

**ECKERT
SEAMANS**
ATTORNEYS AT LAW

Eckert Seamans Cherin & Mellott, LLC
213 Market Street
8th Floor
Harrisburg, PA 17101

TEL 717 237 6000
FAX 717 237 6019
www.eckertseamans.com

Deanne M. O'Dell
717.255.3744
dodell@eckertseamans.com

May 9, 2016

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of Direct Energy Services, LLC to Expand Retail Market Enhancements
Docket No. P-2016-2535033

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Retail Energy Supply Association's ("RESA") Answer with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww
Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of RESA's Answer upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and/or First Class Mail

Tanya McCloskey, Esq.
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120
tmccloskey@paoca.org

John R. Evans, Esq.
Office of Small Business Advocate
Suite 202, Commerce Building
300 North Second Street
Harrisburg, PA 17101
jorevan@pa.gov

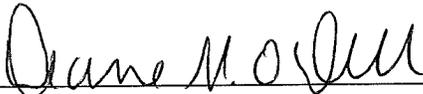
Johnnie Simms, Esq.
Bureau of Investigation & Enforcement
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
josimms@pa.gov

John Marshall Dosker, Esq.
1077 Celestial Street
Bldg, 3, Suite 110
Cincinnati, OH 45202-1629
jdosker@standenergy.com

Craig Williams, Esq.
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699
craig.williams@exeloncorp.com

Paul Russell, Esq.
PPL
Two North Ninth St.
Allentown, PA 18101-1179
PERussell@pplweb.com

Daniel Clearfield, Esq.
Carl Shultz, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market ST., 8th Fl.
Harrisburg, PA 17101
dclearfield@eckertseamans.com
cshultz@eckertseamans.com



Deanne M. O'Dell, Esq.

Dated: May 9, 2006

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Direct Energy Services, LLC :
To Expand Retail Market Enhancements : Docket No. P-2016-2535033

ANSWER OF THE RETAIL ENERGY SUPPLY ASSOCIATION

I. INTRODUCTION

On March 18, 2016 Direct Energy Services, LLC (“Direct Energy”) filed a Petition to Expand Retail Market Enhancements (“Petition”) requesting that the Commission issue an order implementing a modified version of the previously ordered Retail Opt-In (“ROI”) program that was postponed in 2013.¹ The Retail Energy Supply Association (“RESA”)² strongly supports retail market enhancement programs that can be implemented in the short term to introduce new customers to the competitive market. As such, RESA supports Direct Energy’s Petition and offers this answer to provide additional recommendations intended: (1) to encourage the participation of more electric generation suppliers (“EGSs”) in the proposed program; (2) to enhance the overall customer experience; and, (3) to maximize the success of the program.

These recommendations are:

¹ *Petition of PECO Energy Company for Approval of its Default Service Program II*, Docket No. P-2012-2283641, Final Order on Reconsideration entered April 4, 2013 at 6-7 (“*ROI Postponement Order*”).

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.

- Define the pilot as a two-year program with two separate EGS product qualification processes and subsequent quarterly mailings from the EDCs to default service customers allowing the customers to select the approved products
- If more than five EGS products qualify, direct the approved EGSs and the appropriate EDC to timely work with Commission staff to design the process to present the products to customers in the most effective manner
- After the first direct mailing to customers, require participants to gather and report information related to the process which should be used to improve subsequent mailings pursuant to the two-year pilot and inform opening the pilot on a statewide process

RESA believes implementing these recommendations will result in a more robust and enhanced program for the benefit of all consumers. RESA is authorized to represent that Direct Energy supports these recommendations.

II. BACKGROUND

The Commission, stakeholders and consumers have five years of experience with two retail market enhancement programs similar to what Direct Energy proposes here: (1) the Standard Offer Customer Referral Program (“SOP”) offered by the major EDCs since 2013; and, (2) the direct mail program undertaken by the FirstEnergy Companies in 2011 and 2012. The Commission and stakeholders also spent approximately a year and a half exploring the ROI program (in both collaborative processes and litigated proceedings) although it was not implemented.

Through the SOP program, when a customer contacts his or her EDC, the customer is presented the opportunity to select an EGS through the SOP and, as an incentive, the initial price is guaranteed to be 7% off the then-effective Price-to-Compare (“PTC”). Approximately one-third of residential shopping customers are participating in the SOP programs of PPL Electric

Utilities (“PPL”) and PECO Energy Company (“PECO”).³ Notably, approximately 88.6% of all customers referred to the SOP by PPL ultimately enrolled in the program.⁴ This clearly demonstrates the effectiveness of a Commission approved program whereby the EDC encourages consumers to enroll with a competitive supplier.

