

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Commonwealth Edison Company)	
)	Docket No. 17-0312
Approval of the Energy Efficiency and)	
Demand Response Plan and Update to the)	
Energy Efficiency Formula Rate Cost Inputs)	
Pursuant to Section 8-103B of the Public)	
Utilities Act)	

DIRECT TESTIMONY OF
ROBERT L. GIBBS ON BEHALF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION

1 **I. BACKGROUND**

2 **Q. Please state your name and business address.**

3 A. My name is Robert L. Gibbs. My business address is 194 Wood Avenue South,
4 Iselin, New Jersey 08830.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am the Director, Corporate and Regulatory Affairs for Direct Energy Services,
7 LLC (“Direct Energy”).

8 **Q. Please describe Direct Energy.**

9 A. Direct Energy is one of the largest competitive retail providers of electricity,
10 natural gas and home services in North America, with nearly five million
11 customer relationships, multiple brand, and roughly 5,000 employees. Direct
12 Energy provides its residential and business customers with innovative tools,

13 technologies, and insights to manage their energy use. Direct Energy is a certified
14 Alternative Retail Electric Supplier (“ARES”) in Illinois.

15 Direct Energy and its affiliated Connected Home division offer Hive
16 products in the direct to consumer market, as well as through partners such as
17 retail energy providers, which include Hive Active Thermostat, Hive Active Light
18 bulbs, and Hive Active Plug, and Hive Window and Door Sensors. With Hive,
19 customers can control their heating and cooling, lights, plugs and sensors through
20 a mobile application. In addition, Direct Energy has a family of brands, including
21 Mr. Sparky, which designs, installs, services and repairs electrical systems and
22 parts; Airtron, which offers HVAC solutions including new installations; and
23 One-Hour Heating and Air Conditioning, which offers installation, repair, and
24 maintenance for heating, ventilation and air conditioning systems. Direct Energy
25 also offers home energy audits, using customer data to perform analytics and offer
26 recommendations on how to reduce customers’ overall energy consumption.

27 **Q. Please explain the job responsibilities and duties in your current position.**

28 A. In my current role as Director Corporate and Regulatory Affairs for Direct
29 Energy, I am responsible for all advocacy and lobbying efforts at the legislative
30 and regulatory levels in matters and states assigned to me. I have testified
31 numerous times before several government agencies and bodies, including, but
32 not limited to, the Illinois Commerce Commission (the “Commission”), the New
33 Jersey Senate and General Assembly, the New Jersey Board of Public Utilities,
34 the New Jersey Department of Environmental Protection, and the United States
35 Department of the Interior, Bureau of Ocean Energy Management.

36 **Q. Please describe your educational background and relevant work experience**
37 **prior to joining Direct Energy.**

38 A. I am a licensed attorney with bar admissions in the State of New Jersey (1996)
39 and the Commonwealth of Pennsylvania (1997). I have over 18 years of
40 experience in the energy industry. I worked for over 15 years with various
41 subsidiaries of Public Service Enterprise Group (“PSEG”), including New
42 Jersey’s largest public utility, PSE & G. While at PSEG, I served in roles
43 including: Senior Attorney; Manager, State Government Affairs; Manager,
44 Corporate Properties; Manager, Development-Renewable Energy; and Manager,
45 Market Strategy and Planning.

46 **Q. In what proceeding did you testify before this Commission?**

47 A. I testified on behalf of the Illinois Competitive Energy Association in Ill. C. C.
48 Docket 12-0244, Ameren Illinois Company’s Petition for Approval of Smart Grid
49 Advanced Metering Infrastructure Deployment Plan.

50 **Q. On whose behalf are you testifying today?**

51 A. I am testifying on behalf of the Retail Energy Supply Association (“RESA”).¹
52 RESA has filed a petition to intervene in this proceeding.

53 **Q. Please describe briefly the operations of RESA.**

54 A. RESA is a non-profit trade association of independent corporations that are
55 involved in the competitive supply of electricity and natural gas. RESA and its

¹ 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.

56 members are actively involved in the development of retail and wholesale
57 competition in electricity and natural gas markets throughout the United States.
58 Some of the members of RESA have certificates from the Illinois Commerce
59 Commission (the “Commission”) under Section 16-115 of the Public Utilities Act
60 to operate as ARES in the State of Illinois, including the service territory of
61 Commonwealth Edison Company (“ComEd”), the Petitioner in this proceeding.

62 **Q. Please summarize your testimony.**

63 A. On June 30, 2017, ComEd filed its Energy Efficiency and Demand Response Plan
64 (the “Plan”) in this proceeding. RESA wants to clarify certain aspects of the Plan.
65 First, all rebates under the Plan should be brand and technology neutral. Second,
66 the process for all rebates under the Plan should be simplified and stream-lined.
67 Third, data obtained through energy audits should only be utilized for program
68 evaluation purposes.

