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January 23, 2017

**Via Electronic Filing**

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

Re: Petition for NRG Energy, Inc. for Implementation of Electric Generation  
Supplier Consolidated Billing; Docket No. P-2016-2579249

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy's Comments with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Carl R. Shultz

CRS/jls  
Enclosure

cc: Cert. of Service w/enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of Direct Energy's Comments 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**


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Dated: January 23, 2017

  
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Carl R. Shultz, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of NRG Energy, Inc. for :  
Implementation of Electric Generation : Docket No. P-2016-2579249  
Supplier Consolidated Billing :

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**COMMENTS OF DIRECT ENERGY SERVICES, LLC  
DIRECT ENERGY BUSINESS MARKETING LLC,  
AND DIRECT ENERGY BUSINESS, LLC**

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Direct Energy Services, LLC, Direct Energy Business Marketing, LLC, and Direct Energy Business, LLC (collectively, “Direct Energy”) respectfully submits these Comments to the Pennsylvania Public Utility Commission (“Commission” or “PUC”) in response to the Petition for Implementation (“Petition”) - filed by NRG Energy, Inc. (“NRG”) - requesting that the Commission issue an order implementing Supplier Consolidated Billing (“SCB”) as a billing option that is available to customers of electric generation suppliers (“EGSs”).

**I. INTRODUCTION**

Direct Energy is an EGS licensed by the Commission to provide electricity and related services to retail customers throughout Pennsylvania.<sup>1</sup> Direct Energy is a North American affiliate of Centrica plc, a leading international provider of energy and other energy-related services, with over 30 million customer relationships worldwide. Direct Energy has a unique business model, and extensive experience in providing innovative gas and electricity products and services to approximately 200,000 residential, small and large commercial and industrial customers, utilities and government entities. Direct Energy has a substantial presence in the

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<sup>1</sup> See Direct Energy Services, LLC (Docket No. A-110164); Direct Energy Business Marketing, LLC (Docket No. A-2013-2368464), and Direct Energy Business, LLC (Docket No. A-110025).

Commonwealth with five offices and employ more than 1,000 people in a range of jobs from engineering, finance, marketing, corporate affairs, home services, and customer care. Between employee salaries and charitable contributions, Direct Energy delivers more than \$28 million annually to the Commonwealth's economy.

On December 8, 2016, NRG filed the subject Petition, which sets forth a plan that would implement SCB by the second quarter of 2018. Pursuant to notice published in the Pennsylvania Bulletin,<sup>2</sup> the Commission invited comments from interested parties to be filed by January 23, 2017.

For the reasons explained more fully below, the Direct Energy recommends that the Commission approve the plan in NRG's Petition to implement SCB.

## **II. COMMENTS OF DIRECT ENERGY**

### **A. Direct Energy Supports The Establishment Of Supplier Consolidated Billing In Pennsylvania**

Direct Energy supports the development and implementation of a statewide standard for SCB. Direct Energy believes that customers and EGSs would benefit from the availability of SCB. The importance of SCB was acknowledged by the Commission in the End State Final Order.<sup>3</sup> As discussed in greater detail below, Direct Energy submits that the lack of SCB is impeding market development and preventing customers from realizing the benefits of a fully workable and competitive market.

SCB provides customers with the benefit of greater choice, value, and innovation. In Pennsylvania, electric distribution company ("EDC") consolidated billing is limited to "basic

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<sup>2</sup> 46 Pa.B. 8154 (December 24, 2016).

<sup>3</sup> *Investigation of Pennsylvania's Retail Electricity Market: End State of Default Service*, Docket No. I-2011-2237952, Order entered February 15, 2013 (End State Final Order) at 277.

electricity supply," and does not support value-added or customized products offered by EGSs. As a result, residential and smaller commercial customers - who prefer to receive one bill for their electric service - often cannot take full advantage of the more innovative pricing and product offerings that suppliers may have available and that may better suit their needs.

SCB would allow EGSs to bill and collect for not only basic electricity supply but also the other value-added products and services that may be offered by that EGS. Because SCB would allow EGSs to bill and collect for a much wider range of products and services, SCB would encourage EGSs to develop value-added products and services which may help residential and small business customers manage overall energy costs or provide other benefits to customers. SCB can also help to ensure that customers who choose to receive value-added products and services from an EGS do not face additional administrative burdens as a result of retail choice, such as dual monthly bills and dual payment processes.

SCB will enhance the ability of EGSs to communicate directly with their customers. In Pennsylvania, the ability of EGSs to interact with customers through the consolidated bill is limited to the inclusion of a small logo and a few lines on the EDC consolidated bill. In addition, EGSs are not given the ability to include inserts with the EDC consolidated bill.<sup>4</sup> SCB would allow EGSs to interface directly with customers through their bills. Such interaction and communication between customers and their EGS will help enhance customer awareness and understanding of the retail competitive market. It will also reinforce the bond between the existing customer and their selected EGS, and will serve as a reminder of the relationship for

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<sup>4</sup> See End State Final Order at 67; *Investigation of Pennsylvania's Retail Electricity Market: Joint Electric Distribution Company -- Electric Generation Supplier Bill*, Docket No. M-2014-2401345, Final Order entered May 23, 2014 (Joint Bill Final Order) at 28.

those customers who “forget” that they have selected an EGS - because they are receiving an EDC consolidated bill.

Direct Energy is turning digital data into unique insights that deliver value to customers and communicating that information through SCB. Direct Energy’s “Direct Your Energy” tool would be much more easily available to our Pennsylvania customers via bundling into a SCB. Using a customer’s smart meter interval data and engineering algorithms which effectively act like a thumb print for the energy appliances in their home, Direct Energy can now disaggregate customer’s electricity bills into what they are spending by appliance. Direct Your Energy provides actionable, meaningful information that empowers their customers and helps them reduce their electricity usage – saving money by being more efficient, smarter energy buyers.

**B. Direct Energy Supports The Approval Of NRG’s Petition**

Direct Energy is interested in implementing SCB and fully supports the approval of the plan in NRG’s Petition to implement SCB as expeditiously as possible. Direct Energy believes that plan, as set forth in the Petition, is a viable, reasonable and workable approach to implement SCB in Pennsylvania. In the last few years, retail switching levels have plateaued somewhat. The Commission should look to new and innovative ways to enhance the retail market and get customers shopping for energy and encourage value-added products and services like energy-efficiency, demand-response, connected home, to help them manage their overall energy bill. The opportunity now exists to implement SCB as a market enhancement, and the Petition logically explains that the implementation of SCB should not cause costs to increase for EDC customers.<sup>5</sup> The Commission should act upon this opportunity and should establish SCB as an option in Pennsylvania. For the reasons discussed herein and in NRG’s Petition, the

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<sup>5</sup> See Petition at ¶¶ 40, 54, 67.

implementation of SCB would support the robust competitive market envisioned by the General Assembly when it passed the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801, *et seq.*, in 1996.

### III. CONCLUSION

Direct Energy appreciates the Commission's continuing efforts to support robust competition in Pennsylvania and looks forward to working with the Commission and the other parties on this important issue. For the reasons explained more fully above, Direct Energy supports (1) the adoption of a statewide standard for, and implementation of, SCB and (2) the approval of NRG's Petition.

Respectfully submitted,



Dated: January 23, 2017

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