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January 17, 2020

By Electronic Filing

Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904
Attn: PSC Docket No. 19-0333

**Re: Comments of the Retail Energy Supply Association
Docket No. 19-0333**

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,

/s/ Eric J. Wallace

Eric J. Wallace

Enclosures

Cc: Service List (by Email only)

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE PETITION OF THE *
DELAWARE PUBLIC SERVICE COMMISSION *
STAFF TO OPEN A DOCKET REGARDING THIRD * PSC DOCKET NO. 19-0333
PARTY ELECTRIC SUPPLIER CONSOLIDATED *
BILLING (FILED MAY 22, 2019) *

**COMMENTS OF
THE RETAIL ENERGY SUPPLY ASSOCIATION**

The Retail Energy Supply Association (“RESA”),¹ by counsel, submits the following comments regarding supplier consolidated billing (“SCB”) and requests that the Commission issue an order directing the implementation of SCB as a billing option for customer in Delaware.

I. INTRODUCTION

RESA submits these comments pursuant to the Public Service Commission of the State of Delaware’s (“Commission’s”) Order No. 9497 and Public Notice for Requests of Third Party Electric Supplier Consolidated Billing Proposals (“Public Notice”), issued on November 5, 2019. The Public Notice called for written comments and proposals to be filed by December 31, 2019, but the deadline was later extended to January 17, 2020.²

RESA – a diverse organization of competitive energy suppliers of varying sizes and business plans serving all types of consumers in Delaware and elsewhere – fully supports implementation of SCB. Allowing the entities providing electricity supply

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.

² Order No. 9526 (Jan. 8, 2020).

service to directly bill their customers through the implementation of SCB is an important and necessary evolution of the retail electricity marketplace, enabling retail electricity suppliers to deliver on the original promises of technological and services-related innovation that were an integral part of the Electric Utility Restructuring Act of 1999 (the “Restructuring Act”).³ More specifically, in enacting the Restructuring Act, the General Assembly declared: “It is the policy of this State that a competitive market for the supply of electricity and the availability of customer choice among electric suppliers shall be encouraged and that the generation, supply and sale of electricity shall be deregulated.”⁴ The Restructuring Act’s “Metering and Billing” provision mandated that each customer within Delmarva Power & Light Company’s (“Delmarva” or “DP&L”) service territory “shall have the right to choose to receive separate bills from DP&L and from its Electric Supplier, or to receive a **combined bill from either DP&L or its Electric Supplier**, for Electricity Supply, Transmission, Distribution, Ancillary and other Services, consistent with the regulations of the Commission.”⁵ The Commission’s electric supplier regulations include a placeholder for SCB.⁶ Given the existing statutory and regulatory provisions for SCB, implementation is the critical next step towards achieving the Restructuring Act’s policy goals.

Implementation of SCB will spur development of innovative products and services that add value to consumers beyond the electric and natural gas commodities. Suppliers are starting to develop these products today (including electricity bundled with energy efficiency, demand response, direct load control, smart thermostats, distributed

³ 72 Del. Laws, c. 10.

⁴ 72 Del. Laws, c. 10, § 2.

⁵ 72 Del. Laws, C. 10, § 1011 (Metering and Billing) (emphasis added).

⁶ 26 Del. Admin. C. § 3001 (Rule 5.1.1).

solar generation and other forms of on-site generation, battery storage technology, products bundled with loyalty rewards and products bundled with home protection). However, the lack of a direct billing relationship with customers prevents customers from accessing the full value of these products and services.

As explained below, the current structure relies too heavily on utility consolidated billing (“UCB”), wherein the utility sends a bill to the customer that includes the utility’s charges and the supplier’s charges. Reliance on UCB blocks suppliers and customers from forming a direct relationship. This, in turn, stifles the innovation that occurs in a competitive market where suppliers can establish direct relationships with customers and must continue to innovate in response to customer demands to be successful.

