

**BEFORE THE ILLINOIS COMMERCE COMMISSION
STATE OF ILLINOIS**

Illinois Commerce Commission)	
On Its Own Motion)	
)	14-NOI-01
Notice of Inquiry regarding retail)	
electric market issues)	

**JOINT VERIFIED INITIAL COMMENTS OF
THE COALITION OF ENERGY SUPPLIERS AND
THE NATIONAL ENERGY MARKETERS ASSOCIATION**

The Coalition of Energy Suppliers ("CES")¹ and the National Energy Marketers Association ("NEM")² respectfully submit the following Joint Initial Comments in response to the questions posed by the Illinois Commerce Commission ("ICC" or "Commission") in its Notice of Inquiry regarding the residential retail electric market.

I.

INTRODUCTION

CES and NEM ("CES/NEM") appreciate the opportunity to submit these Joint Initial Comments in response to the questions posed by the Commission in its Notice of Inquiry regarding the residential retail electric market. The Retail Electric Supplier ("RES") members of CES/NEM are long-time participants in competitive energy markets in Illinois and in multiple

¹ CES is an ad hoc coalition of retail electric suppliers that participate in competitive energy markets in Illinois and throughout the United States.

² NEM is a non-profit trade association representing both leading suppliers and major consumers of natural gas and electricity as well as energy-related products, services, information and advanced technologies throughout the United States, Canada, and the European Union. NEM's membership includes independent power producers, suppliers of distributed generation, energy brokers, power traders, global commodity exchanges and clearing solutions, demand side and load management firms, direct marketing organizations, billing, back office, customer service and related information technology providers. NEM members also include inventors, patent holders, systems integrators, and developers of advanced metering, solar, fuel cell, lighting, and power line technologies.

other states. As such, CES/NEM value the need for consumer education, market transparency, robust provision of market-related information, and appropriate regulatory oversight.

The Illinois competitive electricity market has been highly successful. It is well recognized that Illinois customers -- from the largest commercial and industrial employers in the state, to thousands of mid-sized commercial and industrial companies and institutions, right down to millions of individual residential customers -- have saved *tens of billions of dollars* since the inception of the Illinois competitive market as a result of the 1997 legislative change. (See, e.g., "Electricity & Natural Gas Customer Choice in Illinois - A Model for Effective Public Policy Solutions" Feb. 2014, available at http://www.exeloncorp.com/assets/policy/docs/Illinois_Energy_Reform_Feb2014.pdf.) While there have been some proverbial bumps in the road, the market's overall success speaks for itself. The General Assembly, the Commission, and all stakeholders -- including most prominently Illinois consumers themselves -- can take pride in that success.

The Commission's Notice of Inquiry raises a range of issues related to the competitive market, and CES/NEM are pleased to participate in the Comment process that the Commission has initiated. CES/NEM look forward to the exchange of ideas that will result. In light of the historic and current success of the Illinois competitive market, CES/NEM trust that the process will be one where issues are debated candidly, and where regulatory "solutions" will be deployed only where significant problems exist that cannot be addressed through market mechanisms, existing statutory provisions and regulatory rules, stakeholder collaboration, or other processes short of new mandatory regulations, restrictions, and requirements.

The Public Utilities Act ("PUA") imposes on the Commission an affirmative obligation to promote the development of a competitive electricity market. (See 220 ILCS 5/16-101A(d).)

The Commission repeatedly has acted in accordance with this mandate to enact rules that strike a balance between effective free market competitive activity and regulations designed to promote appropriate consumer protections. In doing so, the Commission has been appropriately cautious not to "over-regulate" the competitive market.

The Commission should be congratulated for its steady regulatory hand over the years as the Illinois competitive markets have developed, consistent with the existing provisions of the PUA, the Consumer Fraud and Deceptive Business Practices Act ("CFDBPA"), and applicable regulations. CES/NEM trust that this Notice of Inquiry process will be similarly balanced and reasoned, recognizing the overwhelming success of the competitive market and the existing statutory and regulatory context, while noting certain potential areas for improvement, , and will not represent a step backwards for the largely successful Illinois markets.

II.

RESPONSES OF CES/NEM TO THE COMMISSION'S QUESTIONS REGARDING VARIABLE RATE OFFERS

ICC Question 1: What type of disclosure requirements do you believe are necessary for variable rate offers to ensure consumers understand that the rate fluctuates?

