



STATE OF THE ELECTRICITY MARKET IN PENNSYLVANIA

**BEFORE THE PA HOUSE CONSUMER AFFAIRS COMMITTEE
MARCH 23, 2021**



ABOUT THE ORGANIZATION

- 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 in this presentation represent the views of RESA as an organization and may not necessarily reflect the views of any particular RESA member

WHO/WHAT ARE RETAIL SUPPLIERS?

- **Suppliers are Licensed** by the PA Public Utilities Commission
- Referred to as **Electric Generation Suppliers (EGSs)**
- A Competitive **Alternative to Utilities**
- Diversified Energy Services Companies Offering **Renewable Energy, Energy Efficiency, Demand Response and Other Innovative Products**
- Companies who **Compete for Business**
- Offer **Cost-Effective** Energy Options to Residential, Business, Industrial, Government and Non-Profit Entities

WHO DO RETAIL SUPPLIERS SERVE?



Residential Customers
(homes)

Over 1,700,000
Pennsylvanians



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

Allegheny County Schools,
Bank of America, TJ Maxx,
Dollar Tree, City of York



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

Wal-Mart, UPS, Amtrak,
SEPTA

HOW DOES THE PENNSYLVANIA ELECTRICITY MARKET WORK?

Generation



- Competitive, market priced service
- Customers can receive service from:
 - retail suppliers
 - or utility default service
- No Price Regulation
- Most customers receive one-bill from their utility

Transmission



Distribution



- Price set through regulation
- Monopoly service provided by utilities
- Utilities must provide equal access to transmission/distribution facilities