There is no shortage of examples that exist today showing how industries respond to consumers’ desires by implementing new and novel approaches to traditional industries and business models. From ride sharing applications to Amazon, recent technological advances are focused on directly connecting consumers to service providers that tailor services to consumers’ individual needs and preferences. Importantly, the common thread to these innovations is a direct connection to the customer. However, this direct connection is not yet available to customers of competitive electricity suppliers in Delaware.

In its simplest form, utility distribution service is a separate charge from the delivery of a commodity that the customer has agreed to purchase, either from a utility or a retail supplier. Yet, there is no parallel example of another industry where a consumer gets billed from the transportation firm for the product or service bought from another company. For example, consumers are not billed by Federal Express or UPS for the

products they purchase on Amazon. The outdated energy billing structure in place in Delaware is not keeping pace with the evolution occurring in the rest of our economy. Beyond establishing a gatekeeper between the supplier and customer, exclusive reliance on UCB has fostered other barriers that stifle innovation. Now is the time to reset the mindset of utilities that think they own the relationship with energy consumers in their service territories. Instead, *consumers* should be empowered to own the relationship with their energy supplier and their utility. Enabling SCB as a billing option is a critical step forward for consumer empowerment.

Data supports customers' preferences for direct billing relationships. In Texas, where customers have a direct billing relationship with their retail supplier through SCB, customers are more satisfied than in other jurisdictions without SCB. J.D. Power reported, in a 2016 survey of retail electric customers, that "overall satisfaction with retail electric providers in Texas is 730, an increase of 15 points from 715 in 2015. Overall satisfaction in the other eight states averages 646, an improvement of 14 points from 632 in 2015."⁷ This difference is not surprising. Consumer satisfaction is a direct result of the level of engagement and communication that a customer has with the service provider. Absent SCB, suppliers are extremely limited in their ability to differentiate their service experiences. Implementation of SCB can help to close that customer satisfaction gap.

In addition, reliance on UCB reinforces inaccurate messaging to consumers such as: (1) the mistaken belief that utility-provided default service is superior to competitive supply service (because consumers only receive bills from the utility); and, (2) the only

⁷ J.D. Power 2016 Retail Electric Provider Residential Customer Satisfaction Study, <http://www.jdpower.com/press-releases/jd-power-2016-retail-electric-provider-residential-customer-satisfaction-study>.

accurate measure of the value of shopping comes from comparing the utility's standard offer service ("SOS") rate to supplier price offers. Enabling SCB as a billing option for suppliers would create a real opportunity for suppliers to distinguish their products and services on metrics beyond a comparison to SOS rates. SCB will drive innovation and lead to a wide variety of competitive offers from which consumers can choose.

Importantly, implementation of SCB does not require elimination of UCB. Rather, SCB can be added as another billing option, consistent with the statutory mandate in the Restructuring Act.⁸ RESA supports maintaining the existing UCB model with the Purchase of Receivables ("POR") program. UCB and POR enable new entrants to provide service to customers by leveraging existing utility billing platforms. Nevertheless, over time, technology has advanced, and many retail suppliers have become more sophisticated in their product development, processing and communication of energy usage data, consumer research, and numerous other areas. With these advancements, and the status of the retail market today in Delaware, now is the time to expand the available billing options to better enable innovation and generate a greater variety of consumer options. The availability of SCB – introduced with the attendant consumer education surrounding its implementation – will broaden consumer awareness about competitive products and services. Consumers will be able to make more informed choices about the types of products and services that meet their individual preferences. The end result will be both expansion of choices for consumers and incentives for suppliers to continue to innovate their products and services to meet consumer demands.

⁸ 72 Del. Laws, C. 10, § 1011 (Metering and Billing).

At the same time, customers that prefer to receive their bill from the utility under the current process will continue to have that option.

For these reasons, RESA supports implementation of SCB and emphasizes the importance of receiving timely and clear policy direction from the Commission that SCB will be implemented, providing direction and a reasonable timeline for the industry to develop specific plans and processes for implementation. RESA recommends that the Commission direct stakeholders to develop an SCB timeline, subject to Commission approval, to balance the interests of expeditious implementation with the need to carefully address the technical and operational issues to be addressed for successful implementation. The timeline should afford stakeholders ample opportunity to develop their SCB models to be ready on day one. RESA recognizes that there will be considerable operational, business process and policy issues to address as part of the SCB implementation process. RESA and its members stand ready to work with Delmarva, Commission staff, and other stakeholders to address these implementation issues.

