

PENNSYLVANIA ENERGY MARKETERS COALITION

Rosemary Chiavetta
Secretary, Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

August 8, 2017

Dear Secretary Chiavetta:

Please find enclosed the comments of the Pennsylvania Energy Marketers Coalition, in response to the Pennsylvania Public Utility Commission's Secretarial Letter of July 14, 2017, seeking comments in response to the Staff Review of Universal Service and Energy Conservation Programs, filed on July 14, 2017 at Docket No. M-2017-2596907.

Please do not hesitate to contact me with any questions or concerns regarding our comments.

Sincerely,

Frank Caliva
Regulatory Consultant
Pennsylvania Energy Marketers Coalition
(PEMC)

President
P.R. Quinlan Associates Inc.
1012 14th Street NW, Suite 903
Washington, DC 20005

Enclosure

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Review of Universal Service and)
Energy Conservation) Docket No. M-2017-2596907
Programs)

COMMENTS OF THE PENNSYLVANIA ENERGY MARKETERS COALITION

The Pennsylvania Energy Marketers Coalition (“PEMC”)¹ appreciates this opportunity to submit comments in response to the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Secretarial Letter of July 14, 2017, seeking public comment in response to the PUC Staff’s Review of Universal Service and Energy Conservation Programs, filed on July 14, 2017, at Docket No. M-2017-2596907.

The PEMC commends the Staff of the PUC’s Law Bureau for a comprehensive and thorough review of the history and status of universal service programs in the Commonwealth, including the four components that each large utility must have: a customer assistance program (CAP), a low-income usage reduction program (LIURP), a customer assistance and referral evaluation services (CARES) program, and a hardship fund program. This information provides a common basis for all stakeholders to rely on in the ongoing discussions about the future of service to low-income customers in Pennsylvania.

While we have no specific comments regarding the report, the PEMC wants to stress the vital role of natural gas and electric generation suppliers in providing options to all consumers, including low-and-medium-income customers, in Pennsylvania. While we believe the current retail market structure in the Commonwealth requires the utilities to continue in the role of providing customers with the universal service and energy conservation programs’ benefits, we respectfully

¹ For purposes of this filing, the PEMC consists of Agway Energy Services, LLC (“Agway”) and Pennsylvania Gas & Electric (“PAG&E”).

urge the PUC to recognize the legitimate interest of many low-income consumers in the competitive marketplace and its offerings.

We recognize the concern that has been expressed in various proceedings before the Commission that low-income customers, including many vulnerable populations, be adequately protected against unscrupulous companies and offers that provide no or limited value. As responsible members of the supplier community, committed to building long-term, mutually-beneficial relationships with our customers, the PEMC shares this concern.

At the same time, we are concerned that in the zeal to protect customers, there may be a drive to prevent them from exercising the freedom to choose the energy provider that best meets their needs and preferences. Low-income customers in particular may benefit from products, for example, that include energy efficiency audits and equipment, or value-added services like home heating, ventilation, and air conditioning systems repair, as part of natural gas or electricity supply offers. These additional energy-related value propositions may help to provide significant energy usage and cost reduction benefits to low-income customers, who could derive the most value from such products. Denying low-income customers the choice to shop for their energy, however well-intentioned, could be seen as crossing a line from robust consumer protection into restricting the rights of a class of customers to choose a product that could enhance their energy usage.

In the recent PPL default service proceeding at Docket No. P-2016-2526627, for example, the Commission ordered the establishment of a new Standard Offer Program (CAP-SOP) to limit CAP customers in PPL's territory to shopping from a group of suppliers that have offered guaranteed savings over the utility's price-to-compare at the time of enrollment. This program is currently in the initial stages of operation. Whatever the merits of the program, it does limit low-income customers from choosing other products and services that may provide real and substantial value to them. As Staff, PPL, and the supplier community work together to implement this first-of-its-kind program, we respectfully urge the Commission to allow time for lessons to be learned from

the PPL CAP-SOP before proposing such a policy to be universally implemented in the Commonwealth.

We believe the PUC has developed, and continues to refine, a set of consumer protection regulations that provides customers with the confidence that they can safely navigate the retail energy market. Additionally, the best-in-class PAPowerSwitch website gives customers of all economic and demographic backgrounds the tools to search for and choose an energy option that is best for them. The importance of these efforts should not be understated.

Finally, we wish to highlight the vital role that consumer education plays in ensuring consumer protection. An educated consumer is a protected consumer. The Commission has led the way among U.S. state regulators in educating consumers about energy choice, and we respectfully encourage the PUC to consider pursuing educational programs designed specifically to help low-income customers and other vulnerable populations understand and exercise energy choice.

We again express our appreciation to the Law Bureau and the rest of Commission Staff for the July 14 report, and commit to further participation in the ongoing discussion about how to ensure the retail energy market in Pennsylvania best serves all the citizens of the Commonwealth.

Respectfully submitted,

PENNSYLVANIA ENERGY MARKETERS COALITION



Regulatory Consultant
Pennsylvania Energy Marketers Coalition

President
P.R. Quinlan Associates Inc.
1012 14th Street NW, Suite 903
Washington, DC 20005

cc: Agway Energy Services
Pennsylvania Gas & Electric