Through the FirstEnergy direct mail program (which preceded implementation of the SOP), the FirstEnergy EDCs directly mailed individual EGS offers to residential and small commercial and industrial (“C&I”) customers.⁵ Approximately 1.6 million residential customers and 186,000 small C&I customers received these mailing from their specific FirstEnergy EDC and were directed to contact one of the EGSs providing information in the offer to commence

³ Comparing the Commission’s Standard Offer Program Information through March 31, 2016 and the Commission’s PaPowerSwitch Monthly Update for March 2016, approximately 33% of PPL’s residential shopping customers and 5% of PPL’s small C&I shopping customers are in the SOP. Approximately 28% of PECO’s residential shopping customers and 14% of PECO’s small C&I shopping customers are in the SOP. The Standard Offer Program Information through March 31, 2016 is available at:

http://www.papowerswitch.com/assets/pdf/EDC_SOP_Stats033116.pdf. The PaPowerSwitch Monthly Update for March 2016 was taken from www.papowerswitch.com.

⁴ *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021*, Docket No. P-2016-2526627, Direct Testimony of James M. Rouland, dated January 29, 2016 at 37. Information as of December 31, 2015.

⁵ *See, e.g., Joint Petition of Metropolitan Edison Company and Pennsylvania Electric Company for Approval of Their Default Service Programs* Docket Nos. P-2009-2093053 and P-2009-2093054, Opinion and Order entered November 6, 2009 at 20-21 (mailings were sent in 2011 and 2012); *Petition of Pennsylvania Power Company for approval of default service program for period from January 1, 2011 through May 31, 2013*, Docket No. P-2010-2157862, Opinion and Order entered on November 17, 2010 (the approved settlement provided for mailings that were first sent in November 2012 and an additional mailing was scheduled for February 2013); *Joint Application of West Penn Power Company d/b/a Allegheny Power, Trans-Allegheny Interstate Line Company and FirstEnergy Corp. for a Certificate of Public Convenience under Section 1102(a)(3) of the Public Utility Code approving a change of control of West Penn Power Company and Trans-Allegheny Interstate Line Company*, Docket Nos. A-2010-2176520; A-2010-2176732, Opinion and Order entered March 8, 2011 (the approved settlement provided for mailings to customers regarding competitive offers and promotion of shopping opportunities which were sent in September 2012).

service.⁶ PPL proposed to undertake a similar one-time direct mailing of EGS offers to residential default service customers in the second or third quarter of 2013 but the Commission ultimately concluded this proposal was unnecessary since it was directing PPL to implement the SOP and the ROI program.⁷

The ROI was initially contemplated as a program whereby EGSs would bid to provide competitive retail service to a group of default service customers who had affirmatively chosen to have their accounts included in the group for a specific EDC's service territory.⁸ Ultimately, the Commission elected to convert this initial concept to a one-time direct mailing by the EDCs of a standardized offer from participating EGSs. This structure combined elements of the SOP (i.e. a common, defined product offering) with the FirstEnergy direct mail program (EDCs present the offers to the customers via direct mail) and removed the more controversial aspects of the proposed auction. Ultimately, however, due to the Commission's concerns about the simultaneous implementation of both the SOP and the ROI, the Commission delayed the ROI implementation indefinitely.⁹

⁶ For Met-Ed, 495,000 residential customers and 40,000 small commercial and industrial customers received the mailings. For Penelec, 500,000 residential and 51,000 small commercial and industrial customers received the mailings. For Penn Power, 143,000 residential and 20,000 small commercial and industrial customers received the mailings. For Allegheny Power, 505,000 residential and 75,000 small commercial and industrial customers received mailings. These numbers are based on the number of inserts that were required by FirstEnergy to participate in each of the mailings.

⁷ *Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program and Procurement Plan*, Docket No. P-2012-2302074, Opinion and Order entered January 24, 2013 at 129-132.

⁸ *Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan*, Docket No. I-2011-2237952, Final Order entered March 2, 2012 at 33.

⁹ *ROI Postponement Order* at 6.

