55	15.83
Vermont	17.87	17.88	14.91	14.82	9.88	10.08	--	--	14.62	14.68
Middle Atlantic	15.97	15.77	12.00	12.08	6.70	7.04	11.05	10.25	12.17	12.23
New Jersey	15.34	15.26	11.58	11.62	9.60	9.71	8.08	8.39	12.68	12.64
New York	17.81	17.73	13.90	13.99	5.78	6.59	12.21	11.23	14.04	14.13
Pennsylvania	14.50	14.14	8.92	9.15	6.65	6.80	7.02	7.27	9.99	10.06
East North Central	13.47	13.43	10.08	10.14	7.00	6.98	6.85	7.21	10.10	9.96
Illinois	13.47	13.14	8.71	9.08	6.24	6.45	6.57	6.91	9.43	9.40
Indiana	12.38	12.83	10.49	10.63	7.55	7.38	11.61	11.35	9.79	9.70
Michigan	15.24	15.37	11.11	10.96	7.22	7.00	11.18	12.10	11.21	11.02
Ohio	12.49	12.42	10.02	10.14	6.68	6.88	7.15	7.99	9.71	9.66
Wisconsin	14.47	14.07	11.06	10.59	7.70	7.33	14.50	15.00	11.01	10.47
West North Central	11.59	11.86	9.24	9.27	6.92	6.70	8.41	8.70	9.27	9.18
Iowa	12.03	11.63	8.99	8.60	5.47	5.11	--	--	8.06	7.56
Kansas	13.37	13.29	10.13	10.12	7.63	7.33	--	--	10.33	10.08
Minnesota	12.92	13.07	10.03	10.21	7.58	7.31	9.44	10.13	10.16	10.10
Missouri	10.46	11.14	8.59	8.63	6.58	6.74	7.17	7.17	9.00	9.21
Nebraska	10.53	10.70	8.49	8.41	7.01	6.94	--	--	8.58	8.44
North Dakota	9.69	10.26	8.67	9.10	8.52	8.17	--	--	8.89	9.01
South Dakota	11.60	11.74	9.63	9.64	7.96	7.45	--	--	10.02	9.85
South Atlantic	11.99	11.57	9.53	9.23	6.28	6.26	7.21	7.89	9.92	9.60
Delaware	13.81	13.83	9.99	10.02	7.43	7.60	--	--	10.90	10.85
District of Columbia	14.00	13.08	12.18	11.77	8.20	8.55	7.76	9.43	12.33	11.88
Florida	12.47	11.08	9.97	9.03	8.06	7.75	8.88	8.50	11.05	9.92
Georgia	10.99	11.00	9.89	9.92	5.59	5.65	4.76	4.66	9.19	9.19
Maryland	13.35	14.31	10.67	11.04	8.27	7.81	6.90	7.89	11.62	12.11
North Carolina	11.02	11.11	8.30	8.34	5.54	5.94	8.08	8.44	8.78	8.88
South Carolina	12.70	12.75	10.41	10.24	5.87	5.63	--	--	9.52	9.32

Census Division and State	Residential		Commercial		Industrial		Transportation		All Sectors	
	November 2017	November 2016	November 2017	November 2016	November 2017	November 2016	November 2017	November 2016	November 2017	November 2016
Virginia	11.67	11.45	8.16	7.77	6.85	6.51	8.51	7.82	9.24	8.89
West Virginia	11.67	11.73	9.82	9.77	6.64	6.79	--	--	9.00	9.09
East South Central	11.43	11.40	10.69	10.45	5.92	5.83	--	--	9.26	9.08
Alabama	12.54	12.24	11.69	11.34	6.17	5.95	--	--	9.67	9.39
Kentucky	10.97	11.23	9.93	9.90	5.58	5.70	--	--	8.50	8.51
Mississippi	11.44	10.96	10.52	9.91	5.89	5.90	--	--	9.08	8.80
Tennessee	10.87	11.05	10.52	10.41	6.02	5.78	--	--	9.60	9.39
West South Central	10.92	10.61	8.39	8.16	5.38	5.33	8.18	8.15	8.17	7.96
Arkansas	10.28	10.11	8.40	8.12	5.74	5.86	12.14	11.64	7.95	7.86
Louisiana	9.29	9.38	8.91	8.71	5.49	5.18	10.23	9.60	7.61	7.41
Oklahoma	10.76	9.54	7.66	7.01	5.09	4.80	--	--	7.81	7.01
Texas	11.40	11.10	8.40	8.23	5.33	5.38	8.04	8.05	8.40	8.25
Mountain	11.76	11.48	9.34	9.20	6.07	5.78	9.43	9.86	9.10	8.83
Arizona	12.26	11.60	9.94	9.57	6.13	5.70	8.60	9.57	10.07	9.47
Colorado	12.02	12.27	9.78	9.81	7.16	7.45	8.96	10.15	9.72	9.88
Idaho	10.08	10.02	7.91	7.86	5.85	5.71	--	--	8.19	8.09
Montana	11.05	10.95	10.25	10.23	5.07	4.85	--	--	9.00	8.74
Nevada	12.89	11.79	8.11	7.62	5.00	3.19	8.16	7.34	8.25	7.18
New Mexico	12.48	11.98	9.89	9.44	5.70	5.74	--	--	9.07	8.75
Utah	10.52	10.67	8.14	8.45	5.65	5.60	10.60	9.94	8.04	8.15
Wyoming	11.16	11.26	9.64	9.74	6.74	6.85	--	--	8.12	8.19
Pacific Contiguous	16.06	14.70	13.33	12.74	9.82	8.94	8.90	9.03	13.19	12.52
California	18.77	17.93	15.16	14.29	13.08	11.84	8.88	9.02	15.90	14.91
Oregon	10.70	10.76	8.96	8.98	6.45	6.23	9.48	9.34	9.11	8.95
Washington	9.73	9.60	8.68	8.54	4.81	4.53	9.70	9.16	8.13	7.81
Pacific Noncontiguous	26.59	24.97	23.86	21.94	22.13	20.18	--	--	24.17	22.28
Alaska	21.90	20.93	19.13	17.69	16.45	15.80	--	--	19.50	18.38
Hawaii	30.58	28.48	28.32	25.94	24.45	21.88	--	--	27.49	25.03
U.S. Total	13.01	12.75	10.55	10.32	6.79	6.66	9.49	9.22	10.38	10.10

See Technical notes for additional information on the Commercial, Industrial, and Transportation sectors.

Notes: - See Glossary for definitions. - Values for 2016 are final. Values for 2017 are preliminary estimates based on a cutoff model sample.

See Technical Notes for a discussion of the sample design for the Form EIA-826.

Utilities and energy service providers may classify commercial and industrial customers based on either NAICS codes or demands or usage falling within specified limits by rate schedule.

Changes from year to year in consumer counts, sales and revenues, particularly involving the commercial and industrial consumer sectors, may result from respondent implementation of changes in the definitions of consumers, and reclassifications.

Totals may not equal sum of components because of independent rounding.

Source: U.S. Energy Information Administration, Form EIA-861M (formerly EIA-826), Monthly Electric Power Industry Report.