



Claire E. Coleman  
Consumer Counsel

STATE OF CONNECTICUT  
OFFICE OF CONSUMER COUNSEL

TEN FRANKLIN SQUARE  
NEW BRITAIN, CONNECTICUT 06051

TELEPHONE  
(860) 827-2900  
VOICE AND TDD  
[WWW.CT.GOV/OCC](http://WWW.CT.GOV/OCC)

**November 23, 2022**

**Navigating the Supplier Market for Winter 2023**

Given the announcement that standard service electricity rates will be substantially increasing effective January 1, 2023, consumers understandably are looking for more information about the third-party supplier market. OCC seeks to be a resource to customers and state leaders as we navigate the global market turmoil that caused higher prices for oil and natural gas here in the U.S. and in Connecticut.

OCC is aware that there are currently third-party market options that could be beneficial to take advantage of considering high standard service rates; and we urge consumers to be vigilant about reviewing rate offers, including renewal and auto-renewal provisions of a third-party supplier, and staying watchful about changing market conditions if a consumer chooses a third-party option.

**Background**

Connecticut is a deregulated state when it comes to energy supply. This means that you do not have to purchase energy from the local utilities, and instead can opt to sign up with a 3<sup>rd</sup> party electric supplier.

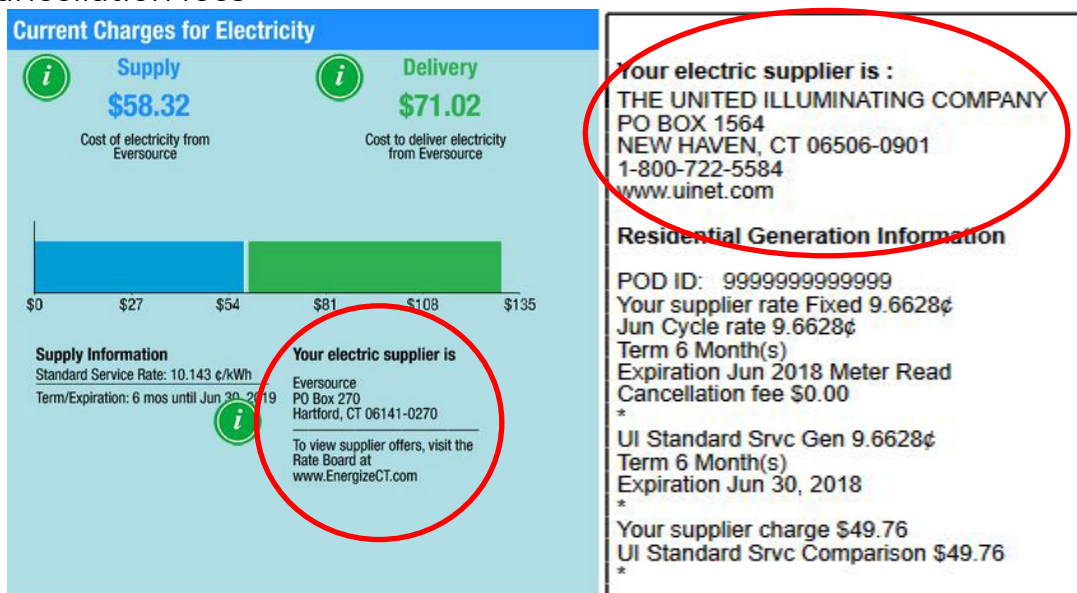
Consumers often look to mitigate the impacts of the higher-than-normal utility standard service rates by participating in the 3<sup>rd</sup> party electric supplier market.

- The OCC recommends using the newly updated [energizect rate board](#) for customers considering participation in the supplier market. The rate board is the most clear and concise way to compare supplier rate offers.
- The rate board will automatically show the impact on your bill to help you make an informed decision if what you are signing up for will save you money.
- Consumers should always check the rate board as opposed to relying on tele-sales or door-to-door sales, which can sometimes include aggressive or misleading marketing tactics.
- It is important to note that many supplier contracts are for periods longer than the utilities' standard service rate, which is 6-month intervals. OCC

recommends continuing to track utility standard service rates as they change every 6 months to see if a supplier contract is still economical.