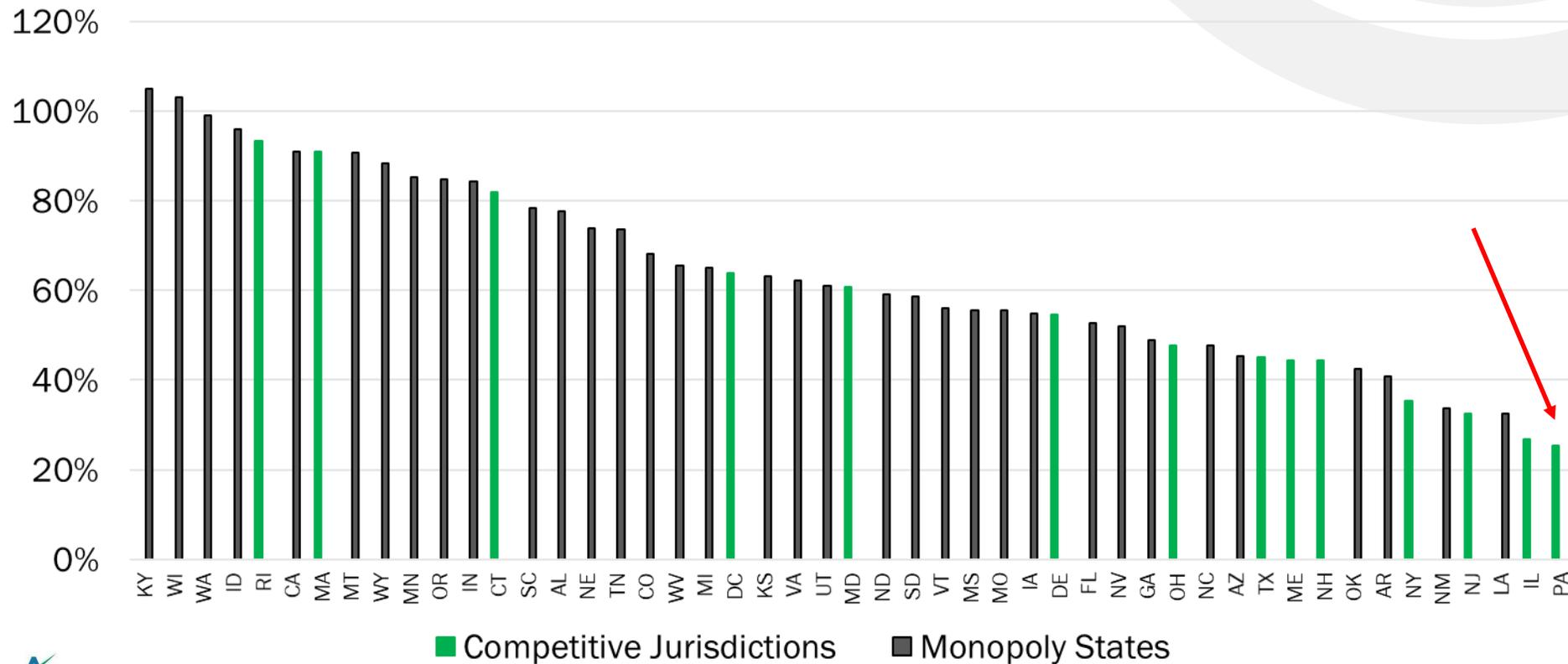
THE PENNSYLVANIA ELECTRICITY MARKET: A SUCCESS STORY

- More than 1,700,000 residential and business accounts have switched to competitive EGSs
- ~ 30 Percent of residential customers served by competitive suppliers statewide
- 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 (OCMO and the CHARGE working group)
- Fair market rules (equitable access to customer data, supportive utility billing platforms, etc.)
- Best Price Performance

PENNSYLVANIA- ALL CUSTOMER CHOICE STATES HAVE BETTER PRICE PERFORMANCE THAN MONOPOLY STATES

From 1998 to 2019, competitive (restructured) states outperformed monopoly states from a price change perspective across all customer classes. This is also true in Pennsylvania, which experienced a price increase of 25.3% over 21 years, compared to the monopoly states who experienced a price increase of 67.0% over the identical time period.

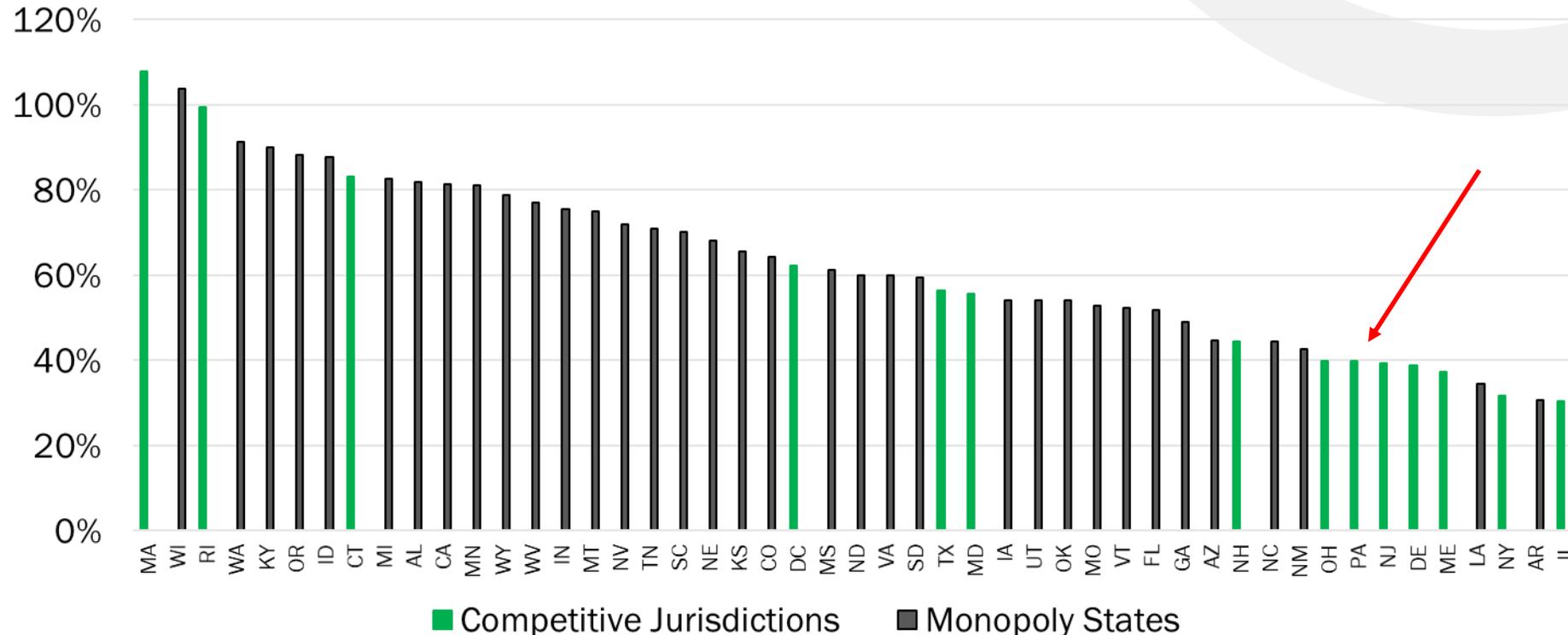
All-Sector Price Sort (1998-2019) (%)