Ultimately, consumers benefit when competition produces a variety of products and services from which to choose. SCB is the critical retail market enhancement to undertake at this point in time to work toward achieving that result. For these reasons, and as discussed below, RESA recommends that the Commission implement SCB.

II. COMMENTS

A. The existing UCB structure – without an SCB option – impedes competitive market innovation and competition by inserting the utility into the middle of the consumer-supplier relationship.

The foundation of the Restructuring Act is a recognition that consumers benefit from competition.⁹ Importantly, the General Assembly recognized that true innovation occurs in a competitive market where private entities are competing against one another to attract and retain customers. In a truly competitive environment, companies are incented to innovate and fine-tune their products and services in response to customer demands. Competitors must constantly evolve and enhance their products to be successful. Customers benefit because they are able to select from a variety of products and services developed to meet their individual needs.

By contrast, a utility can be more limited in its ability to innovate, experiment, and compete because utilities are subject to cost-based regulation in which every expense must be scrutinized, justified, and approved in a rate case. Thus, real-time responsiveness to customer demands and innovation simply cannot occur through the traditional regulatory model under which utilities must operate.

RESA recognizes and applauds the Commission's efforts over the last 20 years to develop the competitive retail electricity market in Delaware. Implementing SCB will open up a significant pathway for much broader innovation among competitive retail electricity suppliers. Many of the most significant changes happening in today's economy are driven by tectonic shifts in the way consumers approach traditional industries and service models. To understand the importance of market-enabling features like SCB, it is useful to look at the retail energy industry against the backdrop of these other industry transformations.

⁹ 72 Del. Laws, c. 10, codified at 26 Del. C. Ch. 10.

The most exciting and popular trends in today's economy revolve around new, disruptive or more direct and dynamic ways for consumers to engage with product and service providers. As examples:

- The advent of Uber, Lyft, and other ride-sharing platforms enable drivers and riders to connect and facilitate a market for drivers to earn income using their own vehicle, while providing riders the ability to promptly hail a ride from virtually anywhere and at any time using their smart phone.
- Airbnb, an online marketplace connecting travelers with local hosts, is another example of a highly popular and disruptive business model. On one side, the platform enables people to list their available space and earn extra income in the form of rent. On the other, Airbnb enables travelers to book unique home stays from local hosts, saving them money and giving them a chance to interact with locals. Airbnb now provides homes and bedrooms in over 34,000 cities and 190 countries, and has over 1.5 million listings.
- Amazon has revolutionized the consumer shopping experience. The customer experience is straightforward, with "One Click" shopping (and now ordering via Twitter) to ensure a fast and simple checkout, allowing customers to avoid having to re-enter credit card details and addresses. Customer reviews are available online for each product, and there is a "Frequently Bought Together" section that gives customers additional options and a more complete experience.
- Tesla has brought electric vehicles to the marketplace by eschewing the long-standing business model of maintaining franchised car dealerships and, instead, selling directly to customers.

- In the energy industry, examples include the popular Nest thermostat and surging consumer interest in distributed solar.

There is one common thread to these innovations: enabling customers to connect directly with their product and service providers. Connecting passengers to drivers via a smart phone app. Connecting guests to a host via Airbnb. Connecting shoppers with their products, often delivered in only one to two days (or even the same day), via Amazon's fulfillment service. Connecting electric vehicle buyers to an online website where they can design and order their new car, and then download an app to allow for keyless entry, check their vehicle charge status, enable the climate control system, and more.

In today's retail energy industry, the lack of SCB breaks the customer connection because retail suppliers cannot use the billing relationship to directly engage with customers. While suppliers can develop new and useful ways of presenting energy consumption information to consumers and empowering them with new tools to act on this information, the benefit of these innovations is unnecessarily limited if the supplier cannot seamlessly convey the value of these measures to its customer through the bill. Many suppliers offer online analysis tools to help consumers better manage their energy usage. These tools could be expanded or incorporated into billing-related communications once SCB becomes available.