In hindsight, the validity of implementing and exploring various retail market enhancements has been proven. The SOP and the FirstEnergy direct mailing programs have each been successful in facilitating some default service customers' participation in the competitive market. However, as explained in detail in Direct Energy's Petition, overall shopping levels for Pennsylvania have stagnated and the focus of shopping continues to remain on whether or not a competitive offer is lower than the EDC's PTC.¹⁰ Therefore, RESA agrees that more is needed to facilitate the expansion of retail choice and to more broadly promote competitive products offering value beyond just potential price savings on commodity supply. While RESA recognizes that the Direct Energy proposal is not structured in the exact same manner as the ROI approved by the Commission, the key features are present (i.e. a direct mail program, offering a discount plus other value-added bonus and open to all suppliers who qualify). Given the passage of time and a current assessment of the marketplace, RESA believes that Direct Energy is proposing a reasonable structure which has the potential to introduce more customers to the competitive market. With that goal in mind, RESA submits this answer to offer additional recommendations intended to encourage the participation of more EGSs in the proposed program, to enhance the overall customer experience and to maximize the success of the program.

III. ANSWER

As discuss further below, RESA recommends that the Commission approve a structure for the pilot that involves: (1) two EGS product qualification processes; and, (2) subsequent quarterly mailings from the EDCs to default service customers that enable customers to select the

¹⁰ Direct Energy Petition at 9, ¶¶11-13.

approved products. If either EGS product qualification processes result in more than five qualifying EGS products, then RESA recommends that – as part of the approved pilot – the approved EGSs and the appropriate EDC timely convene a technical working group with Commission staff to design the most effective and efficient process to present a reasonable number of the qualifying EGS products to customers. Importantly, this process, however, must not delay the subsequent EDC mailing to customers. Finally, after the first EGS product qualification process and the first mailing to default service customers, the participants should be directed to gather and report information related to the process that would be used to improve subsequent mailings pursuant to the two-year pilot and inform opening the pilot on a statewide basis.

A. Pilot Structure

1. Defining the EGS Product

RESA supports Direct Energy’s proposal that the EGS product to be approved as part of the pilot include: (1) a 5% discount off the then-effective PTC with the price fixed for a 24-month period; and, (2) an energy related “value added” component that would be certified by the Commission.¹¹ By requiring participating EGSs to include a value-added product, the Commission would be encouraging a positive shift in thinking about the competitive market from just an opportunity for price savings to an opportunity for expanded products and services that align with other policy objectives such as energy efficiency and conservation.

The current tendency to focus on savings compared to the default service rate limits and distorts the effects of both price and product competition among EGSs, thus preventing

¹¹ Direct Energy Petition at 11-13. RESA appreciates that Direct Energy set forth a non-exhaustive list of examples of products or services that could meet this criteria.

customers from receiving the full benefits of an efficient market. Moreover, Direct Energy's proposal for this value-added benefit is consistent with: (1) the Commission's encouragement of EGSs to provide energy efficiency offerings to increase the diversity of products and services and to aid in the reduction of energy consumption across the Commonwealth;¹² and, (2) the Commission's conclusions that the statutorily required Energy Efficiency and Conservation ("EE&C") Plans of the EDCs¹³ are "not intended as competitive products."¹⁴ As RESA stated in recent comments regarding the EE&C Plans, adopting this component of Direct Energy's proposed ROI is increasingly important as the EDCs continue to refine, tweak and further expand the EE&C Plans making consumers more likely to perceive these offerings as only available from the traditional monopoly provider or otherwise reinforce the EDC-customer relationship.¹⁵ By approving this program with the required value added component, the Commission will be offering a potentially attractive pathway for EGSs to develop and offer these products consistent with the Commission's stated desire that they do so.

For these reasons, RESA supports the concept of the Commission establishing high-level criteria regarding this value-added aspect of the ROI product while permitting EGSs the

¹² *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952, Final Order entered February 15, 2013 at 82. While the Commission sought comment on whether EDCs should continue to be required to provide EE&C programs, it ultimately concluded that EDCs should maintain that responsibility.

¹³ 66 Pa. C.S. § 2806.1(a).

¹⁴ *Submission of the Electronic Data Exchange Working Group's Web Portal Working Group's Solution Framework for Historical Interval Usage and Billing Quality Interval usage Data; petition for Clarification and/or Reconsideration of the NRG Retail Affiliates*, Docket No. M-2009-2092655, Order entered November 5, 2015 at 13.

