

Wilmington, Delaware
April 17, 2025

#0043

Sponsor:

**Council
Member
Darby**

WHEREAS, the Wilmington City Council’s 2022-2025 Strategic Plan prioritizes a “Connected, Informed and Engaged Wilmington,” which includes facilitating engagement on matters involving constituent, civic, and community concerns; and

WHEREAS, constituents have organized petitions seeking clarity on costly electricity bills. The Delaware Public Service Commission and the Office of the Public Advocate have received “dozens of high bill complaints from Delmarva Power customers in January.” As constituents explore alternatives to lower electric utility costs, they bear the risk of becoming more susceptible to exploitative companies; and

WHEREAS, supply charges make up approximately 65% of the total electric bill for Delmarva Power customers. Since 1999, when electric supply services were deregulated, third-party electricity suppliers have been permitted to initiate agreements with Delmarva Power and Delmarva Electric Cooperative consumers to source electricity for their homes. Third-party suppliers purchase energy at wholesale prices and set their rates and operational policies independently of Delmarva Power or the Delmarva Electric Cooperative; and

WHEREAS, as of April 2024, about 27,000 Delaware residential customers had their electricity supplied by a competitive, or “third party,” supplier. The Delaware Public Service Commission lists 180 companies as “certified electric suppliers,” with the caveat that all certified companies may not be currently offering services; and

WHEREAS, third-party suppliers must obtain an Electric Transmission Supplier Certificate from the Delaware Public Service Commission but there is no requirement for third-

party suppliers to submit to recertification evaluations periodically. Third-party suppliers are not subject to routine regulatory processes, such as rate increase request reviews; and

WHEREAS, the terms of third-party supply agreements are not always transparent to customers. Some suppliers offer attractive introductory rates that eventually expire, or use variable rate plans that result in fluctuating costs that may eventually create financial hardships for customers; and

WHEREAS, third-party electricity suppliers have also been cited for using misleading practices to recruit new customers and employing opaque policies for processing contract cancellations. The Delaware Public Service Commission and the Division of the Public Advocate have received numerous complaints about Third Party Electricity Companies using "spoofed" phone numbers from Delmarva Power or falsified credentials to give potential customers the impression that they represent Delmarva Power or an affiliate; and

WHEREAS, according to complaints published by the Better Business Bureau, individuals have reported the persistence of sales agents through visits to their homes, mailers, and even calls, despite their registration on the national "Do Not Call" list or direct requests to representatives to remove their phone numbers from contact lists. Complaints have also detailed solicitations that resulted in some of these individuals being unaware that they or a family member had agreed to contract with the third-party supplier and/or being billed for additional months following cancellation requests; and

WHEREAS, third-party suppliers have raised concerns nationwide for questionable business and recruiting practices. In 2017, the Delaware Public Service Commission introduced new rules governing electric suppliers, however, enforcement of the regulations is predominantly driven by customer complaints rather than proactive investigations.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that this Legislative body encourages the Delaware General Assembly to develop a plan to review the transparency, certification process, and practices of third-party electric supplier certified by the Delaware Public Service Commission to operate in this State.

BE IT FURTHER RESOLVED that the Council of the City of Wilmington urges the Delaware General Assembly to issue a report, including findings and recommended actions, regarding certified third-party electric suppliers to improve consumer protections and regulation enforcement.

Passed by City Council,

ATTEST: _____
City Clerk

SYNOPSIS: The Wilmington City Council’s 2022-2025 Strategic Plan prioritizes a “Connected, Informed and Engaged Wilmington,” which includes facilitating engagement on matters involving constituent, civic, and community concerns. This Resolution urges the Delaware General Assembly to address longstanding constituent complaints regarding high electricity rates and opaque contracts from third-party electricity suppliers by developing a plan to review the transparency, certification process, and practices of third-party electric suppliers certified by the Delaware Public Service Commission. The Resolution further requests that the Delaware General Assembly issue a report, including findings and recommended actions, regarding certified third-party electric suppliers to improve consumer protections and regulation enforcement.