



# **D.P.U. 19-07**

## **Tier Two Initiatives:**

# **DRAFT Straw Proposals**

May 18, 2021



# DPU 19-07

## Background

### D.P.U. 19-07

- “Initiatives to Promote and Protect Consumer Interests in the Retail Competitive Supply Market” (issued January 18, 2019). Identified initiatives related to:
  - information provided to consumers
  - Department’s ability to proactively oversee suppliers
  - efficiency of the competitive market

### D.P.U. 19-07-A (issued May 22, 2020)

- Set forth “Tier One” initiatives (i.e., those that could be resolved in the timeliest manner)



# DPU 19-07

## Background *(cont.)*

### D.P.U. 19-07-A *(cont.)*

- Tier One initiatives include those related to:
  - Contract summary form
  - Door-to-door notification
  - Recording of marketing calls
  - Automatic renewal notification
  - Enrollment and Automatic Renewal reports

### November 19, 2020 Hearing Officer Memo

- Department staff proposed improvements to Tier One initiatives
  - Department will address in subsequent order



# DPU 19-07

## Background *(cont.)*

March 17, 2021 Hearing Officer Memo (“March 17 HO Memo”)

- Department staff identified “Tier Two” initiatives for further discussion with stakeholders
- Suppliers and Department staff “assigned” to develop straw proposals



# Tier Two Initiatives

## Straw Proposals

### Monthly-Price Products

1. Contract Summary Form language (Staff)
2. Customer access to upcoming price (Suppliers)
3. Customer notification of price increase (Staff)
4. “Wholesale market cost” index (Suppliers)
5. Supplier Reporting (Staff)

### Renewable Energy Products

6. Supplier Reporting (Staff)



# Tier Two Initiatives

## Straw Proposals (cont.)

### Best Practices - Products

7. Automatic Renewals (Suppliers)
8. Low-Income Customers (Staff)

### Customer Enrollments

9. "Enroll with your wallet" (Suppliers)

### Telemarketing Calls

10. Third-Party Verification - Best practices/Uniform script (Suppliers)
11. Proactive Access to Recordings (Staff)

### Supplier Complaints

12. Customer Complaint Scorecard (Staff)



# Department Staff Straw Proposals

## Monthly Price Products

### 1. Contract Summary Form - Background

- Pursuant to DPU 19-07-A (at 40), suppliers must provide customers with Contract Summary Form at the time of enrollment
  - The Department specified the price-related language to be included on Forms for fixed-price products:
    - [xx] cents per [kWh/therm]. This does not include the price that your [electric/gas] utility will charge you for the delivery component of your [electric/gas] service.
  - For monthly-price products, suppliers must submit Form for Department review
- In the March 17 HO Memo (at 2-3), Department staff stated that we seek to explore establishing uniform language for monthly-price products



# Department Staff Straw Proposals

## Monthly Price Products

### 1. Contract Summary Form - Straw Proposal

- The Contract Summary Form should provide consumers with the following information:
  - price may change monthly
  - reason(s) for price changes
  - price for the initial month
  - how to access future monthly price
  - price does not include delivery charges





# Department Staff Straw Proposals

## Monthly Price Products

### 1. Contract Summary Form - Straw Proposal (cont.)

- Proposed language:
  - The price you will pay is subject to change monthly, based on several factors including, but not limited to, market conditions and *[supplier name]*'s costs to provide energy supply service. The price for the first month of service will be [xx cents/dollars] per kWh. Prices for future months will be available on our website at *[supplier website address]*. These monthly prices do not include the price that your electric utility will charge you for the delivery component of your electric service.



# Department Staff Straw Proposals

## Monthly Price Products

### **2. Notification of Price Increases - Background**

- Pursuant to DPU 19-07-A (at 66-67), suppliers must notify customers of upcoming automatic contract renewals
- In the March 17 HO memo (at 3), Department staff stated that we seek to explore establishing a notification requirement related to increases in monthly prices

### **2. Notification of Price Increases - Straw Proposal**

- Suppliers must notify customers of all price increases, regardless of size of increase
- Notification should inform customers of
  - current price/upcoming price/effective date
  - “action required” to avoid price increase



# Department Staff Straw Proposals

## Monthly Price Products

### 2. Notification of Price Increases - Straw Proposal

- Timing of notification must strike balance between providing (1) customers with adequate time to take action, and (2) suppliers with flexibility to set upcoming price
- Proposed language:
  - As a customer of [Supplier Name], we purchase and supply [electricity/gas] on your behalf, while your [electric/gas] utility continues to deliver the [electricity/gas] you use to your home. The price you pay for supply is subject to change monthly.  
Your price for the current month is [xx] cents per [kWh/therm]. Your price for the upcoming month will increase to [xx] cents per [kWh/therm]. Please contact us at [ ] if you do not wish to continue your service with us or to find out more about electricity supply products that we offer.