CES/NEM agree with the Commission about the importance of adequate disclosures to consumers about the nature of the products they are purchasing. This question appears to imply that consumers are entering into variable rate offers without understanding that variable rates may fluctuate. While some anecdotes have been advanced to suggest that this may have been a problem in particular cases, there is no evidence indicating that this is a significant issue of general concern in Illinois. Accordingly, as an initial matter, CES/NEM caution against any assumption that Illinois customers misunderstand the common-sense notion that a variable rate involves some type of rate fluctuation.

To the extent that there is a failure to appropriately disclose the terms and conditions of a variable rate, there are already statutory and regulatory provisions that address that issue. For example, Section 412.110(d) explicitly requires that a sales contract for a variable rate product include "an explanation of how the variable charges are determined." (83 Ill. Admin. Code 412.110(d).) And both the PUA and the CFDBPA contain provisions requiring disclosure of material conditions relating to competitive offers. (*See, e.g.*, 220 ILCS 5/16-115A(e); 815 ILCS 505/2EE.) If, in fact, there is evidence of a failure to abide by those requirements, the solution should be to enforce the existing law, rather than create new regulations.

Accordingly, at this time, it does not appear that there is a need for additional or different disclosure requirements related to variable rate offers.

ICC Question 2: Should the Commission adopt a requirement that the supplier provide the customer with a formula or method by which the variable rate is determined?

The adoption of a new requirement is unnecessary because Section 412.110(d) already requires that a sales contract for a variable rate product include "an explanation of how the variable charges are determined." (83 Ill. Admin. Code 412.110(d).) Accordingly, it is unclear why the creation of another "requirement" is necessary or appropriate.

In addition, any requirement that a supplier provide a customer with a specific formula or method of calculation regarding a variable rate determination could require the disclosure of information that is highly proprietary, competitively-sensitive confidential information. Requiring public disclosure of such information would conflict with Illinois law.

Aside from the lawfulness of such a requirement, it is not clear how such information would help most customers. This type of information is typically relatively complex and not

easily understood by laymen lacking substantial expertise in the operation of energy markets. However, competitive pricing for energy and related products, services, information and technology is both the goal of the PUA and inures to the advantage of all consumers. (*See* 220 ILCS 5/16-101A(d).) The disclosure of complex pricing formation information competitively disadvantages otherwise intense competitors and is unlikely to advance customer education. However, it would likely result in less market innovation and increased prices for customers as a result of adding new regulatory and competitive risks associated with the Illinois market.

ICC Question 3: Should the Commission adopt a requirement that a residential variable rate has to be tied to a publicly available index/benchmark?

Nothing currently prevents any RES from offering a variable rate tied to a publicly available index or benchmark. If index-based rates are valued by customers, market forces will ensure that they are offered (indeed, they may be offered already). However, imposing a requirement that a residential variable rate *must* be tied to a publicly available index or benchmark would be beyond the Commission's legal authority and plainly anti-competitive; to do so would be to tie the hands of RESs and consumers by preventing them from entering into other types of variable rate contracts.

Requiring contracts be tied to a certain index or benchmark, though perhaps inspired by the idea of consumer protection, is not a recipe for greater consumer protection. No person or institution can know with precision what the market will do, and attempts to "protect" consumers from market conditions by forcing all RESs to use one or more particular indexes has a high likelihood of failure and may not necessarily inform consumers as intended. It should be noted that given the relatively high volume of natural gas production in recent years, delivered natural

gas prices, and related electric prices, are often a function of very sophisticated basis differentials and utility asset allocations. In states hit far harder than Illinois this winter, transparency of utility bills, utility peak price deferrals, and wholesale rule changes have had and will create significant confusion among the consuming public. CES/NEM urge the Commission to continue its "light-handed" approach to regulating the Illinois market. Available evidence supports the conclusion that since 1997 the Commission's light-handed approach has fostered consumer savings and innovation.

Nevertheless, the Commission might consider providing customer education information on the PlugInIllinois.org website that explains that an index-based variable rate is *an option*, and to the extent that any particular supplier chooses to make that option available, reflecting that offering on the PlugInIllinois.org website.

ICC Question 4: Should the Commission adopt additional notice requirements for variable rate changes?

No. Please see the answers to Questions 1, 2, and 3 of this Section. Illinois law contains adequate disclosure requirements for RES product offerings, including variable rate offerings, sufficient to protect consumers. There is no need for additional notices for variable rate changes. Conversely, additional requirements would impose additional costs on RESs, in the form of regulatory compliance burdens, that would raise the cost of offerings to customers. Additional notice requirements may also restrict RESs ability to offer consumers more timely and innovative product offerings.