For residential customers, UCB is the only viable billing option available for retail suppliers. Suppliers wishing to participate in POR must use UCB for residential customers.¹⁰ This means that if suppliers want to participate in POR for any residential

¹⁰ See Delmarva Power & Light Company, Electric Supplier Agreement, Article 13, Section 13.2 (Purchase of Electricity Supplier Receivables), *available at* <https://www.delmarva.com/MyAccount/MyBillUsage/Pages/DE/Electric/CurrentTariffs.aspx>.

customer, then they are required to utilize UCB for all residential customers. While POR is an important measure to mitigate the competitive advantages that utilities enjoy with respect to customer service and billing costs, the reality of Delaware's current UCB/POR structure is that it prevents suppliers from establishing direct relationships with their customers or offering them non-commodity-based value-added products and services.

UCB stifles innovation in other ways. Under the current POR construct, suppliers can only bill commodity service through the UCB. Moreover, utility bills are rigid and do not allow suppliers to customize their messaging, products, and services for customers. For suppliers that bill innovative products, such as a flat bill, there is very little flexibility in how the flat monthly charge appears on the bill. Existing billing systems only accommodate a finite number of characters and, as a result, restrict suppliers' ability to explain the charge and educate customers about it. Because of the limited allocation of space on the bill, many times suppliers are forced to send separate, supplemental communications to the customer to explain the supplier charges. This is inefficient, and can cause customer confusion. SCB will allow suppliers the flexibility needed to more fully explain all of the charges appearing on the bill, efficiently conveying the information necessary for customers to fully understand the bill.

Many suppliers are developing new and innovative products. Suppliers need flexibility to accurately provide and explain products and charges on the customer's bill. Moreover, as a result of paperless billing available from many utilities, enrolled consumers generally receive an email that their bill is due and in what amount without any reference that the customer is receiving service from a particular supplier. The only way for these customers to see these bills (since they forgo paper bills) is to: (1)

logon to the utility's website; (2) remember their password and sign in; (3) navigate to their bill; and, (4) scroll to the end of the bill where suppliers are generally relegated some limited space for messaging.

True innovation in the retail electricity market in Delaware has stagnated, in large part, because of the limitations of the current UCB option. SCB presents a viable path forward to evolve Delaware's competitive retail energy markets by stimulating innovation and competition. Just like the industries discussed above, it is simply not possible to predict today the innovation that will occur tomorrow if SCB is adopted. The lesson learned from other innovative industries and from the wealth of energy products available in Texas where SCB is thriving, however, is that SCB enables innovation and will provide significant value to Maryland energy consumers.

B. Exclusive reliance on UCB has fostered additional barriers to innovation.

Aside from the barriers to competitive supplier innovation presented because suppliers cannot establish a direct billing relationship with customers, the exclusive reliance on UCB has fostered other barriers that stifle innovation. As discussed below, implementation of SCB can ameliorate (if not eliminate) these barriers.

As the historical monopoly provider of all energy services and the current monopoly provider of distribution service, maintaining exclusive reliance on the utility as the billing entity only serves to reinforce the utility mindset that the utility "owns" the customers and is responsible for "protecting" them from perceived harms of the competitive market. Our neighbors to the north at the Pennsylvania Public Utility Commission explained this problem mindset:

Lastly, we feel compelled to state once again that the Commonwealth's [Electric Distribution Companies] do not "own" their customers. We feel strongly that our [Electric

Distribution Companies] must rid themselves of this mindset, which is a relic from the pre-competition days of vertically integrated service provided by a single entity.¹¹

The same holds true for Delmarva. Implementing SCB will help to rid utilities of the customer ownership mindset. From a consumer perspective, only allowing a utility to issue consolidated bills is confusing and undermines consumer education efforts about shopping. When consumers are not billed by the provider of a service, they are deprived of the opportunity to have the service provider (here the retail energy supplier) reinforce the reasons upon which the consumer chose to enroll with that service provider in the first place. Customer education and engagement should not end at the enrollment but should continue month in and month out through active communications, and most importantly through the customer's bill.¹²

As discussed above, the current bills issued through UCB do not address customer education regarding their competitive supplier. By not allowing suppliers to reinforce their messaging directly with their customer, suppliers are often unable to distinguish their products and services in the mind of the customer. Thus, building customer loyalty is difficult – a difficulty that can be overcome by enabling SCB as a billing option.

