

**A MEETING OF
THE ELECTRICITY AFFORDABILITY COMMITTEE
Monday, December 14, 2015**

1. The second meeting of the Electricity Affordability Committee (“EAC”) was called to order by Delaware Secretary of State Jeffrey W. Bullock, Chairman, in the Secretary of State’s Conference Room, Townsend Building, 401 Federal Street, Dover, DE 19901 on Monday, December 14, 2015 at 2:00 PM with the following Committee members in attendance: Art Jenkins, Office of the Controller General (GCO), Ed Synoski, Department of Natural Resources and Environmental Control (DNREC), Robert Howatt, Public Service Commission (PSC), and Robert Scoglietti, Office of Management and Budget (OMB).

Guests, support staff and members of the public in attendance included the following:

Steve Baccino, Delmarva Power	Ed Jackson, Affinity Energy Mgmt
David Bonar, Delaware Public Advocate	Toni Loper, PSC Staff
Ron Cerniglia, Direct Energy	Andrea Maucher, Div. Public Advocate
Senator Colin R.J. Bonini, Leg Hall	Paul Ring, Energy Choice Matters
Colin Fitzsimmons, Direct Energy	Pam Scott, Pepco Holdings, Inc.
Mario Giovannini, Pepco Holdings, Inc.	Jordan Seemans, RWRA (NRG)
Matt Hartigan, PSC Staff	Jason Smith, PSC Staff
Heidi Hawkins, WGL Energy	

2. Secretary Bullock asked for introductions of Committee members and guests and reviewed the proposed Agenda (Attachment 1). He asked if there were any concerns or issues with the draft minutes of the first meeting of the Electricity Affordability Committee from its September 30, 2015 meeting. There being no concerns or issues, Robert Scoglietti moved and Bob Howatt seconded and the minutes were adopted as filed.
3. The Secretary then asked the Public Service Commission and the Division of the Public Advocate to share the findings related to their review of Delaware’s Customer Choice.¹ Mr. Matt Hartigan, PSC Deputy Director, noted that the PSC and DPA held two (2) publicly noticed workshops on October 22, 2015 and October 29, 2015 to identify any issues or concerns that stakeholders might have with respect to customer choice and to identify potential resolutions that could enhance customer choice in Delaware. Matt shared a brief review of the finding and recommendations along with the responsive comments from various workshop participants. Joint Staff and DPA Report and responsive comments are included as Attachment 2. The Secretary thanked the Joint Staff and workshop participants for their help on this issue.
4. Based on the recommendations contained in the report, Mr. Howatt suggested the Committee consider a three (3) pronged approach to implementing the recommendations. As a first step, several of the recommendations would require Commission review and approval and he suggested that the EAC submit a petition to the Commission requesting their review and adoption of those recommendations they felt were helpful in expanding customer choice and in the public interest. Second, he suggested the Committee submit a

¹ At the September 30, 2015 EAC Meeting, the Secretary asked the Public Service Commission and the Division of the Public Advocate to begin a process to examine the structural aspects of energy supplier choice in Delaware and to look for ways to improve awareness and participation in customer choice. The Secretary asked that the two agencies look for ways to enhance the visibility of customer choice, either product specific or generically, and to examine what, if any, options might be available to enhance customer choice that may not have been considered.

Resolution to the General Assembly requesting them to consider providing customer choice to all Delaware customers, including the 68,000 municipal customers that do not currently have an electric supplier choice. And lastly, he suggested that in compliance with House Bill 160, Section 68, the Committee make a supplier selection and recommendation to the Secretary of State to enter into contract with the supplier. Attachment 3 contains a draft copy of the proposed Delaware PSC Petition and the General Assembly Resolution.

