



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: Distribution List in:
D.P.U. 19-07: Investigation into Initiatives to Promote and Protect
Consumer Interests in the Retail Electric Competitive Supply Market

FROM: Gregory Wade, Hearing Officer

RE: June 26, 2019 Stakeholder Working Groups Meeting

DATE: June 24, 2019

CC: Mark D. Marini, Secretary

I. INTRODUCTION

On June 14, 2019, the Department of Public Utilities (“Department”) announced that it would convene the initial meeting of the D.P.U. 19-07 stakeholder working groups on June 26, 2019. As discussed in the June 6, 2019 technical session, the Department will form two working groups to develop implementation details associated with the initiatives that the Department is investigating in D.P.U. 19-07: (1) a Customer Protection working group that will focus on the initiatives related to (i) automatic renewal, (ii) customer complaint data, (iii) marketing standards of conduct, (iv) supplier enrollment reports, and (v) increased awareness of the Energy Switch website; and (2) an Energy Switch working group that will focus on improvements to the Energy Switch website, including but not limited to the display of municipal aggregation products.

During the June 6 technical session, Department staff identified the implementation details associated with each initiative that the working groups will help develop. This Hearing Officer memo identifies, for each initiative, the stakeholder group that Department staff proposes to take the lead in developing proposed implementation details for presentation to the working group at large. Table 1, attached to this memo, summarizes the

implementation details identified during the technical session, and staff's proposed stakeholder "assignments."¹

II. CUSTOMER PROTECTION WORKING GROUP

A. Automatic Renewal

During the June 6 technical session, Department staff identified three components related to automatic renewals that would provide customers with reasonable and appropriate protection - (1) customer notification, (2) supplier reporting, and (3) product limitations. Within customer notification, staff identified implementation details associated with (i) the development of uniform language and format for the notification, and (ii) the timing and method of delivery of the notifications. Department staff proposes that competitive suppliers take the lead in establishing a straw proposal for the development of uniform language and format for the automatic renewal notifications. This is because suppliers are best positioned to identify and combine the best practices implemented in other states, for use in the Commonwealth. Department staff proposes that the working group defer the development of implementation details associated with the timing and method of delivery of the notification until the notification itself is better developed.

Department staff will take the lead in establishing a straw proposal for the reporting of automatic renewal information. To facilitate discussion during the upcoming meeting, Department staff presents its proposal for such reporting in Table 2, attached to this memo. Department staff proposes that suppliers populate this table (revised as appropriate based on the discussion at the working group meeting) after the working group meeting- the Department would then aggregate the information across all suppliers to provide stakeholders with a snapshot of the status of automatic renewals in the electric and gas competitive markets. Staff proposes that the working group defer discussion on automatic renewal product limitations until this information is available.

B. Customer Complaint Data

During the June 6 technical session, Department staff identified customer complaint data implementation details associated with (i) the number of months to be included in the calculation of a rolling monthly average, (ii) minimum number of customers, (iii) grading system, and (iv) treatment of municipal aggregation customers. Department staff currently is in the process of developing an example of a customer complaint "scorecard" for

¹ For the purpose of making these "assignments," Department staff categorizes stakeholders as competitive suppliers, electric and gas distribution companies, municipal aggregators, and consumer advocates.

presentation to the working group – we propose that the working group defer the development of implementation details associated with customer complaint data until this scorecard has been presented.

C. Marketing Standards of Conduct

1. Product Disclosure

During the June 6 technical session, Department staff identified product disclosure implementation details associated with the development of (i) uniform language and format for the written disclosure of product information, and (ii) a uniform script for the disclosure of product information by telemarketers. Department staff proposes that competitive suppliers take the lead in establishing straw proposals for both written and oral disclosures. This is because suppliers are best positioned to identify and combine the best practices implemented in other states, for use in the Commonwealth.

2. Agent Behavior

During the June 6 technical session, Department staff identified agent behavior implementation details associated with (i) uniform introductory and closing scripts for both door-to-door and telemarketers, (ii) protocols for supplier oversight of third-party marketing vendors, (iii) protocols for GPS for door-to-door marketers, and (iv) protocols for caller ID information and repeat calls for telemarketers. Department staff proposes that competitive suppliers take the lead in establishing straw proposals for the development of uniform scripts. This is because suppliers are best positioned to identify and combine the best practices implemented in other states, for use in the Commonwealth.

Department staff proposes that consumer advocates take the lead on developing a straw proposal on protocols for supplier oversight of third-party marketing vendors. This is because these advocates are best positioned to identify the types of behaviors that negatively impact customers, and the steps that suppliers can take to best ensure that their marketing vendors are not undertaking those behaviors. Department staff proposes that the working group defer work on other protocols for marketers until the other implementation details are better resolved.

D. Enrollment Reports

Department staff will take the lead in establishing a straw proposal for the reporting of supplier enrollment information. To facilitate discussion during the upcoming meeting, staff presents its proposal for such reporting in Table 3, attached to this memo. Department staff proposes that suppliers populate this table (revised as appropriate) for June 2019.

E. Energy Switch Awareness

During the June 6 technical session, Department staff presented the following language for inclusion on suppliers' marketing material and customers' monthly electric bills: "The Massachusetts Department of Public Utilities recommends that consumers visit the Energy Switch website to view the broad range of available electric supply products. You can visit the website at ..." Staff proposes that this language appear on (1) all written material that suppliers provide to customers (including, but not limited to, product disclosure and automatic renewal notifications), and (2) on the monthly electric bills.

During the June 6 technical session, Department staff proposed that the electric distribution companies periodically include a bill insert in their bills that would provide information on the website. Department staff proposes that work on the bill inserts be taken up by the Energy Switch working group that is focusing on website improvements.

III. ENERGY SWITCH WORKING GROUP

During the June 6 technical session, Department staff proposed that the Energy Switch website display municipal aggregation products in the same manner as other competitive supply products, with the exception of how these municipal aggregation products may be displayed on the website before and after sorting or filtering of the products. Department staff identified the display of municipal aggregation products as an implementation issue. Department staff proposes that the Energy Switch working group address this issue, as well as the mechanics associated with providing the product information that is displayed, in a subsequent meeting in which the Department's website vendor will participate. Department staff identified the development of customer education information about municipal aggregation as a second implementation issue. Department staff proposes that the municipal aggregators take the lead in developing a straw proposal for such material.

Department staff identified other potential Energy Switch improvements, associated with the presentation of basic service prices, the display of monthly prices, and social media. Department staff will take the lead in developing a straw proposal for ways to improve the usefulness of the basic service information that is presented on the website. Department staff proposes that work on other website-related improvements be deferred until the implementation details discussed above are better resolved.