

RESA

Retail Energy Supply Association



TESTIMONY SUPPORTING SB 209

Before the Committee on Utilities – March 15, 2017



What is RESA?

The **Retail Energy Supply Association** is a broad and diverse group of retail energy suppliers who share the **common vision that competitive retail energy markets deliver a more efficient, customer-oriented outcome than a regulated utility structure.** RESA members are **devoted to working with all stakeholders to promote vibrant and sustainable competitive** retail energy markets for **residential, commercial and industrial consumers.**

The information presented in this document represent the views of RESA as an organization and may not necessarily reflect the views of any particular RESA member.

RESA's Core Principles

- Competition, not regulation, is the most effective means for efficiently allocating resources.
- Competition among retail companies brings benefits to consumers that are not readily provided through traditional utility regulation.
- For competition to be effective, all consumers must be afforded the right to shop for competitively priced energy products and services, just as they shop for other products and services.
- Competitive markets function best when they are free from distortions introduced by excessive government interference.

Who/What are Retail Suppliers?

- **Licensed** Electric Commodity Suppliers
- A Competitive **Alternative to Utilities**
- Diversified Energy Services Companies Offering **Renewable Energy, Energy Efficiency, Demand Response and Other Innovative Products**
- Companies who **Compete for your Business** and Offer **Cost-Effective** Energy Options to Residential, Business, Industrial, Government and Non-Profit Entities

Who Do Retail Suppliers Serve?



Residential Customers
(homes)

Over 16.4M
Americans



**Small & Medium
Business Customers**
(individual: restaurants, gas stations,
apartment complexes, schools,
hospitals, and non-profits)

School Districts,
Municipalities, and
Businesses such as , Bank
of America, TJ Maxx



**Large Commercial
& Industrial Customers**
(shopping complexes, manufacturing facilities,
chambers of commerce affinity groups
and government compounds)

Wal-Mart, UPS, Amtrak

The Pennsylvania Market: A Success Story

- **More than 2,000,000** residents and businesses have switched to competitive retail suppliers
- Percent of customers served by competitive suppliers statewide

	% of Customers	% of Load
Residential	35.7%	44.7%
Commercial	46.0%	83.5%
Industrial	85.6%	97.0%

- **Supportive legislative and regulatory policies** have been the cornerstone to this success
 - **Electric Choice and Competition Act of 1996**
 - **Foundational PA PUC policies**
 - **Customer education** (www.papowerswitch.com)
 - **Engaged regulators** (CHARGE working group)
 - **Fair market rules** (equitable access to customer data, supportive utility billing platforms, etc.)

- [Find an Electric Supplier »](#)
- [How to Shop for Electricity »](#)
- [Understanding Fixed & Variable Rates »](#)
- [Questions to Ask Suppliers »](#)
- [The Switching Process »](#)
- [Clean Energy Suppliers »](#)

THINGS TO CONSIDER
When Choosing a Fixed or Variable Rate
[Learn More ▶](#)

Narrow Your Choices

Showing **113** Results

Price:

Fixed Variable Term

Unit Price:

0.0000¢ 0.2000¢

Term Length

Choose Term Length ▼

		Current Price	Future Price
<p>Shop for Your Home Shop for Your Small Business Shop for Your Large Business</p> <p>Monthly Usage: <input type="text" value="700"/> Sort By: <input type="text" value="Sort by: A-Z"/></p> <p style="text-align: right;">Search Again » Print Results</p>			
<p>PPL Electric Utilities 1-888-668-4775 Rate Schedule: RS - Regular Residential Service</p>		\$0.09559 Per kWh	\$66.91 Estimated Per Month
<p>AEP Energy 1-877-726-0218 Price Structure: Fixed Discount Available: No Introductory Price: No Renewable Energy: No</p>		\$0.0775 per kWh	\$54.25 Estimated Per Month
<p>Cancellation Fee: No Term Length: 6 months Monthly Fee: No Term End Date: No</p> <p style="text-align: right;">Sign Up for this Offer » View All Offers » Additional Information »</p>			
<p>AEP Energy 1-877-726-0218 Price Structure: Fixed Discount Available: No</p>		\$0.0815 per kWh	\$57.05 Estimated Per Month
<p>Cancellation Fee: No Term Length: 6 months</p>			

www.papowerswitch.com

The Texas Market

Providing Customer Benefits

- This marks the **15th year** since the implementation of customer choice in Texas. Customers continue to enjoy the benefits of a competitive market.
- **Numerous retail electric providers (REPs)** actively compete to offer innovative products designed to meet the needs of residential, commercial, and industrial customers. As of September 2016, **109 REPs** were providing **440 total unique products**.
- On average, residential retail rates have **declined to as low as 4.5 cents per kWh**, compared to a nationwide average of 13.45 cents per kWh in 2016.¹
- The **powertochoose.org website** serves as the official and unbiased electric choice website of the PUCT. This website is available to all electric providers to list their offers for free.

The Texas Market Providing Customer Benefits

- Price offers are **substantially lower** than prices available just before competition began.

