**RMI Technical Conference – March 15, 2012**

**Submit all deliverables to** [**ra-rmi@pa.gov**](mailto:ra-rmi@pa.gov)

**All discussion documents/deliverables available at**

[**RMI Discussion Documents & Deliverables**](http://www.puc.state.pa.us/electric/Retail_Markets_Investigation_Discussion_Documents.aspx)

**Action Items highlighted in yellow**

***En Banc* Hearing Update** – Karen Moury

* Moury: Tentative Agenda issued. 3/21/12 – 10 AM-3:30PM. Corrections to agenda due by COB 3/16/12. Final Agenda to be issued Monday 3/19/12. Commissioners have directed that participants on end-state default service models panel not reiterate proposals submitted to RMI working group. Commissioners have position statements. Spend time focusing on Staff models put forth in Secretarial Letter. Address challenges in implementing models and proposed enhancements/changes.

**Consumer Education Subgroup Report** – Tom Charles and Dave Hixson

* [*Staff’s Proposal for Statewide Campaign (3/13/12)*](http://www.puc.state.pa.us/electric/docs/RMI/DD-PA_ConsumerEd_Campaign_Proposal_031312.docx)
* Charles: Discussion of Staff Proposal for Statewide Campaign – from RMI Consumer Education Subgroup. 3 options/components: (1) Mass media campaign funded by contributions/assessments on suppliers. To be discussed by Dick Webster (PECO) at *en banc* hearing re: usage of Purchase of Receivables (POR) mechanism. Ron Cerniglia (Direct Energy) will discuss proposal, as well. (2) Contest – on [www.PAPowerSwitchcom](http://www.PAPowerSwitchcom). Prize – 1 year of electricity supply from participating supplier. Michael Meath (PEMC/ACCES) will discuss at *en banc*. Ron Cerniglia will also discuss. (3) Strawman Proposal from PA Energy Marketers Coalition (PEMC)/ACCES. Heavily dependent on existing ACCES/Commission/electric distribution company (EDC) resources to promote campaign. John Holtz (Green Mountain Energy) will discuss value-added benefits of competition and funding at *en banc*. For contest, don’t sign up immediately but would have to eventually in order to receive price. Direct Energy – please discuss supplier reaction to POR funding mechanism and alternative mechanisms in testimony at *en banc*. Would like some commitment from suppliers to support campaign. Release of electric generation supplier (EGS) consumer education survey results to be determined.
* EGSs: Utilizing POR mechanism would require customers who have already shopped to bear burden of paying for campaign. Customers on default service (DS) wouldn’t be paying. Disproportionate allocation of costs. Some EGSs don’t use POR. Utilize nonbypassable surcharge through EDCs. Determine audience and collect funds appropriately. Could utilize an assessment-style mechanism. If utilize assessment, PUC authority to implement?
* Office of Consumer Advocate (OCA): Find mechanism to share costs so EGSs also have to pay for campaign.
* PA Utility Law Project (PULP): Don’t want customers to have to make split-second decision to sign up with EGS in order to participate in contest. Ensure proper consumer education without pressuring customer.
* Industrials: Concern with nonbypassable surcharge mechanism as it would be charged to Industrials when focus generally is not on such classes. Recover moneys from appropriate parties/audiences.

**Comments due April 4, 2012, on CONSUMER EDUCATION ONLY. Other *en banc* comments due on March 28, 2012.**

**Universal Service Issues Subgroup Report** – Dan Mumford

* Mumford: Brief update. Have had calls to discuss Customer Assistance Program (CAP) customer shopping. Have requested written comments from subgroup participants on CAP shopping. Circulated to group today. Subgroup coordinated by Dick Webster (PECO). Tentative conference call date on Friday, March 23, 2012. Going forward – review comments, CAP shopping, consumer education to CAP customers.
* PULP: How will this be addressed going forward?
* Moury: Commission could direct a group to further develop resolutions. If Staff feels it has enough information, it will address issues in Tentative Order.