¹⁵ *See Petition of PPL Electric Utilities Corporation for Approval of Its Act 129 Phase III Energy Efficiency and Conservation Plan*, Docket No. M-2015- 2515642, Comments of the Retail Energy Supply Association, dated January 4, 2016; and, *Petition of PECO Energy Company for Approval of Its Act 129 Phase III Energy Efficiency and Conservation Plan*, Docket No. M-2015-2515691 Comments of the Retail Energy Supply Association, dated January 4, 2016.

flexibility to design their proposals within the confines of the established criteria.¹⁶ By establishing criteria and evaluating each proposal on its own merits, the Commission can maintain appropriate quality control regarding the products to be offered to default service customers as part of the pilot.¹⁷

2. Initial EGS Product Qualification Process

RESA believes that robust participation by EGSs is an important key element for designing a successful ROI program. To that end, Direct Energy proposes that all EGSs wishing to participate may do so, assuming they meet the modified ROI Program guidelines.¹⁸ The Commission's EGS product qualification process should be transparent and include defined standards. To the extent that a product offering is not approved by the Commission, the reason for the deficiency should be clearly communicated, and the process should allow for the EGS to fix the deficiency. Direct Energy also proposes a 50% EGS cap so no single EGS can serve more than 50% of the total number of customers (per utility territory) agreeing to the ROI offer.¹⁹ RESA believes that these program features are appropriately designed to enable broad EGS participation in this program. Importantly, the 50% cap will send a strong signal to encourage multiple EGSs to participate and assuage any concerns that only a single EGS would benefit from this pilot.

¹⁶ To the extent the Commission determines that it needs proprietary or competitively sensitive material from EGSs to evaluate their proposed offers, RESA recommends that the Commission make clear that such information will be afforded confidential treatment.

¹⁷ RESA fully supports Direct Energy's suggestion that all decisions about the ROI, including rules for participation, marketing and implementation, should be determined by the Commission and not left to the sole discretion of the individual EDCs as part of the process of implementation. Direct Energy Petition at 13, n. 33.

¹⁸ Direct Energy Petition at 11, ¶16(i).

¹⁹ Direct Energy Petition at 14, ¶16(xii).

3. Enrollment Processes

Direct Energy proposes that customers would be permitted several means to enroll (prepaid return postcard, telephone number and website).²⁰ RESA agrees that the enrollment options offered to customers should be as user-friendly as possible. Customers should have the option of enrolling through the specific EGS's enrollment platforms in addition to an easy enrollment option set forth in the mailing (such as a return post card). Whether the customer elects to visit that EGS's website, telephone that EGS or return a postcard to the EGS, the EGS should maintain control over processing the enrollment. Doing this is important to enable the customer to establish a relationship with the EGS and it is also consistent with the general processes already in place today.

4. Add Quarterly Customer Enrollment Opportunity

Direct Energy proposes a one-time mailing from the EDCs with the offers to be held open for two months.²¹ RESA recommends that the Commission consider including subsequent quarterly mailings from the EDC to default service customers that would provide these customers with additional enrollment opportunities. This would help to maximize the success of the program. The Commission, participating EGSs and the EDCs will each deploy significant resources to develop and implement the program. Accordingly, it is appropriate to attempt to maximize the program's impact by allowing for additional mailings. This will also likely encourage more EGSs to participate.

These quarterly mailings would be sent from the EDCs to default service customers and would include the already pre-qualified EGS offers. Recognizing, however, that the EGS

²⁰ Direct Energy Petition at 11-12, ¶16(ii).

²¹ Direct Energy Petition at 14, ¶16(xii).

commodity price is to be 5% lower than the EDC's current PTC at the time the offer is made,²² RESA recommends that the qualifying EGSs be permitted to refresh their commodity price consistent with the then-effective PTC. Thus, for these quarterly mailings, the offers presented would reflect the 5% discount appropriate for that point in time. Since the PTC for both PPL and PECO change on a regular basis,²³ the timing of the enrollment opportunities for default service customers is important. Also, since market conditions can and do change, the EGSs selected to extend offers through this program should also have an opportunity before each quarterly mailing to reconfirm their participation in that mailing (this is consistent with the SOP process).