- OCC encourages supplier customers to review contract terms. Specifically, when does your contract expire and at what rate will you potentially be auto-renewed?
- Historically, auto-renewal rates are usually substantially higher than your initial contracted supplier rate. It is also often higher than the utility standard service rate.
- If you do not actively switch suppliers or choose to go back to standard service, you will be auto renewed. However, by law suppliers must send a letter informing you of your new contract before auto-renewal.
- If looking into participating in the supplier market, be aware that suppliers:
  - Cannot charge sign-up fee
  - Cannot charge monthly fees in addition to your contracted price of supply
  - Cannot advertise a “teaser” rate followed by a substantial rate increase -- Rates must be at least 4 months in term length
  - Cannot charge an early termination fee
  - Are not affiliated with Eversource or UI
  - Are not affiliated with PURA, DEEP, OCC, or any state or federal government agency
  - Are not participating in a “state sponsored” program

If you already have a third-party supplier, some relevant supplier contract information can be found right on your [Eversource](#) or [United Illuminating](#) electric bill. This info includes: supplier name, supplier rate, term of contract, expiration of contract, the rate you will be charged your next bill cycle, and any cancellation fees

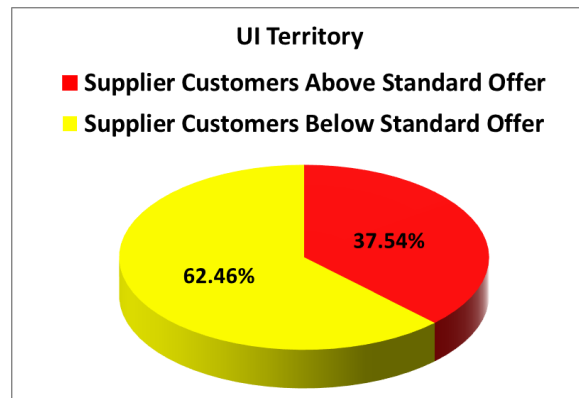
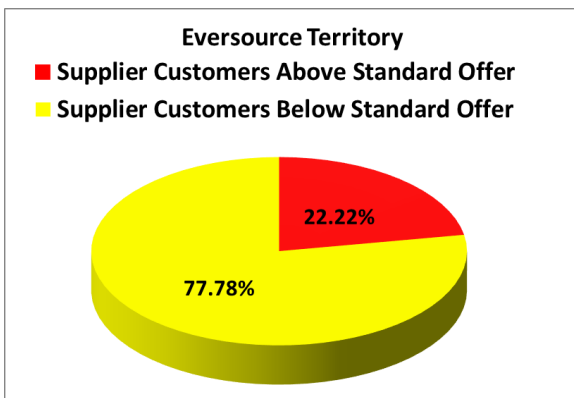


## Current Third Party Supplier Landscape

- According to the latest [OCC Monthly Fact Sheet](#), since tracking began in January 2015, customers on a 3<sup>rd</sup> party supplier contract have paid \$300,639,737 more than Standard Service customers.
- However, during the past year, 3<sup>rd</sup> party supplier customers have seen a savings over standard service customers due to the current unique energy landscape. Between January and September of this year, 3<sup>rd</sup> party supply customers have saved a combined \$10,432,771.

**As of the date of this alert (November 23<sup>rd</sup>, 2022), there are currently 16 rates for each utility territory on the [EnergizeCT Rate Board](#) that are lower than the utilities' upcoming standard service -- This is most likely due to long term contracts that were locked in when energy prices were substantially lower than they currently are, as well as contracts for extended period of time over both winter and summer months, when prices are less expensive.**

- In September, Retail suppliers serve 10.0% of Eversource Energy (Eversource) residential customers and 11.7% of United Illuminating (UI) residential customers. In September 78% of 3<sup>rd</sup> party supplier customers in Eversource territory, and 62% of supplier customers in UI territory paid rates lower than the utility standard service rate.
- In the month of September 2022, **seven out of ten** residential supplier customers paid less than the Standard Offer in Eversource territory, and **six out of ten** residential supplier customers paid less than the Standard Offer in UI territory.<sup>1</sup>