PENNSYLVANIA- RESIDENTIAL CHOICE STATES HAVE BETTER PRICE PERFORMANCE THAN MONOPOLY STATES

From 1998 to 2019, competitive (restructured) states outperformed monopoly states from a price change perspective for the residential class. This is also true in Pennsylvania, which experienced a price increase of 39.7% over 21 years, compared to the monopoly states who experienced a price increase of 64.2% over the identical time period.

Residential Price Sort (1998-2019) (%)



ENERGY MARKET SAVINGS REPORT-JANUARY 2021

By shopping for the best deal for electricity, Pennsylvania consumers could have saved more than **\$91 million** in January and benefited from a wide range of value-added products and services by switching to competitive suppliers.

Savings Over	
Duquesne	\$8,236,501
MetEd	\$12,957,613
PECO	\$18,848,129
Penelec	\$6,794,543
PennPower	\$2,585,765
PPL	\$33,373,902
West Penn Power	\$9,014,306
January Potential Market Savings	\$91,720,759

January Notable Offers:

One year of free Amazon Prime

National Park Pass

\$50 Contribution to Children's Hospital of Philadelphia

THERE'S MUCH MORE THAN PRICE SAVINGS

Home
Protection
Plans



100% Green



Long Term
Fixed Price
Contracts



SUPPORTING LEGISLATIVE INITIATIVES

- RESA is committed to supporting initiatives that will enhance the retail energy market and recently introduced into the PA legislature.
- Senate Bill 277
- House Bill 548



LEGISLATIVE SUPPORT FOR SB 277

SB 277

- **Improving Transparency and Options for Consumers of Electric and Natural Gas and Accountability for Retail Suppliers**
- Referred to the Consumer Protection and Professional Licensure Committee on Feb. 24, 2021
- Addresses three Specific areas of Retail Enhancements
 - Facilitates the process when consumers switch from default service (additional forms of identification)
 - Identify all costs associated with providing default energy supply to consumers and appropriately allocate the costs between supply and distribution rates (unbundling)
 - Suppliers will be required to pass an online training and education exam and be certified by the Public Utility Commission (supplier training & testing)



WHY ENHANCEMENTS ARE NEEDED

Additional Forms of Identification

- Utility Account Number (UAN) required for enrollments
- Accept the use of a series of personally identifiable data elements in lieu of the UAN
- Customer would be required to provide a government-issued or alternate form of identification



WHY ENHANCEMENTS ARE NEEDED

Unbundling

- Appropriately allocate the costs between supply and distribution rates
- Conduct a cost-of-service study to identify costs to provide default service
- Specific costs
- Indirect costs



WHY ENHANCEMENTS ARE NEEDED

Supplier Training and Testing

- Ongoing training and certification process
- Ensures that all suppliers have a working knowledge of the consumer rules and protections
- The cost recovery either through increased supplier fee assessments or application fees.



LEGISLATIVE SUPPORT FOR HB 548

HB 548

- **Energy Consumer Choice Enhancement Act (ECCEA), which will provide consumers with additional tools to choose the products and services they want from the competitive retail energy market.**
- Referred to the Consumer Affairs Committee, Feb. 17, 2021
- Addresses one specific topic
 - Provides transparency by allowing the consumer to receive a bill directly from their chosen supplier rather than through an intermediary (Supplier Consolidated Billing)



WHY ENHANCEMENTS ARE NEEDED

Supplier Consolidated Billing (SCB)

- Customers would receive a single bill
- Level the playing field
- Advance PA's Retail Energy Markets
- Consumers would be the beneficiaries
- Allows Suppliers to forge long-term relationships
- Results in supplier's ability to offer value added products and services
- Improves consumer satisfaction



WHY SCB IS NEEDED

CURRENT UTILITY CONSOLIDATED BILL-PAGE 1

Although the supplier's name is displayed on Page 1 of the utility invoice, it is among an array of information and not easily distinguishable.