**Next RMI Universal Service Subgroup Meeting – March 23, 2012.**

**End-State Default Service Models – Q&A with Staff** – Karen Moury

* [*Staff’s Updated Summary of Participants’ Positions (3/12/12)*](http://www.puc.state.pa.us/electric/docs/RMI/RMI-Staff_Summary_End_State_Default_Service_Proposals.docx)
* [*Secretarial Letter and Staff Discussion Document (3/2/12)*](http://www.puc.state.pa.us/electric/pdf/RetailMI/RMI-SecLtr_Staff_Doc_EnBanc_Hearing030212.pdf)
* [*Staff’s Answers to Frequently Asked Questions (3/9/12)*](http://www.puc.state.pa.us/electric/docs/RMI/DD-FAQs_Default_Service_Proposals030912.docx)
* Moury: Q&A? *(Answers to questions provided in italics following question)* Everything is still on the table. Models are solely to facilitate *en banc* discussions and to determine best *product* to pursue. What is product that needs to be in PA – transition and/or final end-state? May shorten time periods for speaking and increase Q&A on *en banc* agenda. Do not reiterate written comments at *en banc*.
* OCA: States with models similar to Staff proposals? *Have not reviewed. Staff proposals created by Staff after review of submittals by RMI participants re: end-state of default service.* When EGS is DS provider, will it be able to market in same territory as retail EGS under same name - affiliate issues? *Haven’t envisioned restrictions. Provide feedback in written comments.* If have multiple EGSs under models, different DS prices? *Haven’t discussed. At minimum, have same price in same service territory.* If 2 different EGSs in one territory, different DS prices? *Didn’t envision – No.*
* PULP: Meaning of universal service remaining with EDC? *Don’t envision many changes to universal service – may be too much in combination with other RMI changes. Universal service will probably remain at status quo until post-2015 period.* How would service be procured for customers? *Envision similar mechanism – least cost service over time.* How will this affect Low Income Home Energy Assistance Program (LIHEAP)? Could be an issue for customers receiving LIHEAP benefits who aren’t on universal service. LIHEAP cannot be offered by EGSs. If go to EGS for DS, lose LIHEAP eligibility? *Dependent upon billing mechanism, as well. Staff will follow up with PULP re: LIHEAP questions.*
* EDCs: Under each of models, would it be anticipated that alternative DS providers would file plans with Commission? Multiple DS provides = multiple plans? *Yes. Would look for uniformity.* Holding auctions or Requests for Proposals (RFPs) approved by Commission under models B and C? *Possibility. If potential DS provide would attest to procuring electricity at market rates (with PUC oversight re: prudency and compliance with Act 129), may not have to approve every contract. Envision Commission oversight no matter what.* Didn’t address Provider of Last Resort (POLR) service pricing/procurement. Locational marginal pricing (LMP) and spot market? *To be determined. Could be either. Hope to structure something for Model C that would be compliant with Act 129.* Have EDCs waiting to get people from EGSs? *EDCs probably will have universal service and net metering customers. Provides a cushion.* Does customer automatically migrate for next bill? *Stay on POLR for limited time – 1-2 bills. To be determined.* What if EGS (non-DS provider) drops customer? *Would go to DS provider.*
* EGSs: Seem to be transitional/intermediate models? *Might be transitional because a look-back review will be done. May provide suggestions as to where market will go.* Ways upon which customers could get into market before moving to end-state vision: Opt-out auction possibility? One-time choice of any EGS or DS provider? *Had some concerns re: credibility with customers. May create customer confusion. Consider possibility.* Options A and B – any customer on EDC DS would be moved to EGS DS? *Yes.* Options A and B may not be mutually exclusive to Act 129 statutory standards. *Different opinions on issue. Will be looking at possible legislative changes. Open to all viewpoints.*

**Final *En Banc* Agenda to be issued Monday, March 19, 2012. Revised FAQ document to be issued Monday, March 19, 2012.**

**Next Meeting(s):**

1. Thursday, March 21, 2012 – *En Banc* Hearing. 10 am – 4 pm. Hearing Room 1 of Keystone Building.