



Citizens for Pennsylvania's Future
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February 3, 2012

DELIVERED ELECTRONICALLY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

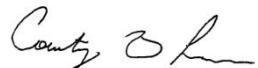
Re: Standards for Electronic Data Transfer and Exchange Between Electric Distribution Companies and Electric Generation Suppliers
Docket No. M-00960890F0015

Dear Secretary Chiavetta:

Enclosed please find PennFuture's Comments in the above-referenced proceeding.

Please do not hesitate to contact me should you have any questions.

Sincerely,



Courtney Lane
Senior Energy Policy Analyst
Citizens for Pennsylvania's Future (PennFuture)
Energy Center for Enterprise and the Environment

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION:**

Standards for Electronic Data Transfer : Docket No. M-00960890F0015
and Exchange Between :
Electric Distribution Companies :
and Electric Generation Suppliers :

COMMENTS OF
CITIZENS FOR PENNSYLVANIA'S FUTURE (PENN FUTURE)

I Introduction

PennFuture is a statewide public interest membership organization, working to enhance Pennsylvania's environment and economy, with offices in Harrisburg, Philadelphia, Pittsburgh and Wilkes-Barre. We appreciate the opportunity to provide comments on the Standards for Electronic Data Transfer and Exchange Between Electric Distribution Companies and Electric Generation Suppliers, Docket No. M-00960890F0015.

We commend the work of the Electronic Data Exchange Working Group (EDEWG) and the Committee Handling Activities for Retail Growth in Electricity (CHARGE) to help protect net metering customers who are interested in shopping for a competitive electricity supplier.

To date there has been minimal consumer education and transparency surrounding the issue of shopping and net metering benefits. Few electric customers are aware that under current net metering regulations, electric generation suppliers (EGS) are allowed but not required to offer net metering. If a customer-generator switches from an EDC to an EGS that does not provide net metering benefits, they will no longer receive monthly net metering credits at the full retail rate. The customer-generator will only be credited by the electric distribution company (EDC) at the distribution rate and will no longer receive payment for any excess generation at the end of the year which greatly reduces the customer's capacity to repay debt on their system. Additionally, many of the EGSs that do provide net metering do not do so at the same level as an EDC. This includes not compensating the customer-generator for excess generation at the end of the year.

PennFuture has heard numerous complaints from customer-generators that did not understand the potential consequences of switching to an electric generation supplier (EGS), nor were they informed by the EGS about cessation of the customer's existing net metering benefits. As a result these customers were negatively impacted when they switched to an EGS and suddenly stopped receiving full net metering benefits.

PennFuture believes that in order to have a properly functioning competitive retail electricity market, providers must fully disclose net metering information to customers to aid them in making an educated decision. The proposed Change Control #85 is a step in the right direction by providing information to EGSs to better serve customer-generators. However, more needs to be done to give customers the proper tools and information. PennFuture recommends maintaining a listing of suppliers offering net metering on the PA PowerSwitch website; requiring EGSs to disclose net metering benefits before a customer enrolls; and requiring EDCs to inform the customer-generator of the potential loss of benefits when switching to an EGS that does not provide net metering at the time a net metering contract is signed.

II Comments EDI Change Control #085

PennFuture supports the statewide implementation of Change Control #085 relating to net metering. We believe this is an important first step in providing more transparency surrounding net metering benefits and electric retail competition. The implementation of EDI Change Control #085 will allow EGSs to know if a customer is net metered prior to enrollment and will also permit EDCs to inform EGSs when an existing customer installs his or her own generation after switching to an EGS. Providing for better information sharing between EDCs and EGSs will make it possible to better inform net metered customers on the potential loss of energy credits before they enroll with an EGS.

While Control Change #085 provides EGSs with more information, it does not necessarily translate into giving the customer all of the tools needed to make an informed decision when choosing a competitive supplier. There needs to be a process in place that requires the EGS to take action on this information. The EGS should be required to inform the customer-generator if it offers net metering and explain how compensation for power produced may differ from that offered by the EDC.

The Commission should also require EDCs to educate customers about the consequences of switching to a supplier that does not offer net metering at the time they enter into a net metering agreement. This information should be clearly displayed in the contract.

The Commission should also take proactive measures to include more information on net metering on the PA PowerSwitch website to empower and educate consumers. Currently net metering is only addressed under the Frequently Asked Questions tab. The Commission should add an additional tab or section specific to net metering so it is more transparent to customers and able to contain more information. For example, there should be a listing of all EGSs that offer net metering and at what level. We understand that Commission staff recently conducted a survey of EGSs to determine how many offer net metering and we recommend that those results be made available to customers. There should also be an example of the monetary difference between receiving net metering credit at the full retail rate (which includes distribution, transmission and generation) offered by the EDC compared to only receiving credit at the distribution rate if the consumer switches to an EGS that does not offer net metering.

The difference between being credited at the full retail rate versus just the distribution rate is significant and it is not clear that customers clearly grasp the financial implications. For example, a 3 kilowatt (KW) solar system generates approximately 4,000 kilowatt-hours (kWh) per year. For the average residential customer, credit at the full retail rate of \$0.12/kWh would result in a savings of as much as \$480 per year. If that credit is reduced to just the distribution rate, the savings would only be \$160 per year. This is even more pronounced for a farmer who has installed a methane digester. A 100 KW anaerobic digester generating 700,000 kWh per year would receive a credit for power produced at the average full commercial retail rate of \$0.097 per kWh. This equals a savings of \$67,900 per year. If that farmer is only able to receive credit at the distribution rate, his or her annual savings would be reduced to \$28,000. Providing a similar example on the website would help customers better understand the consequences.

We believe that all of these measures will help to encourage more net metered customer to shop and aid in the development of an even more robust competitive retail electric market in Pennsylvania.