69 **Q. Please explain what you mean by all rebates under the Plan should be brand
70 and technology neutral.**

71 A. It is not clear from the Plan whether rebates would be limited based on the brand
72 of a product or the technology that the product uses. For example, ComEd
73 Exhibit 1.0, Commonwealth Edison Company’s 2018-2021 Energy Efficiency
74 and Demand Response Plan, at page 206, states that smart thermostats “feature
75 Wi-Fi connectivity to the internet”. However, if ComEd were to limit rebates for
76 smart thermostats to those utilizing Wi-Fi technology, it would be disqualifying
77 Direct Energy’s Hive smart thermostat product, which does not rely on Wi-Fi as
78 its communication protocol. With Hive, customers can control their heating and

79 cooling, lights, plugs and sensors through a mobile application. Direct Energy's
80 Hive smart thermostat product relies on Zigbee, which is a wireless technology
81 that is a simpler and less expensive communications protocol than Wi-Fi. Many
82 technologies can provide tangible energy or cost savings while others provide
83 valuable insight into a customer's usage and costs which may lead to tangible
84 actions that further reduce energy usage. ComEd's programs should, with
85 reasonable requirements for meeting the program specifications, be open to brand
86 neutral technologies that customers may wish to choose on the open market.
87 To that end, RESA would further suggest that ComEd allow reasonable input into
88 the program specifications that would ensure the broadest possible spectrum of
89 brand neutral technologies to qualify for inclusion in the programs proposed by
90 ComEd.

91 **Q. Please explain your proposal regarding the simplification and stream-lining**
92 **of the rebate process.**

93 A. Rebates should be available at the point of sale or through a simplified application
94 process, for example, a tri-fold brochure which includes an application for the
95 rebate that would be submitted to ComEd's program administrator, with payment
96 going directly to the customer or the supplier of the product for which the rebate
97 is offered.

98 I recommend that ComEd utilize a rebate process similar to that used by the New
99 Jersey Board of Public Utilities (see: [http://www.njcleanenergy.com/main/rebates-
100 and-promotions/rebates-and-promotions](http://www.njcleanenergy.com/main/rebates-and-promotions/rebates-and-promotions)).

101 **Q. Can you explain how a rebate can be made available at the point of sale?**

102 A. Yes, by properly structuring the flow of energy efficiency rebates, they can be
103 made available to a customer at the point of sale. For example, a streamlined
104 rebate process would allow a third party to offer a discounted thermostat—and
105 instant rebate—to a customer. Then, after the point of sale and pursuant to
106 appropriate verification requirements, the third party would submit a rebate
107 request to the utility.

108 **Q. Why would a customer prefer an instant rebate?**

109 A. Many technologies, such as smart thermostats, have high upfront costs that a
110 customer may not want incur even though the long-term benefit substantially
111 exceeds the upfront cost. Additionally, many customers may not want to go
112 through the administrative process and delay associated with submitting a
113 standard paper rebate form. Streamlining the process improves the customer
114 experience and increases the accessibility of energy efficient technologies to
115 customers within the ComEd territory. However, a customer who chooses to buy
116 the product and submit the application with a receipt for the rebate directly to
117 ComEd and receive the rebate directly should be able to do so.

118 **Q. Please explain RESA's concerns regarding the use of data obtained through**
119 **energy audits.**

120 A. RESA has no objection to ComEd's use of data obtained through energy audits to
121 perform program analysis. However, RESA is concerned about the use of data to
122 perform analytics and offer recommendations on how to reduce overall energy
123 consumption. These services are already available through the private market.
124 For example, Direct Energy offers home energy audits, using customer data to

125 perform analytics and offer recommendations on how to reduce overall energy
126 consumption. ComEd should not be permitted to capture customer data that is
127 available in its role as a public utility and use it to provide value-added services to
128 customers that are more appropriately offered in the competitive market.

129 Because ComEd would be offering these services at no cost to customers, using
130 ratepayer-funded subsidies, the value of these services in the market would be
131 minimized. To the extent that other entities, including Direct Energy, would
132 attempt to offer these services as a value-added product to other products or to sell
133 these services to customers, ComEd's use of data obtained through energy audits
134 to offer similar services would adversely affect those efforts. The Commission
135 should not permit ComEd to use ratepayer funds to skew the private market for
136 data analytics services.

137 At a minimum, the Commission should prohibit ComEd from providing data
138 obtained through energy audits to any affiliate in order for that affiliate to provide
139 data analytics and/or energy conservation products.

140 **Q. Does this conclude your direct testimony?**

141 A. Yes, it does.

NOTICE OF FILING

Please take note that on July 25, 2017, I caused to be filed via e-docket with the Chief Clerk of the Illinois Commerce Commission, the attached Direct Testimony of Robert L Gibbs on behalf of the Retail Energy Supply Association in this proceeding.

/s/GERARD T. FOX
Gerard T. Fox

CERTIFICATE OF SERVICE

I, Gerard T. Fox, certify that I caused to be served copies of the foregoing Direct Testimony of Robert L. Gibbs Teresa Ringenbach on behalf of the Retail Energy Supply Association upon the parties on the service list maintained on the Illinois Commerce Commission's eDocket system for Ill. C. C. Docket 17-0312 via electronic delivery on July 25, 2017.

/s/ GERARD T. FOX
Gerard T. Fox