



Brian R. Greene
GreeneHurlocker, PLC
1807 Libbie Avenue, Suite 102
Richmond, Virginia 23226
(804) 672-4542 (Direct)
BGreene@GreeneHurlocker.com

October 2, 2017

By Electronic Filing

Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

**Re: Comments of the Retail Energy Supply Association
Docket No. 15-1693**

Dear Ms. Nickerson:

Enclosed please find the Comments of the Retail Energy Supply Association in the above-captioned proceeding.

Please contact me should you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Brian R. Greene'.

Brian R. Greene

Enclosure

c: Service List (by Email only)

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

In the Matter of the Review of Customer Choice)
in the State of Delaware (Opened December 23,) PSC DOCKET NO. 15-1693
2015))

**RETAIL MARKET ENHANCEMENT PROPOSAL
OF THE
RETAIL ENERGY SUPPLY ASSOCIATION**

October 2, 2017

Brian R. Greene
GreeneHurlocker, PLC
1807 Libbie Avenue, Suite 102
Richmond, VA 23226
(804) 672-4542 (Direct)
BGreene@GreeneHurlocker.com

Counsel for the Retail Energy Supply Association
(*Pro Hac Vice*)

**RETAIL MARKET ENHANCEMENT PROPOSAL
OF THE
RETAIL ENERGY SUPPLY ASSOCIATION**

I. Introduction

On January 19, 2016, the Delaware Public Service Commission (“Commission”) entered Order No. 8845 to consider eight energy supplier choice enhancement recommendations from the Electric Affordability Commission (“EAC”): (1) Purchase of Receivables (“POR”); (2) enhanced choice information on utility bills; (3) instant connects; (4) seamless moves; (5) enroll-with-your-wallet capability; (6) a more market-reflective SOS procurement structure; (7) finalizing revisions to the Electric Supplier Rules in Regulation Docket No. 49 (“Electric Supplier Rules”); and (8) periodic electric supplier workgroup meetings.

On July 19, 2017, a workshop was held at the Commission at which stakeholders discussed various issues related to retail electric choice in Delaware, including:

- a) Implementing a Purchase of Receivables (“POR”) program;
- b) Allowing first-time customers to enroll directly with a third-party supplier (also known as “Instant Connects”);
- c) Allowing customers who are already enrolled with a third-party supplier to move within the Delmarva Power service territory and retain their supplier (also known as “Seamless Moves”);
- d) Enabling customers to enroll with a supplier using the information they would normally have in their wallet, without the need for specific a utility-designated account number or a service number;
- e) Options for suppliers to communicate with Delaware customers via Delmarva Power bill inserts;
- f) Developing an electricity supply choice website.¹

¹ *In the Matter of the Review of Customer Choice in the State of Delaware (Filed December 23, 2015), Docket No. 15-1693, Stakeholder Workshop Meeting Minutes (July 19, 2017).*

At that workshop, the Retail Energy Supply Association (“RESA”)² agreed to file a proposal to implement the retail market enhancements listed above. RESA also agreed to consult with WGL Energy, a licensed retail supplier in Delaware, regarding its proposal. RESA and WGL Energy are in general agreement regarding the substantive components of each program and offer the following proposal for the stakeholders’ consideration.

II. Retail Market Enhancement Proposal

RESA’s discussion below addresses each of the topic areas discussed in the workgroup and detailed above. Regarding the timeline for implementation, RESA would like to see each of these retail market enhancements implemented as quickly as possible. However, rather than propose an implementation timeline, RESA would like to know how long Delmarva will need to implement these programs. RESA would also recommend that Delmarva identify the process and system related areas of overlap that exist with respect to these programs. Many of these proposals will implicate the same utility information systems and processes, such as EDI, enrollment protocols, etc. The implementation process and timeline can be structured more efficiently by planning for and implementing those enhancements that implicate the same systems in a parallel manner rather than implementing each program sequentially.

A. Purchase of Receivables Program (“POR”)

RESA continues to recommend approval of a POR program consistent with the existing POR programs maintained by Delmarva’s Maryland and District of Columbia affiliates.

² The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

Regarding implementation costs, RESA would expect Delmarva's implementation costs to be similar to the \$95,265.72, incurred by Delmarva's affiliate to implement POR in the District of Columbia.³ Delmarva recovers its implementation costs through the discount rate, meaning that retail suppliers pay for the costs of implementing POR. Typically, the costs are amortized over a certain period of time such as two or five years; depending on the costs, stakeholders will need to discuss an appropriate amortization period.