RESA believes that requiring the EDCs to mail to default service customers these subsequent, on-going enrollment opportunities is vitally important. As the Commission has recognized, increasing consumers' knowledge of the retail electricity market is important to improve their willingness to explore competitive options.²⁴ Consistent with this concept, the Commission had planned a significant and on-going consumer education process which was to involve:

- an annual Commission-endorsed postcard to residential and small business customers starting in early 2012 (ultimately only mailed one time in early 2012);
- a one-time mailing of a tri-fold flyer providing consumers with a detailed walk-through of the steps involved when shopping for a competitive supplier (end of 2012); and,

²² Direct Energy Petition at 12, ¶16(vi).

²³ The PTC for PPL changes semi-annually in June and December while the PTC for PECO changes quarterly.

²⁴ *Investigation of Pennsylvania's Retail Electricity Market*, Docket No. I-211-2237952, Opinion and Order entered July 28, 2011 at 12.

- a one-time EDC letter and a “frequently asked questions” (FAQ) document (end of 2013).²⁵

Although the Commission ultimately abandoned the annual Commission-endorsed postcard mailing obligation, it still emphasized the importance and effectiveness of such communications with consumers and maintained the ability to require similar actions in the future as deemed appropriate.²⁶ Requiring quarterly mailings about this pilot program (as RESA proposes) serves the purpose of both educating default service customers about retail choice and presenting them with an opportunity to act on that information. Also, consistent with Direct Energy’s view, implementing this program with this quarterly enrollment feature could “help restore confidence in a post-Polar Vortex marketplace.”²⁷

Quarterly mailings coupled with a quarterly opportunity to enroll will also likely enhance the successful implementation of the pilot. The SOP demonstrates the importance of on-going messaging and opportunities to enroll. According to the Statewide SOP Information through March 31, 2016, an average of 18,437 customers per month have been enrolled over the 32 months the program has been in operation.²⁸ These customers receive information about the SOP each time they contact the EDC and, at least according to PPL’s statistics, 88.6% of all

²⁵ *Re-establishment of Commission’s Annual Consumer Education Mailing*, Docket No. I-2011-2237952, Final Order entered May 23, 2013.

²⁶ Ultimately, the Commission relieved the EDCs of the annual Commission-endorsed postcard mailing obligation. *Re: Revised directive on the annual mailing of a Commission-endorsed postcard*, Docket No. I-2011-2237952, Secretarial Letter dated March 19, 2015.

²⁷ Direct Energy Petition at 11, ¶15.

²⁸ The Standard Offer Program Information through March 31, 2016 is available at: http://www.papowerswitch.com/assets/pdf/EDC_SOP_Stats033116.pdf. A total of 589,997 customer have enrolled in SOP since August 2013.

customers referred to the SOP by PPL ultimately enrolled in SOP.²⁹ For these reasons, RESA believes it is important for the pilot to enable customers to enroll on a quarterly basis.

5. Add Second EGS Product Qualification Process

RESA supports broad participation by EGSs in this program and believes that consumers will benefit from the opportunity to select from a variety of products. For this reason, RESA recommends that an additional EGS product qualification process be added to the pilot. Direct Energy's proposal contemplates a one-time opportunity for EGSs to have their products included in the ROI. However, RESA believes that the addition of another EGS product qualification process would be a good improvement to refresh offers and to potentially enable more EGSs to participate. While conducting this second EGS product qualification process one year after the initial product qualification process seems reasonable at this point, the Commission may want to maintain flexibility regarding the timing depending on the outcome of the initial EGS qualification process. If, for example, the Commission determines that the first EGS product qualification process did not yield a reasonable number of approved EGS offers, then the Commission may determine that holding a second product qualification process sooner (such as before the second quarterly mailing or perhaps six months into the program) would be advisable. RESA believes adding this additional EGS selection process is a reasonable way to encourage more participation by EGSs by giving them an opportunity to further refine their products and offerings. The end result would be more diverse products that could be offered to consumers.

²⁹ *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2017 through May 31, 2021*, Docket No. P-2016-2526627, Direct Testimony of James M. Rouland, dated January 29, 2016 at 37. Information as of December 31, 2015.

B. Presentation of qualifying offers to customers if more than five EGS products qualify

Direct Energy proposes that all default service customers be presented with a list of each of the participating EGSs and the specific energy saving or energy management product or service the EGS is offering.³⁰ RESA supports presenting offers to customers to enable them to make a choice from a variety of offers but also recognizes that too many choices may overwhelm customers to the point that they decide to take no action. While there is not likely definitive agreement on how many offers may be too many, RESA suggests that the Commission consider using five offers as the benchmark. Thus, if the EGS product qualification process results in one to five qualified products, then RESA recommends that all of the products be presented to all of the customers.