¹¹ *Petition of PECO Energy Company for Expedited Approval of its Dynamic Pricing Plan Vendor Selection and Dynamic Pricing Plan Supplement*, Pa. PUC Docket No. P-2012-2297304, Final Order at 13 (entered Sept. 26, 2012).

¹² Implementing SCB could cause the Commission to receive fewer information complaints from customers. In some instances, a customer may allege slamming and contends that he or she did not know the account had been enrolled with a retail supplier despite receiving a UCB every month that included the supplier's charges and identified the supplier providing the commodity service. With SCB, the bill will come directly from the retail supplier if the supplier offers SCB and the customer agrees to it. Thus, the customer will know from the beginning of the relationship that the account has been transferred to a retail supplier.

Some may argue that implementation of SCB runs the risk of confusing customers or damaging the long standing relationship that the utilities have established with their customer base. On the contrary, RESA believes that SCB will foster better informed customers. Today, under UCB, the lines distinguishing “who’s responsible for what” are confusing to customers because they don’t have an opportunity to directly engage with their supplier. Because suppliers cannot build and maintain the customer relationship, many customers of retail suppliers may mistakenly believe the utility is responsible for their energy supply. In fact, consumers can select a supplier, receive service from the supplier and cancel that service without ever having a direct conversation with any representative from the supplier. This underscores why some customers do not understand the separation between the utility as the distribution service provider and the supplier as the energy commodity provider. This separation of consumer and provider of services is unreasonable, confusing, and serves as an impediment to development of real innovation for consumers.

Moreover, the fact that only utilities are billing for service could result in consumers mistakenly believing that the utility-provided SOS is superior because only the utilities are issuing bills. Endorsement of SOS over competitive supply products would not be commensurate with the intent of the Restructuring Act.

Another negative consequence of UCB is that it reinforces the messaging that the SOS rate is an appropriate benchmark by which competitive offers should be measured. This is not an appropriate benchmark because SOS is a subsidized service that, because of the existing SOS structure the SOS rate, may not be reflective of current market conditions. In addition, the focus solely on commodity pricing is too narrow and ignores

the current evolution and future of retail energy markets. As competitive markets and technology evolve, customers will start seeing energy as more than just the commodity, but rather a package of products and services that include the commodity. But, moving energy markets forward cannot be accomplished when the utility is the lone entity sending the bill, and the SOS rate is prominently displayed on the bill, even bills that are sent to shopping customers who have chosen not to receive SOS. Therefore, while reliance on the SOS rate to judge competitive offers is both misleading and not forward-thinking, the exclusive use of UCB only reinforces this type of false comparison in the minds of consumers and stymies the “beyond commodity” market evolution. The result is that consumers are harmed because they are denied the full opportunity to access the innovation that the energy market has to offer.

In conclusion, exclusive reliance on UCB only further entrenches misimpressions about shopping in Delaware. SCB presents a way to: (1) untangle some of these misimpressions; (2) incentivize innovation from the competitive market; and (3) reinvigorate shopping.

C. Implementing SCB as an additional billing option gives consumers more options to choose products and services that best suit their individual preferences.

SCB should be implemented as an additional billing option for consumers. RESA supports maintaining the existing UCB model with POR, despite its limitations. This billing structure has and will continue to enable and facilitate the development of retail competition in Delaware. UCB with POR enables new entrants to begin serving customers by leveraging the existing utility billing platform. However, now that we are past the initial market development phase in Delaware, it is time to expand billing options to better enable innovation as discussed above.