B. Instant Connects and Seamless Moves

RESA continues to recommend implementation of seamless moves and instant connects consistent with RESA's prior comments. To expand upon RESA's prior comments, a list of customer eligibility criteria and descriptions of the processes for seamless moves and instant connects are provided below. RESA recognizes that these eligibility criteria and process proposals will need to be included in Delmarva's compliance/implementation plan and approved by the Commission.

Seamless Moves

a) Seamless Moves - Customer Eligibility Criteria

1. Residential and small commercial customers
2. New location must be in same rate class and within same service territory
3. Customer must maintain same billing rate, billing option, and tax exemption percentage
4. Customer must provide at least one business day notice
5. Customer must provide move-out and move-in dates at same time with no more than seven days' gap or overlap

³ D.C. Public Service Commission, *PEPPOR, Pepco's Purchase of Receivables Supplier Discount Update*, submitted December 6, 2016, Attachments F and G. Notably, Pepco's actual implementation costs were over \$50,000 less than the estimated implementation cost of \$150,000. D.C. Public Service Commission, Formal Case No. 1085, Order No. 16916, rel. September 20, 2012 at 11-12.

6. Must be an active meter at the new location when customer contacts utility
7. Same-day or back-dated requests are not accepted
8. Supplier must be currently providing service on the customer's account
9. Any termination of supplier service prior to move will preclude a seamless move

b) Seamless Moves – Process

1. Customer contacts utility and provides current and new service address with move-out/move-in dates.
2. If a customer is currently enrolled with a supplier, utility automatically processes the move through a move transaction.
3. Utility informs customer that supplier supply service will move to their new location (if eligibility requirements are met).
4. Utility will transmit usage data to the supplier in the same manner as before the customer's move.
5. If customer never moves or account does not become active at new address, utility will send the supplier an EDI drop transaction for the pending account at new premise. In addition, utility may send drop notification in the event that customer enrolls with a new supplier on the current account before connection at new account occurs, customer requests same-day service connect after previously selecting a future date, customer voids or terminates the new account, or customer requests to change the service start date on new account to a date occurring in the past.
7. Supplier will submit a drop request via EDI if it does not wish to continue service at new location.

Instant Connects

a) Instant Connects - Customer Eligibility Criteria

1. All customers
2. Utility may require up to least three business days' notice prior to the instant connect to qualify
3. Customers will not be permitted to back-date service
4. Only available for premises with active accounts

b) Instant Connects – Process

1. Customer contacts utility to request a new connection. Customer is responsible for satisfying all requirements to start service at new location.

2. Utility provides customer with service account number and choice ID at new premise and establishes pending active account. (Utility will accept supplier enrollment requests on both active and pending active accounts).
3. Customer provides new account number/choice ID to supplier.
4. If customer changes move in date, utility will notify supplier of the new move-in date via EDI 814 Change transaction.

Because seamless moves and instant connects benefit the entire Delaware retail market, RESA proposes that Delmarva recover the costs to implement instant connects and seamless moves from all residential and small commercial customers, regardless of whether they are shopping. This can be accomplished in Delmarva's next base rate case or through implementation of a tariff rider that is trued-up periodically to ensure that Delmarva does not over- or under-recover its implementation costs. At this time, WGL Energy does not have a position on cost recovery for seamless moves and instant connects and is still considering the issue.

C. Enroll With Your Wallet

The objective for "enroll with your wallet" functionality is to enable a customer to easily sign up with a supplier. We live in a world where individuals can, in seconds, transfer money and pay bills on their banking apps, call for a car service, book a flight, order food, and so many other things. However, customers of Delmarva cannot enter into an electricity contract without utilizing a 22-digit service number or an account number, neither of which anyone has memorized or carries with them. This frustrates customers attempting to enroll with suppliers and results in some customers being denied the opportunity to exercise their right to shop and choose a supplier. In other words, the inability of customers to easily enroll with the supplier of their choice is a significant barrier to a developing retail electricity market that creates negative shopping experiences for customers.

To facilitate easier customer access to the competitive market, RESA proposes an enroll-with-your-wallet enhancement. The 814 EDI transaction, which is used to communicate switch

requests to the utility, would be modified to allow suppliers to submit the customer's phone number, matched with a service address. Suppliers would no longer need to submit a 22-digit service number or an account number to effectuate a switch, although they could if they had that information. The 814 transaction is programmed to send "reject codes," which would be modified to include reject codes if the information submitted by the supplier (e.g., the phone number) did not match Delmarva's records.

RESA's proposal is in line with Delmarva's new IVR system that enables customers to obtain their account information necessary for enrollment by calling Delmarva's automated telephone line. Customers enter the phone number associated with their account and either the phone number or the last four digits of their SSN to access their account information. RESA's proposal would borrow the IVR functionality and allow a customer to enroll with a supplier using the same information they use to authenticate their accounts in a phone call with Delmarva.