Utility Service Territory	Last Regulated Rate (2001), ¢/kWh	Last Regulated Rate, Adjusted for Inflation	Current Lowest Fixed Price	Percentage Change
AEP Central	9.6	13.1	5.6	-57.25%
AEP North	10.0	13.6	5.0	-63.24%
CenterPoint	10.4	14.1	5.4	-61.7%
Oncor	9.7	13.2	4.5	-65.91%
TNMP	10.6	14.4	5.0	-65.28%

Shop. Compare. Choose.

77026

1-10 OF 187 **1** 2 3 ... > SORT BY PRICE/kWh VIEW 10 PER ...

COMPARE	Company	Plan Details	Price/kWh ▲	Pricing Details	Ordering Info
<input type="checkbox"/>	<p>Infuse Energy COMPANY RATING HISTORY </p>	<ul style="list-style-type: none"> Keep It Simple Savings 6 Fixed Rate 6 Months 10% Renewable NEW CUSTOMERS 	<p>1,000 kWh 4.5¢</p> <p>500 kWh 2,000 kWh 9¢ 10.3¢</p>	<p>Cancellation Fee: \$150.00</p> <p>Fact Sheet </p> <p>Terms of Service </p>	<p>Special Terms</p> <p>(844) 463-8732 OR</p> <p>SIGN UP</p>
<input type="checkbox"/>	<p>Infinite Energy COMPANY RATING HISTORY </p>	<ul style="list-style-type: none"> Magnificent 7 Fixed Rate 7 Months 5% Renewable 	<p>1,000 kWh 4.6¢</p> <p>500 kWh 2,000 kWh 5.4¢ 10.1¢</p>	<p>Cancellation Fee: \$150.00</p> <p>Fact Sheet </p> <p>Terms of Service </p>	<p>Special Terms</p> <p>(877) 928-8766 OR</p> <p>SIGN UP</p>
<input type="checkbox"/>	<p>Infinite Energy COMPANY RATING HISTORY </p>	<ul style="list-style-type: none"> Sweet 6 Fixed Rate 6 Months 5% Renewable 	<p>1,000 kWh 4.6¢</p> <p>500 kWh 2,000 kWh 5.4¢ 10.1¢</p>	<p>Cancellation Fee: \$100.00</p> <p>Fact Sheet </p> <p>Terms of Service </p>	<p>Special Terms</p> <p>(877) 928-8766 OR</p> <p>SIGN UP</p>
<input type="checkbox"/>	<p>VETERAN ENERGY COMPANY RATING HISTORY </p>	<ul style="list-style-type: none"> Tradition 6 Fixed Rate 6 Months 5% Renewable 	<p>1,000 kWh 4.6¢</p> <p>500 kWh 2,000 kWh 5.4¢ 10.1¢</p>	<p>Cancellation Fee: \$100.00</p> <p>Fact Sheet </p> <p>Terms of Service </p>	<p>Special Terms</p> <p>(855) 856-7613 OR</p> <p>SIGN UP</p>
<input type="checkbox"/>	<p>VETERAN ENERGY COMPANY RATING HISTORY </p>	<ul style="list-style-type: none"> Tradition 7 Fixed Rate 7 Months 5% Renewable 	<p>1,000 kWh 4.7¢</p> <p>500 kWh 2,000 kWh 5.4¢ 10.1¢</p>	<p>Cancellation Fee: \$150.00</p> <p>Fact Sheet </p> <p>Terms of Service </p>	<p>Special Terms</p> <p>(855) 856-7613 OR</p> <p>SIGN UP</p>
<input type="checkbox"/>	<p>Genex ENERGY</p>	<ul style="list-style-type: none"> My Choice 6 Fixed Rate 	<p>1,000 kWh 4.8¢</p>	<p>Cancellation Fee: \$150.00</p>	<p>Special Terms</p>

TDU Area

CENTERPOINT ...

Estimated Use

1,001 - 2,000 kWh

Price/kWh

¢ to ¢

Contract Length

mo to mo

Pricing and Billing

Show All Plans

Plans Without Minimum Usage Fees/Credits

Plan Type

Fixed Rate

Variable (Changing Rate)

Indexed (Market Rate)

Prepaid Plans

Show All Plans

Show Only Prepaid Plans

Do Not Show Prepaid Plans

Time Of Use Plans

www.PowerToChoose.org
www.PoderDeEscoger.org

What types of products/services are available?

- Competition delivers **choice**
- 100% Renewable Products
- Free Nest or Honeywell Thermostats
- Cash back rewards products
- No cancellation fee options

RESA's Participation in Competitive Markets

Regulatory & Legislative Arenas

- RESA and its member companies are long-standing **stakeholders** and have been **active participants** in all major proceedings in competitive markets
 - **Legislative and regulatory proceedings**
 - **Municipal aggregation programs**
 - **Renewable Portfolio Standards**
 - **Consumer Education Efforts**

RESA online:
<http://www.resausa.org/>

Tracy McCormick – Executive Director