SCB and UCB are not mutually exclusive market models and allowing for both will only provide a greater variety of competitive offers for consumers. With both options, suppliers will be able to choose the model that best meets the particular supplier's business model and consumer needs. This will result in more choices for consumers. For example, a consumer will have the ability to choose a particular supplier that is using UCB. Whether this consumer makes this choice because that particular supplier using UCB is offering a product that more closely aligns with the consumer's individual preferences or because the consumer just feels more comfortable receiving the bill from the utility at this time is not important. What is important is that the consumer have these choices.

Implementation of SCB will necessarily result in enhanced consumer education, providing consumers a much broader view of retail competition (in terms of value added products and services) to enable consumers to better understand their options. Thus, in the end, implementing SCB alongside the existing UCB model will incent suppliers to develop the products and services that consumers desire (to include those consumers preferring to receive the bill from the utility) and consumers will be better educated about the choices available in the market.

D. Clear policy direction from the Commission is critical to success.

A successful outcome for this proceeding would be to create an environment where any eligible supplier wishing to offer SCB would be able to do so and would have the flexibility to tailor its specific products and services to customers in the manner they desire. To reach this goal, it is critical for the Commission to provide clear policy direction that SCB will be implemented, including the elements of the SCB program as discussed below regarding the recently approved Maryland SCB program structure,

followed by a reasonable period of time for the industry to address implementation issues. RESA requests that the Commission issue an order by February 14, 2020, directing Delmarva and other stakeholders to implement SCB over the next three years, commencing a SCB rulemaking, and establishing working groups for SCB implementation.

Clear policy directives are necessary for efficient implementation. RESA welcomes the opportunity to participate in a working group focused on implementing SCB. However, stakeholders convening a work group will benefit from well-articulated policy directives and expectations from the Commission. The question of “should we do SCB and, if so, how?” is a much different question for a work group than “how do we implement SCB as directed by the Commission?” The former question begs for inefficiencies, non-consensus work group reports, and lengthy proceedings that could be avoided if the work group is convened to address the second question only. In other words, the second question – where the work group is afforded clear instructions and due dates – promotes efficient use of all stakeholders’ resources, including the Commission’s, and will result in greater, more immediate benefits to customers. It is important that the Delaware SCB program implementation mirror Maryland SCB as much as possible, to ensure consistency and allow Delmarva and participating SCB suppliers to implement required system and process changes consistently across both jurisdictions.

The SCB implementation timeline should afford stakeholders ample time to develop their SCB platforms. Suppliers and Delmarva will require lead time to allocate and deploy the resources necessary to implement SCB billing capabilities. RESA recognizes that implementation of SCB will require Delmarva to incur additional costs

for the necessary changes to existing billing and IT systems. RESA believes that the long-term benefits of SCB will far outweigh any short term cost considerations. However, RESA acknowledges that the utilities will require cost recovery for such system and process enhancements. RESA stands ready to discuss appropriate cost recovery mechanisms. RESA believes that any cost recovery approach must not act as a barrier to participation in SCB by suppliers and should be limited to recovering costs that are truly incremental and directly related to implementation of SCB.

In sum, RESA believes that this implementation timeline is appropriate, and encourages the Commission to provide the policy direction for SCB, including not only moving forward with SCB but also the elements of the SCB program as discussed below.

E. The Commission should implement SCB in Delaware consistent with Maryland.

The Public Service Commission of Maryland (“Maryland Commission”) issued Order No. 89116 on May 7, 2019, authorizing the implementation of SCB in Maryland.¹³ The Maryland Commission provided clear policy direction for SCB implementation. In Order No. 89116, the Maryland Commission established a framework for SCB implementation and the elements of the Maryland SCB program structure, as summarized below:

- **Implementation Process:** The Maryland Commission directed a stakeholder workgroup, led by Staff, to consider implementation issues

¹³ Public Service Commission of Maryland, Case No. 9462, *In the Matter of the Petition of NRG Energy, Inc., Interstate Gas Supply, Inc., 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*, Order No. 89116 (May 7, 2019). Available in the docket for Case No. 9461 at https://webapp.psc.state.md.us/newIntranet/Casenum/NewIndex3_VOpenFile.cfm?FilePath=//Coldfusion/Casenum/9400-9499/9461\58.pdf.