69199

Pay/Manage your account online at pplectric.com

Questions? Please contact us by Mar 4, 1-800-DIAL-PPL (1-800-342-5775) Mon-Fri: 7am to 8pm

Page 1

Bill Acct. No.	Due Date	Amount Due
[REDACTED]	Mar 4, 2021	\$152.57

Your Electric Usage Profile

Service to: [REDACTED]

Meter: [REDACTED]

Your next meter reading is on or about Mar 10, 2021.

This section helps you understand your year-to-year electric use by month. Meter readings are actual unless otherwise noted.

Month	2020 (kWh)	2021 (kWh)
Jan	27	36
Feb	18	34
Mar	9	25
Apr	18	25
May	27	34
Jun	36	34
Jul	45	34
Aug	54	34
Sep	45	34
Oct	36	34
Nov	27	34
Dec	18	34

Billing Summary (Billing details on back)

Balance as of Feb 1, 2021	\$0.00
Charges:	
Total Distribution Charges	\$61.49
Total Generation & Transmission Charges	\$91.08
Total Current Charges	\$152.57
Amount Due By Mar 4, 2021	\$152.57
Account Balance	\$152.57

How To Shop For Electricity

You can choose the company that supplies your electricity. Visit papowerswitch.com or www.oca.state.pa.us for supplier offers. If you are shopping, know your contract expiration date.

Here's the information you need to shop:
 Bill Account Number: [REDACTED] Rate Schedule: RS (Residential)
 Current Supplier: Direct Energy Services

PPL Electric Utilities price to compare for your rate is \$0.07317 per kWh. This changes the 1st of June and December.

Manage Your Account

Pay Your Bill	Online Options (pplectric.com)
Online: Visit pplectric.com Phone: Call 1-800-342-5775 Mail: Use envelope provided ABP: Automatic Bill Pay (see back of stub to enroll) Card: MasterCard, Discover, Visa or debit, call 1-844-278-3310 (service fee applies)	- Report an outage/check outage status - Make a payment, view your bill and usage history. - Sign up for alerts. - Enroll in paperless billing, automatic bill pay, budget billing. - View your rate schedule at: pplectric.com/rates

Correspondence:

Customer Services, 827 Hausman Road, Allentown, PA 18104-9392

Other important information on the back of this bill →

26

Return this stub in the envelope provided with a check payable to PPL Electric Utilities.

Bill Acct. No.	Due Date	Amount Due
[REDACTED]	Mar 4, 2021	\$152.57

Sign up for Automatic Bill Pay on the back of this bill stub.

Amount Enclosed:

AV 01 [REDACTED] 41 A**5DGT

PPL Electric Utilities

PPL ELECTRIC UTILITIES
 2 NORTH 9TH STREET CPC-GENN1
 ALLENTOWN, PA 18101-1175

1 7800001525780000152570

Your Message Center

- With paperless billing, you can receive and pay your PPL Electric Utilities bills online. The process is free, quick, convenient and secure. To learn more or sign up, visit ppllectric.com.
- Learn how to save energy and get information about energy efficiency rebates on our website, ppllectric.com.
- Before digging around your home or property, you should always call the state's One Call notification system to locate any underground utility lines. You can do this by simply dialing 811, which will connect you to the One Call system. Be safe and call 811 before you dig.
- Take showers instead of baths to save energy and water. It takes about 30 gallons of water to fill an average bathtub. A 5-minute shower uses about 20 gallons. Low flow shower heads can cut your hot water use in half.
- Save postage and late charges - sign up for Automated Bill Payment.

General Information

Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates distribution rates and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

PPL Electric Utilities uses about \$0.59 of this bill to pay state taxes and about \$3.62 is used to pay the PA Gross Receipts Tax.