# Department Staff Straw Proposals

## Monthly Price Products

### 3. Reporting - Background

- Pursuant to DPU 19-07-A, (at 68), suppliers must submit periodic reports related to customer enrollments and automatic renewals
- In the March 17 HO Memo, Department staff stated that we seek to establish a similar reporting requirement for monthly-price products

### 3. Reporting - Straw Proposal

- Suppliers would be required to report twice annually on the number of customers whose initial contract calls for a monthly-price product (i.e. products for which the initial price is fixed for three months or less)
- Staff proposes to consolidate reporting of customer enrollments, automatic renewals, and monthly-price products into a single table
  - See Excel spreadsheet



# Department Staff Straw Proposals

## Renewable Energy Products

### 4. Reporting - Background

- As stated above, suppliers are currently required to submit reports related to customer enrollments and automatic renewals – above, staff proposes a similar reporting requirement for monthly-price products
- In the March 17 HO Memo (at 5), Department staff stated that we seek to explore establishing a similar reporting requirement for voluntary renewable energy products



# Department Staff Straw Proposals

## Renewable Energy Products

### 4. Reporting - Straw Proposal

- Information to be reported:
  - number of customers provided RPS-compliant and voluntary renewable energy products
  - For voluntary renewable products, # customers provided products for which
    - the (total) renewable content is equal to 100%;
    - the voluntary renewable content is composed fully of RPS Class I resources
- See Excel spreadsheet for consolidated report template



# Department Staff Straw Proposals Low-Income Customer Products

## 5. Best Practices - Background

- D.P.U. 19-07-A
- Data collected through D.P.U. 19-07-B showed:
  - Customers receiving low-income customer discounts are disproportionately served by competitive suppliers
  - The impact of competitive supply rates customers receiving low-income customer discounts and the Residential Assistance Adjustment Factors (“RAAFs”) paid by all distribution customers
- In the March 17 HO memo (at 5), Department staff stated that we seek to explore establishing best practices for the products that competitive suppliers may provide to low-income customers



# Department Staff Straw Proposals Low-Income Customer Products

## 5. Best Practices - Straw Proposal

- Fixed-price product only
- No automatic renewal
- No early cancellation (or other) fees





# Department Staff Straw Proposals

## Pro-Access to Recordings

### 6. Proactive Access - Background

- Pursuant to DPU 19-07 (at 56-57), suppliers are required to record all outgoing telemarketing calls conducted on their behalf, and retain the recordings for which the duration exceeds one minute for a minimum of two years (regardless of whether the call resulted in an enrollment)
- In the November 19, 2020 HO Memo (at 12), Department staff proposed that suppliers be required to submit recordings to the Department within three business days of the Department's request
  - The Department will address this issue in a subsequent order



# Department Staff Straw Proposals

## Proactive Access to Recordings

### 6. Proactive Access - Background (cont.)

- In the March 17 HO Memo, Department staff stated that we seek to explore a process for proactively requesting recordings from suppliers, rather than in reaction to consumer complaints (citing to D.P.U. 19-07-A at 3)

### 6. Proactive Access - Straw Proposal

- Focus on enrollments via door-to door and telemarketing (marketing channels that appear to be prone to problematic marketing practices)
  - telemarketing - recordings of both sales and TPV calls
  - door-to door - recordings of TPV calls



# Department Staff Straw Proposals

## Proactive Access to Recordings

### 6. Proactive Access - Straw Proposal

- Step 1 – Identify suppliers (on a timely basis) that are enrolling customers through each marketing channel
  - Staff proposes monthly reporting, by marketing channel and vendor
    - In place of current bi-annual “interval” reporting of enrollments
- Step 2 – Identify suppliers for further scrutiny



# Department Staff Straw Proposals

## Proactive Access to Recordings

### 6. Proactive Access - Straw Proposal (Example)

(cont.)

- Step 3 – Request distribution companies to provide customer account information on customers served by supplier
- Step 4 – Provide list of customer accounts for which supplier must provide recordings
  - Within specified time period (3 business days?)



# Department Staff Straw Proposals

## Customer Complaint Scorecard

### **7. Customer Complaint Scorecard - Background**

- In D.P.U. 19-07, at 9-10, the Department stated that we see value in making competitive supplier complaint data available to the public online in a transparent and easily understood manner
- In the March 17 HO Memo, Department staff stated that we would draft a straw proposal on a “customer complaint scorecard,” building off the proposed framework presented by staff during the D.P.U. 19-07 stakeholder process



# Department Staff Straw Proposals

## Customer Complaint Scorecard

### **7. Customer Complaint Scorecard – Straw Proposal**

- Residential electric consumers only
- Scorecard will present information on the ratio of number of residential complaints against a supplier to the number of residential customers served by the supplier
- Complaints based on those filed with the Department's Consumer Division, including complaints resolved by the supplier "after the fact"
  - Not including complaints related to municipal aggregation



# Department Staff Straw Proposals

## Customer Complaint Scorecard

### 7. Customer Complaint Scorecard – Straw Proposal

- Calculation and Display
  - the scorecard would be posted on the Department's website
  - updated four times per year, using most recent 12 months of data
  - Data would be presented as the ratio of # complaints per 1000 customers served
  - Suppliers that average less than 1,000 customers per month would be excluded