that were not resolved in the Order.¹⁴ The workgroup was given sixty days to file an implementation timeline, including a procedural schedule with deliverables for approval.¹⁵ The Maryland Commission also directed Staff to form a separate workgroup to address technical issues related to the implementation of SCB.¹⁶

- **SCB Supplier Qualifications:** The Maryland Commission determined that “enhanced supplier qualifications” were appropriate.¹⁷ The Maryland Commission declined to adopt the proposed qualifications, directing the stakeholder workgroup to develop requirements that ensure suppliers meet increased demands without creating a barrier to market entry that unduly benefits incumbent suppliers.¹⁸
- **Termination Authority and Remedies for Non-Payment:** Various retail suppliers requested the Maryland Commission grant qualified SCB providers the authority to direct utilities to terminate service to customers who failed to pay their bills, noting it was necessary to ensure payment and manage bad debt.¹⁹ The Maryland Commission determined that it was not appropriate to extend termination authority to qualified SCB providers at the time.²⁰ However, the Maryland Commission did respond to suppliers’ financial concerns by requiring incumbent utilities to purchase

¹⁴ *Id.* at 23.

¹⁵ *Id.* at 23.

¹⁶ *Id.* at 23.

¹⁷ *Id.* at 28.

¹⁸ *Id.* at 28.

¹⁹ *Id.* at 29-30.

²⁰ *Id.* at 37.

the outstanding distribution charges of a delinquent customer's account upon their return to SOS.²¹

- **Purchase of Receivables and Supplier Bad Debt:** The Maryland Commission determined that suppliers should provide purchase of receivables to the utility on substantially the same terms as UCB.²² The Maryland Commission directed utilities to purchase distribution-related debt at a zero discount rate, unless the workgroup provided a compelling alternative.²³ The Maryland Commission further directed the workgroup to propose measures to effectuate the purchase of receivables and identify related issues for consideration.²⁴
- **Disclosures and Consumer Protection Measures:** The Maryland Commission determined that suppliers were required to provide all the disclosures, notices, billing information and consumer protections required of a regulated utility.²⁵ However, the Maryland Commission also provided the workgroup with flexibility to propose additional consumer protection measures and modifications to existing requirements as needed.²⁶
- **Cost Recovery:** The Maryland Commission concluded that it lacked sufficient information to determine the costs associated with implementation or the appropriate cost recovery mechanism.²⁷ The

²¹ *Id.* at 37.

²² *Id.* at 40.

²³ *Id.* at 41.

²⁴ *Id.* at 40-41.

²⁵ *Id.* at 46.

²⁶ *Id.* at 46-48.

²⁷ *Id.* at 52.

Maryland Commission directed the stakeholder workgroup to address both issues, identifying and estimating costs associated with implementation and developing one or more cost recovery mechanisms for consideration.²⁸

In the interest of efficiency, RESA requests that the Commission implement SCB in Delaware consistent with the elements outlined above. As the Maryland stakeholder work group progresses through its implementation process, the Delaware work group should seek to adapt the technical aspects of SCB developed for use in Delaware. RESA expects that SCB can be most efficiently implement in Delaware if the program is consistent with Maryland's program.

III. CONCLUSION

For the reasons explained above, RESA recommends that the Commission implement SCB in Delaware and allow the retail energy market to begin to deliver on the original promises of technological and services-related innovation that were integral to Restructuring Act. SCB is an important and necessary evolution of the retail energy marketplace that will spur development of innovative products and services that add value to customers beyond the commodity. In the end, this will benefit all consumers just as they are benefitting in other industries from all the exciting innovations driving some of today's most popular trends.

Respectfully submitted,

RETAIL ENERGY SUPPLY ASSOCIATION

By Counsel

²⁸ *Id.* at 53.

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Counsel for the Retail Energy Supply Association

Dated: January 17, 2020

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Comments was sent via email on January 17, 2020, to all those identified on the service list for Docket No. 19-0333.

Eric J. Wallace