Understanding Your Bill

Act 129 Compliance Rider - Monthly charge to recover costs for energy efficiency and conservation programs approved by the PUC.

Storm Damage Expense Rider - Monthly charge to recover certain costs to make repairs after major storms.

Customer Charge - Monthly charge to recover costs of billing, meters and equipment.

Distribution Charge - Monthly charge to recover costs of local equipment used to deliver electricity from high-voltage transmission lines (see Transmission Charge) and safely step down voltage for use in your home or business.

Smart Meter Rider - Monthly charge to recover costs associated with the smart meter programs approved by the PUC.

Tax Cut and Jobs Act Credit - Monthly adjustment for federal tax changes.

Enroll in Automatic Bill Pay (ABP) and your monthly electric payment will be automatically deducted from your bank checking account. To enroll, sign and date this form and return with your check payment (voided check not required). Money orders, cashier and foreign checks do not qualify for enrollment.

I authorize PPL Electric Utilities to automatically deduct from the checking account as shown on my enclosed check, all future payments for the PPL Electric Utility bill account number listed on this payment stub. I will notify PPL Electric Utilities if I decide to cancel this authorization.

Checking Account holder signature _____ Date _____

NOTE: To enroll using a savings account for ABP, visit the billing and payments section at www.ppllectric.com/my-account

\$152.57

No mention of the supplier on Page 2.

WHY SCB IS NEEDED

CURRENT UTILITY CONSOLIDATED BILL - PAGE 2

Page 2

Billing Details - (Bill Acct. [REDACTED])	
Previous Balance	\$153.28
Payment Received Feb 9, 2021 - Thank You!	-\$153.28
Balance as of Feb 14, 2021	\$0.00
Charges for - PPL Electric Utilities	
Residential Rate: RS for Jan 7 - Feb 8	
Distribution Charge:	17.88
Customer Charge	47.30
1,095 kWh at 4.32000000¢ per kWh	-3.70
Tax Cut and Jobs Act Credit at -7.00%	0.01
PA Tax Adj Surcharge at 0.01500000%	
Total Distribution Charges	\$61.49
Total Generation & Transmission Charges (see Supplier Billing Details page)	\$91.08
Amount Due By Mar 4, 2021	\$152.57
Account Balance	\$152.57

State Tax Adjustment Surcharge - Monthly charge or credit to reflect changes in various state taxes. The surcharge may vary by bill component.

Rate RS - Rate for service to a private home.

kWh (kilowatt-hour) - A measure of how much electricity your household uses. One kilowatt-hour equals the amount of electricity used by ten 100-watt lights left on for one hour.

Type(s) of Meter Readings:

Actual - Measures your monthly electricity use based on an actual reading.

WHY SCB IS NEEDED

CURRENT UTILITY CONSOLIDATED BILL-PAGE 3

Page 3

Bill Acct. No.	Due Date	Amount Due
[REDACTED]	Mar 4, 2021	\$152.57

Supplier Billing Details

These are the generation and transmission charges from your supplier(s). If you have questions, please contact the supplier that served you during that period.

Supplier	Description	Amount	Total
Direct Energy	Generation & Transmission Charges for Jan 7 - Feb 8	1095.0000 KWH @ 0.083181	91.08
	Total Direct Energy Services Charges		\$91.08
	Total Generation & Transmission Charges: \$91.08		

Supplier name and contact information buried on the 3rd page of the utility bill.

Suppliers are allocated limited real estate when their charges are added to the utility bill. As a result, suppliers have no ability to bill the additional products and services that consumers want that are offered by suppliers.

RETAIL ENERGY CHOICE IN 2021 – CELEBRATING PENNSYLVANIA'S 25TH ANNIVERSARY

In recognition of Pennsylvania's 25th Anniversary of energy choice, the Retail Energy Supply Association (RESA) hosted a webinar on March 9 at 1:00 p.m. EST

The full webinar may be viewed at:

- <https://www.youtube.com/watch?v=8eCcL99k1fM>





**THANK YOU FOR YOUR TIME AND
KNOW THAT RESA IS AVAILABLE
AS A RESOURCE**



TMCCORMICK@RESAUSA.ORG



RESAUSA.ORG