ICC Question 5: Should the Commission require suppliers to set and disclose a maximum rate for each residential variable rate offer?

No. Please see the answers to Questions 1, 2, and 3 of this Section. Illinois law permits RESs to offer variable rates to electric customers. The Commission does not possess the legal authority to mandate a maximum rate for those variable rate offers. Even if such legal authority existed, it would be unwise for the Commission to attempt to formulate a pricing mechanism that would be better than pricing mechanisms that will result from allowing the Illinois market, which overall is very healthy, to function as a competitive market. Such action would be anti-consumer because it would cause an inevitable rise in prices due to a requirement that RESs "insure" against any artificial and arbitrary cap that the Commission might impose.

Of course, as a practical matter, any RES is currently permitted to "set and disclose" a maximum rate on a variable offer. If consumers find such an offer to be attractive, they presumably will access it. Imposing a requirement for such a cap will only undercut such market activity, will result in inaccurate price signals, and hurt the competitive nature of the market.

ICC Question 6: Should sales of variable rate offers be prohibited from implying future savings unless the basis for such implied savings is provided?

The current regulations provide disclosure requirements related to "potential savings" and are sufficient to protect consumers. Section 412.110 requires that, "If savings are guaranteed under certain circumstances, the RES must provide a written statement, in plain language, describing the conditions that must be present in order for the savings to occur." (83 Ill. Admin. Code 412.110.) From the wording of this question it is unclear what additional "basis for potential savings" is necessary or could be meaningfully disclosed. It is unclear whether it

would necessarily be helpful to a customer to know "the basis" for potential savings. The methodology for calculating variable rates can be somewhat complex and may involve complex (and normally unavailable) utility pricing information as well as complex and confidential competitive pricing information. Please also see the answer to Question 2 above.

ICC Question 7: Should the Commission require suppliers to provide its customers with readily available access to rates, including historical rates and current rates, as well as imminent changes to the rates?

This question appears to imply that suppliers are not currently giving customers access to rate information. While some anecdotes have been advanced to suggest that this may have been a problem in particular cases, there is no evidence indicating that this is a significant issue of general concern in Illinois. Further, the current statutory and regulatory provisions regarding disclosures and enforcement of consumer protections appear adequate. Accordingly, as an initial matter, CES/NEM caution against any assumption that a substantial number of Illinois customers are being denied access to rate information.

Adding new regulations to require suppliers to provide particular information beyond the scope of the information required by the PUA and CFDBPA is anti-competitive, and is unlikely to address any perceived problem better than market forces themselves will.

The Commission already makes rate information available through the PlugInIllinois website. Adding requirements for historic rates or "imminent" changes to rates would simply impose additional costs on RESs, in the form of regulatory compliance burdens, that would raise the overall cost of offerings to customers. Moreover, providing historic rates is as likely to create customer confusion as it is to advance customer protection. Historical rate information is

not a predictor of future rates or future market conditions, as the PlugInIllinois website itself recognizes.³

III.

RESPONSES OF CES/NEM TO THE COMMISSION'S QUESTIONS REGARDING RENEWABLE OR "GREEN" ENERGY OFFERS

ICC Question 1: Should the Commission define residential marketing terms such as “green” and “renewable” offers? If so, what should form the basis of such definitions?

This question appears to imply that there is a problem with current market disclosures and descriptions relating to "green" and "renewable" offers. While some anecdotes have been advanced to suggest that this may have been a problem in particular cases, there is no evidence indicating that this is a significant issue of general concern in Illinois. Further, the current statutory and regulatory provisions regarding disclosures and enforcement of consumer protections appear adequate. Accordingly, as an initial matter, CES/NEM caution against any assumption that a regulatory "solution" is needed.

Further, it is well recognized that the world of green and renewable energy is highly dynamic and fast-changing, not only because of accelerated technological change including so-called disruptive technologies, but also because of evolving customer awareness and preference. In that context, an attempt to pin down a workable definition at any given moment in time likely would stifle market development and customer preference rather than protect or encourage it.

³ "Customers should bear in mind, however, that because [Residential Real Time Pricing] rates vary over time, past savings do not predict future savings, but only serve as a guide to compare past performance." (<http://www.pluginillinois.org/FixedRateBreakdownComEd.aspx>.) It is not clear why the PlugInIllinois website appears to make this statement only with respect to Residential Real Time Pricing rates, since it obviously applies to all variable rates (including the utilities' default rates), unless such variable rates "guarantee" a level of savings against some index or benchmark.