5. So that the Committee could understand the suggestion in more detail, the Secretary asked that Mr. Howatt step through each recommendation so there could be discussion. The following summarizes the recommendations that were reviewed:
 - a. Delaware should implement a Purchase of Receivables (POR) approach to 3rd party utility billing for supply. As in other Pepco Holdings, Inc. jurisdictions, Delmarva pays a discounted price to the 3rd party supplier and assumes the risk of collection on all supply bills. The discount is designed to ensure that any debt faults are absorbed by the suppliers and not Delmarva's current customers.
 - b. Delmarva should look to expand 3rd party supplier space availability on bills. This recommendation was to provide opportunity for suppliers to incorporate messages or other information. Delmarva indicated that it had already increased the available space within its new billing system.
 - c. Shorten the timeframe for customers to switch suppliers. Suppliers requested a much shorter time frame to switch to new suppliers than is currently provided and which depend on meter reading dates.
 - d. Provide new customers with the option to select a 3rd party supplier upon initial connection rather than having to initially take Standard Offer Service for one month prior to moving to another supplier.
 - e. Permit customers making intraterritorial moves to retain their current supplier rather than having to reinitiate service as a Standard Offer Service customer prior to again switching back to their previous supplier.
 - f. Provide a mechanism for customers to enroll with 3rd party suppliers without needing their Delmarva account number or service number (referred to as "Enroll with your Wallet").
 - g. Change the SOS procurement process to accept shorter term contracts in the residential and small commercial customer classes which would more closely track market prices and provide improved competitive options.
 - h. Complete the Supplier Regulations so that all parties understand the rules related to Delaware supply.
 - i. Establish quarterly meeting opportunities with all 3rd party suppliers to permit closer coordination on supply issues and concerns that may arise.

In addition, the draft petition asks the Commission to consider potential approaches to increasing customer awareness and education with respect to customer choice for possible implementation. Many of the suppliers pointed to other nearby states and websites that have significantly more information for customers. It was moved by Mr. Howatt, seconded by Mr. Bullock and unanimously approved to petition the Commission as drafted.

6. The Committee then turned its discussion to the proposed Resolution recommending state-wide, non-discriminatory electric supply customer choice. It was noted that the Resolution lacked a complete background of the issue as it related to the current statutory requirements. With the membership of the Committee involving General Assembly representation, the Secretary, as chairman of the Committee, felt it would be more appropriate for the Secretary to consider the resolution and indicated he would accept that responsibility.
7. Lastly the Committee discussed the process by which the Committee could move forward to comply with the statutory requirement to select a 3rd party supplier that offered a fixed multi-year kWhr price and other customer benefits to contract with the State. Mr. Howatt recommended the Committee issue an RFP to permit any 3rd party supplier interested in providing such product to the State to submit a proposal. The Committee would be responsible for reviewing the proposals and recommending one of the proposals for a

contract with the Secretary of State. There was discussion that opening that opportunity to all would put those suppliers that had already offered a product at a disadvantage. However, there was general agreement from the Committee to move forward on that approach to ensure an open and transparent process.

8. There being no further business, the Chairman adjourned the meeting at 3:30 PM.

Respectfully submitted,



Robert J. Howatt
Executive Director
Delaware Public Service Commission



ELECTRICITY AFFORDABILITY COMMITTEE MEETING
December 14, 2015

SIGN-IN SHEET

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ATTACHMENT 1

Posted: December 2, 2015
4:00 PM
Robert J. Howatt

DELAWARE SECRETARY OF STATE

NOTICE OF COMMITTEE MEETING

ELECTRICITY
AFFORDABILITY COMMITTEE

AGENDA

Monday, December 14,
2015

- I. Call meeting to order - **2:00 PM, Secretary of State's Conference Room, Townsend Bldg. 401 Federal Street, Dover, DE**
- II. Chairman's welcome
- III. Draft Minutes of the September 30, 2015 EAC Meeting (attached)
- IV. Review of the Public Service Commission and Division of the Public Advocate Joint Report on Customer Choice in Delaware.
 - A. Participants and process in the Customer Choice Stakeholder Workshops
 - B. Principle findings of the Report
 - C. Joint Recommendations to enhance Customer Choice in Delaware
 - D. Stakeholder comments, issues or concerns
- V. Supplier/Stakeholder Discussions or Presentations
- VI. Public Comment
- VII. Committee Implementation Actions
- VIII. Adjournment

NOTICE

Pursuant to 29 Del.C. §10004(e)(2), this Agenda may be changed to include additional items or to delete items that may not require discussion.

Interested persons should contact the Secretary of State's

Office at
(302) 577-8767 for information or questions about the Agenda.