If, however, the EGS product qualification process results in more than five qualified products, then RESA suggests that the EGSs with the qualifying products, the appropriate EDC, and Commission staff convene to determine how best to present the offers to customers. There are several ways to address how to present more than five offers to consumers to avoid overwhelming them. For example, the qualifying EGS products can be divided into discrete tranches such that no more than five offers are presented to any one customer. To illustrate, if there are six qualifying EGS offers and 200,000 customers on default service, then the six offers could be divided into two groups with 100,000 customers receiving three EGS offers and the remaining 100,000 customers receiving the other three EGS offers. There may be other reasonable ways to address this as well.

³⁰ Direct Energy Petition at 12, ¶16(iii).

Importantly, this process to determine how to present more than five qualifying offers to consumers must occur in a timely manner so as not to delay the upcoming mailing, particularly since the EGS offers are priced with the then-effective PTC and then-effective market conditions.

C. Gathering lessons learned to inform statewide process

As discussed above, RESA supports implementation of the pilot and recommends that the Commission direct the participants to gather and share information about the pilot within a reasonable period of time after the initial mailing. Such data could include: (1) the number of customers, by rate class, receiving the direct mail; (2) the number of customers who enrolled in one of the EGS offers; and, (3) any customer feedback regarding the process. Just as the statistics the Commission requires from EDCs regarding the SOP and other initiatives (such as PECO's accelerated switching reports),³¹ statistics regarding this pilot are important to assess whether or not the pilot is meeting expectations and whether any process improvements should be considered. Having this data early on can be used to improve subsequent mailings pursuant to the two-year pilot. In addition, the information can also provide valuable information regarding the opening of the pilot on a statewide basis. Importantly, once the first mailing is made and information is gathered about the process, there is no reason to delay consideration of statewide implementation.

³¹ *Petition of PECO Energy Company for Temporary Waiver of Regulations Related to the Required Days in a Billing Period*, Docket No. P-2014-2446292, Order entered December 4, 2014 at 15-16 (PECO provides a quarterly report of its monitoring efforts and results of the Off-Cycle Switching bill program.)

D. Procedural Process

Direct Energy sets forth a possible procedural process for implementation which includes three formal comment opportunities (including this answer period) and one stakeholder collaborative to develop ROI details and identify issues after the Commission issues its final order directing the EDCs to file their implementation plans.³² RESA supports Direct Energy's proposed procedural process which provides significant opportunities for parties to set forth their positions for the Commission's consideration and to provide their feedback after the Commission makes its determinations and after the EDCs submit their proposed pilot plans.

IV. CONCLUSION

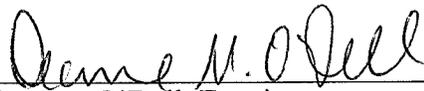
In conclusion, RESA strongly supports retail market enhancement programs that can be implemented in the short term to introduce new customers to the competitive market. As such, RESA supports Direct Energy's Petition and recommends that the Commission approve a structure for the pilot that involves: (1) two EGS product qualification processes; and, (2) subsequent quarterly mailings from the EDCs to default service customers that enable customers to select the approved products. If either EGS product qualification processes result in more than five qualifying EGS products, then RESA recommends that – as part of the approved pilot – the approved EGSs and the appropriate EDC convene a technical working group with Commission staff to design the most effective and efficient process to present a reasonable number of qualifying EGS products to customers. Importantly, this process must not delay the subsequent EDC mailing to customers. Finally, after the first EGS product qualification process and the first mailing to default service customers, the participants should be directed to gather and report

³² Direct Energy Petition at 3-4.

information related to the process that would be used to improve subsequent mailings pursuant to the two-year pilot and inform opening the pilot on a statewide basis.

RESA believes that additional recommendations are important: (1) to encourage the participation of more EGSs in the proposed program; (2) to enhance the overall customer experience; and, (3) to maximize the success of the program.

Respectfully submitted,



Deanne O'Dell, Esquire
(Pa. Attorney ID No. 81064)
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Fl.
Harrisburg, PA 17108-1248
717 237 6000
Attorneys for the Retail Energy Supply Association

Date: May 9, 2016