RESA does not believe that changes to the Commission's regulations are necessary to implement enroll-with-your-wallet. Also, because this enhancement will benefit the entire market by making shopping easier for customers, RESA proposes that Delmarva recover the costs to implement the updated EDI functionality from all customers regardless of whether they shop for electricity. At this time, WGL Energy does not have a position on cost recovery for enroll with your wallet and is still considering the issue

D. Bill-Related Enhancements

a) The Commission Should Initiate a Separate Docket to Develop Rules for Supplier Consolidated Billing.

At the July 19, 2017 workshop, the stakeholders briefly discussed the concept of supplier consolidate billing ("SCB"), whereby the supplier purchases the receivable from the utility and then sends the customer a bill for both the suppliers' and the utility's charges. Rule 5.1.1 of the

Electric Supplier Rules specifically allows for SCB, although there are several issues pertaining to SCB that would need to be decided or clarified before a supplier could offer SCB in Delaware. Those issues include: (1) qualifications of a supplier to provide SCB; (2) purchasing the utility's receivables; (3) affording the supplier the same tools as the utility currently uses to manage its bad debt; and (4) customer education. In RESA's view, SCB brings with it numerous customer benefits such as the ability for a supplier to provide expanded information to the customer and to offer new and innovative products and services that cannot be offered without SCB. RESA recommends that the Commission consider SCB rules in a separate docket, preceded by a working group of interested stakeholders.⁴

b) Ongoing Bill-Inserts with Choice Information

RESA proposes that Delmarva issue a quarterly choice bill insert with information developed and agreed to through a stakeholder workgroup process. As the Commission is aware, Delmarva recently developed and issued a choice information bill insert,⁵ which identified active Delaware retail suppliers and included their contact information. RESA recommends a working group to develop the wording and feel of future inserts and to expand the information provided.

In addition to quarterly bill inserts, RESA proposes an annual choice information mailer, to be sent separately from the bill, with more information about customer choice. This annual

⁴ Maryland and Pennsylvania are currently considering SCB implementation. In Maryland, five suppliers have petitioned for electricity and natural gas SCB. *See Petition of NRG Energy, Inc.; Interstate Gas Supply, Inc. d/b/a IGS Energy; Just Energy Group, Inc.; Direct Energy Services, LLC; and ENGIE Resources LLC For Implementation of Supplier Consolidated Billing for Electricity and Natural Gas in Maryland.* Maryland Public Service Commission Case No. 9461. A copy of the Petition is available at: http://webapp.psc.state.md.us/newIntranet/Casenum/NewIndex3_VOpenFile.cfm?ServerFilePath=C:\Casenum\9400-9499\9461\1.pdf. In Pennsylvania, NRG Energy, Inc. has filed a petition which has been supported by numerous other suppliers. *See Petition of NRG Energy, Inc. for Implementation of Electric Generation Supplier Consolidated Billing*, Pennsylvania Public Utility Commission Docket No. P-2016-2579249.

⁵ *See generally*, PSC Docket No. 16-0744.

mailing would identify, among other information, specific offers available from licensed competitive suppliers in Delaware.

For both the quarterly bill inserts and the annual mailer, RESA proposes that the verified incremental costs incurred by Delmarva to provide these items would be recovered pro-rata from participating retail suppliers.

E. Electricity Supply Choice Website

RESA is sensitive to the Commission's and Staff's concerns regarding the resources needed to develop and maintain a user-friendly website where Delaware residents and business can easily access available offers. RESA proposes that the Commission issue a Request for Proposals for a third party to develop, operate, and maintain a robust shopping website specific to Delaware. RESA is willing to work with other stakeholders to help develop the specific parameters and criteria for the RFP. Bidders would include fee structures in their proposals to ensure that the website is self-sustaining and does not require use of state funds. Generally, RESA would support a reasonable fee charged to suppliers that wish to post information on the shopping website. Because the costs of the website would be recovered from suppliers through user fees, RESA does not anticipate any need for utility cost recovery. WGL Energy does not have a position on cost recovery regarding the shopping website and is still considering the issue.

III. Conclusion

RESA appreciates the opportunity to provide this proposal and stakeholders' continued efforts to bring these retail market enhancements to Delaware.

Respectfully submitted,

RETAIL ENERGY SUPPLY ASSOCIATION

By Counsel



Brian R. Greene
GREENEHURLOCKER, PLC
1807 Libbie Avenue, Suite 102
Richmond, Virginia 23226
Tel. 804.672.4542
BGreene@GreeneHurlocker.com
(*Pro Hac Vice*)

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Proposal was sent on October 2, 2017, to all those identified on the service list for Docket No. 15-1693.



Brian R. Greene