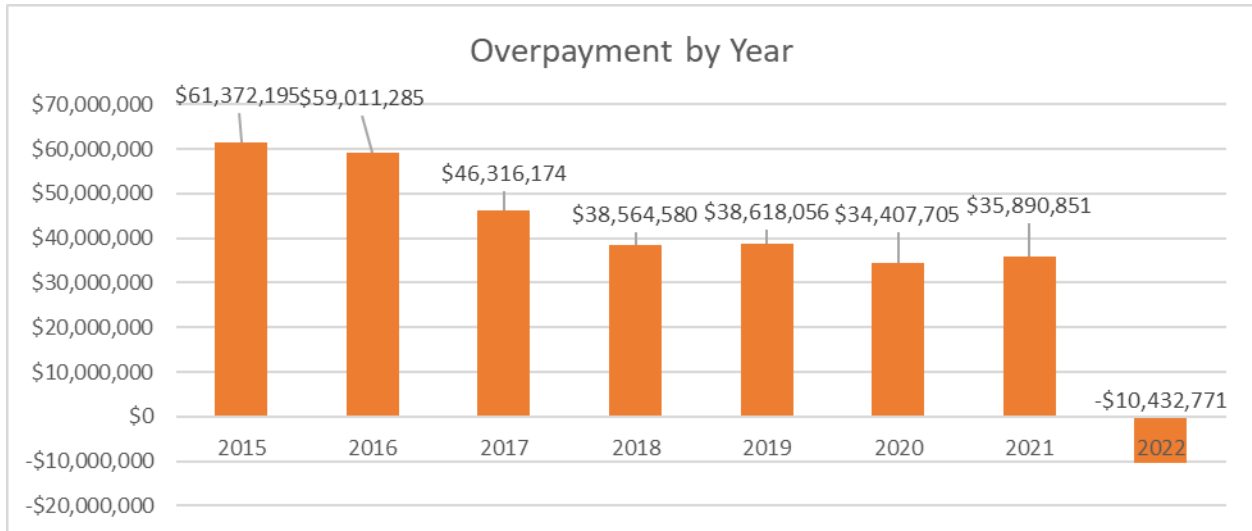
- In the month September 2022, residential Eversource customers who

---

<sup>1</sup> This Fact Sheet only examines available data regarding pricing by electric suppliers. While some suppliers may offer products or services to customers such as airline miles or a product with additional renewable energy content, there is no data available to quantify the value of such offers. OCC recommends that customers look carefully at the fine print for offers for additional products or services that come with higher prices, to ensure they are getting sufficient value to justify the higher price tag.

chose suppliers saved in aggregate **\$1,290,220 more** than the Standard Offer for their electric generation, and residential UI customers who chose suppliers paid in aggregate **\$93,474 more** than the Standard Offer.<sup>2</sup>

- For the rolling year of October 2021 through September 2022, residential consumers who chose a retail supplier paid, in aggregate, **\$1,342,489 more** than the Standard Offer.
- Since January 2015, when OCC started tracking supplier data, customers with a supplier have overpaid a total of **\$300,639,737** more than standard service.



- The Standard Offer for January 1, 2022 through June 30, 2022 is 11.484cents/kWh. For July 1, 2022 through December 31, 2022 the Standard Offer was 12.050 cents/kWh. The upcoming Standard Offer for January1, 2023 to June 30, 2023 will be 24.172 cents.
- The Standard Offer for January 1, 2022 through June 30, 2022 was 10.6731 cents/kWh. For July 1, 2022 through December 31, 2022 the Standard Offer is 10.62 cents/kWh. The upcoming Standard Offer for January1, 2023 to June 30, 2023 will be 22.49 cents.
- As of July 1, 2020 customers coded as hardship were returned to standard service. Suppliers are no longer able to serve hardship coded customers going forward in Connecticut as a result of PURA ruling in Docket No. 18-06-02. If a hardship customer is interested in a third-party supplier they must call their utility to remove the hardship designation.

Please feel free to contact the Office of Consumer Counsel at 860-827-2900 or [occ.info@ct.gov](mailto:occ.info@ct.gov) if you have any questions about this information.

<sup>2</sup> These calculations are based on an assumption of 750/month kWh usage and may include some “incidental residential accounts” (IRAs)