

TO: Hearing Officer Gregg Wade

FROM: Competitive Supplier Working Group

RE: D.P.U. 19-07 Investigation into Initiatives to Promote and Protect Consumer Interests in the Retail Electric Competitive Supply Market MA Supplier Working Group Assignments – Language/format of the automatic renewal notifications

DATE: September 20, 2019

INTRODUCTION

Our working group was tasked with developing a proposal from a competitive supplier standpoint for “a. Language/format of the automatic renewal notifications.” See Department of Public Utilities (“Department”) July 2, 2019 Hearing Officer Memorandum at p. 2; see also June 24, 2019 Hearing Officer Memorandum outlining goals for June 26, 2019 Department Working Group meeting. On August, 6 2019 Suppliers, Stakeholders and the Department discussed the proposals and agreed to return with revised proposals on by September 20, 2019.

As discussed in more detail below, the Competitive Supplier Working Group’s (“Working Group”) proposal is that certain minimum information should be provided to customers during a standardized timeframe and in a format, which provides customers with clear and plain language information regarding their contract renewal options.

RENEWAL NOTICE RECOMMENDATION

A. Introduction and General Observations.

1. The Working Group recognizes that customers need, and are entitled to, information regarding their competitive supply options, particularly when a term contract is ending and approaching an automatic renewal. The Working Group is proposing a solution that will advance customer education and provide greater protections for consumers, while at the same time allowing the Competitive Supplier to using branding, language and style that reflects their corporate voice.

B. Automatic Renewal Notices

1. The Working Group proposes that any competitive supplier seeking to automatically renew or convert a residential customer from a fixed price to a different price or pricing structure provide the customer with notice of the expiration which includes the sections described in Attachment 2, tab 1, namely:
 - i. A statement “Important information Regarding Your Electric Supply Contract With [Supplier Name]”
 - ii. The price that the customer is currently paying

- iii. Expiration date of current price
- iv. A statement regarding the new price, its structure, and how long it will be in effect if the customer takes no action
- v. How to contact the supplier for more information or additional options, including the energyswitchma.gov website.

Such notification shall be provided to the customer no earlier than 60 days and no later than 30 days prior the initial contract's expiration date. Suppliers may send such notice by US mail or electronically, if the customer has agreed to receive electronic communications.

- 2. The Department put forth an alternative proposal during the August 6, 2019 working group, which set forth specific language and information to be included in renewal letters. While the Working Group agrees that certain information and disclosures should be uniform, each supplier has its own corporate voice and vernacular which it should be allowed to use in its marketing and enrollment materials, so long as it accurately and completely describes the required information. In the revised supplier proposal for automatic renewals, attachment 2, tab 1, the working group has included alternative sample language that could be used as an example to illustrate that suppliers could satisfy the categories of required information and inform customers of relevant contract expiration data in a variety of ways. In the alternative, the Working Group recommends that if the Department drafts exact renewal letter language, the adoption of such wording by suppliers be considered a "safe harbor" rather than a requirement; and, that suppliers be allowed to use alternative language so long as the same information is conveyed.