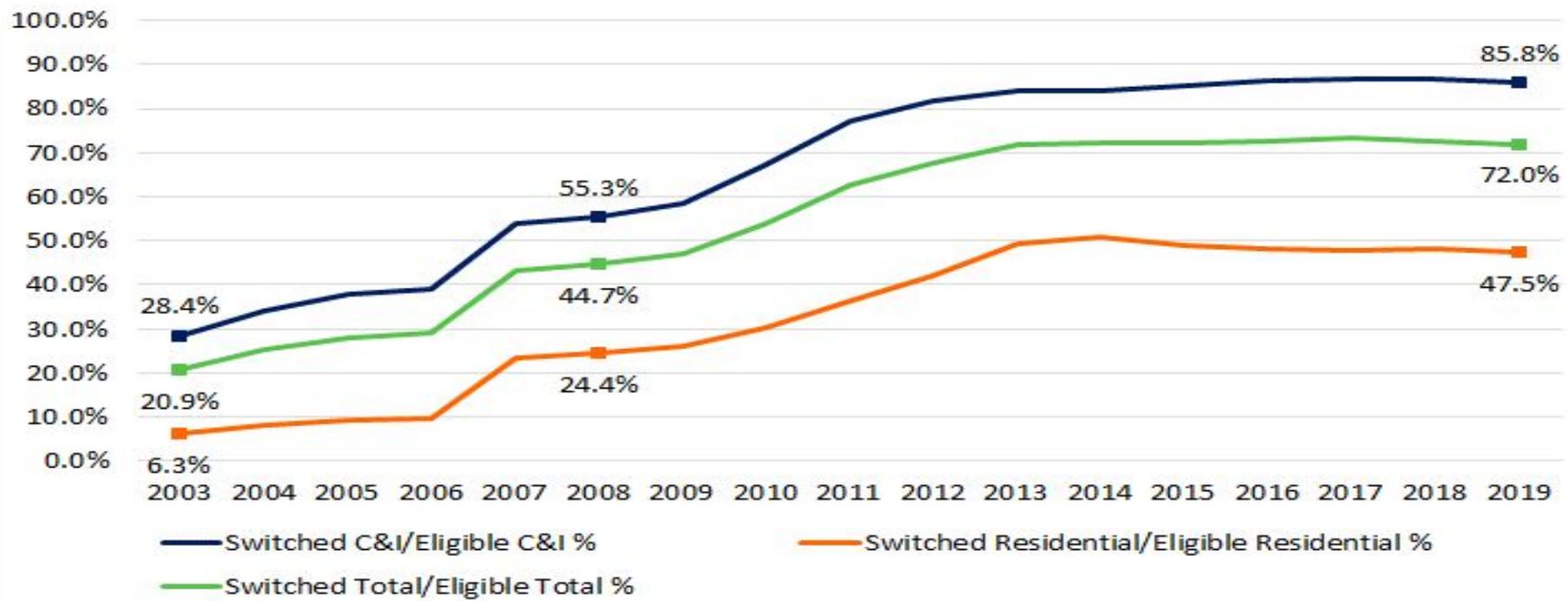


Percentage of Load Switched in the 14 Competitive Jurisdictions

The great majority of eligible load in the choice jurisdictions is served by competitive suppliers

Source: DNV GL 2019 Retail Energy Outlook



The information presented in this document represent the views of RESA as an organization and may not necessarily reflect the views of any particular RESA member.

Figure 6 (page 16) of Restructuring Recharged – Updated through CY2019

Source: DNV GL 2019 Retail Energy Outlook. This figure is derived from data obtained from information from the annual report on competitive electricity accounts and loads issued by DNV GL. DNV GL, is a highly regarded international consulting and energy information firm that compiles information from state utility commissions and other sources to estimate a variety of statistics on retail electricity choice provided to subscribers in an annual Retail Energy Outlook Report.

This figure shows the upward trend in shopping activity from both residential and C&I customers with respect to load served by non-utility suppliers.^{*1} In 2019, 72.0% of load eligible to switch in the 14 customer choice markets was served competitively with retail pricing and products by non-utility suppliers. It is interesting to observe that the vast majority of C&I load (85.8%) has switched to non-utility supply. Meanwhile, about half (47.5%) of the residential load in the competitive jurisdictions had switched to supply procured by retail suppliers. Most of the remaining load in the 14 markets, a little less than one-third of total eligible load in those jurisdictions, is served with market-priced supply procured in the competitive wholesale market by wires utilities acting as default providers.

The nature of utility default service is often misunderstood or mischaracterized as the equivalent of traditional utility “rate of return” tariffed service under the monopoly model that the utility provided prior to restructuring. It is significantly different in several ways:

- Wires-only utilities that provide default service to non-choosing residential and small business customers generally do not earn a profit from providing the market-priced default supply;
- Customers eligible for default service are generally free to switch from the utility default service and to choose service from a competitive supplier; and,
- Default service supply is customarily procured through forward purchases made in a competitive wholesale market in a similar manner as that procured by the retail suppliers.

*1: The word “eligible” in the slide title is meant to indicate that only those customers allowed to choose a retail supplier (usually those located behind IOUs in the competitive jurisdictions/states) are included in the calculation. Typically, customers located behind municipal utilities and rural cooperatives do not allow choice in