Finally, there is simply no reason to dictate to customers what is or is not "green" or "renewable" for purposes of their electric supply. For some customers, nuclear generation is "green," for some customers it is not. In circumstances where the government is making a policy decision about whether to offer some incentive or impose some burden on a certain type of generation source, having the government decide whether that source qualifies as "green" or "renewable" might make sense.⁴ However, here the issue is simply the functioning of a market, the participants in which are customers themselves, who get to make the decision about what generation sources they like or dislike. Imposing an arbitrary label in this circumstance -- a label that may be out of date in the near future -- does not advance transparency or customer protection.⁵

ICC Question 2: Should a “% renewable” column be added to the supplier offer matrix found on PlugInIllinois.org? If so, is the addition of such a column dependent on a Commission definition of “renewable energy”?

CES/NEM would not object to a column on the PlugInIllinois website that provides information regarding the percentage of renewable resources included in particular products.

⁴ For example, the Illinois Power Agency Act's definition of "renewable energy resources" (20 ILCS 3855/1-10) is used in the PUA for purposes of regulating the RES Renewable Portfolio Standard ("RPS") obligations. (See 220 ILCS 5/16-115D.)

⁵ The Commission appeared to adopt similar reasoning in ICC Docket No. 12-0456 in rejecting proposals to adopt a definition of "green" or "clean energy" products, stating: "The Commission does not share the parties' concerns that "green or clean energy product" needs to be defined. The rule requires that a description of the green or clean energy product be provided. **The point of including this information on the Commission's website is to allow customers to compare the offerings. The purpose is not to render judgment on whether a product is actually green or clean, but to assist customers in making an informed decision.**" (ICC Docket No. 12-0456, June 11, 2014 Order at 10) (emphasis added).

Providing such information to customers on the website may be beneficial to customers, and would not appear to present a high likelihood of creating customer confusion.

Adding such a column should not be dependent upon creating a Commission-endorsed definition of "renewable energy." The information provided on the PlugInIllinois website is provided voluntarily by RESs who choose to have their offer information posted, and the lack of a constraining definition will allow RESs who choose to provide specific information about the relevant generation mix, which some customers may find useful. Of course, such information would need to conform to the requirement in that products marketed as "green," "renewable energy," or "environmentally friendly" relate to power and energy purchased separate from the RPS requirements in Section 16-115D of the PUA. (*See* 83 Ill. Admin. Code 412.190.)

IV.

RESPONSES OF CES/NEM TO THE COMMISSION'S QUESTIONS REGARDING DEFINITIONS OF FIXED AND VARIABLE RATES

ICC Question 1: Should the Commission define “fixed” and “variable” rates? If so, how should such definitions impact the supplier offer matrix on PlugInIllinois.org?

CES/NEM believe that consumers deserve adequate disclosures about, and should be educated regarding the type, duration, pricing and other terms of their contracts with RESs. CES/NEM do not favor a Commission-imposed definition of "fixed" or "variable" rates. As discussed above, this question appears to imply that there is a problem with the way rate offerings are communicated to Illinois customers. While some anecdotes have been advanced to suggest that this may have been a problem in particular cases, there is no evidence indicating that this is a significant issue of general concern in Illinois. The current statutory and regulatory provisions regarding disclosures and enforcement of consumer protections appear adequate. Consumers also purchase fixed and variable rate products across other industries and have

experience with and an understanding of the differing natures of these products as a result. Accordingly, CES/NEM caution against any assumption that a substantial number of Illinois customers would be assisted by further regulatory definitions.

ICC Question 2: If you favor a Commission definition of “fixed” and “variable” rates, please provide and explain your proposed definitions.

As discussed above in the answer to Question 1 in this Section, CES/NEM do not favor a Commission definition of "fixed" or "variable" rates. Relevant information about rates is properly included in customer disclosure materials and contracts. The current statutory and regulatory provisions regarding disclosures and enforcement of consumer protections appear adequate.

To the extent that the Commission determines a definition of those terms is necessary, the Commission should be mindful that a "fixed" rate offer very typically provides that the rate might be modified at some time during the contractual term as a result of events such as a change in law or a force majeure. Allowing such provisions in a fixed rate is entirely fair, particularly given that the rates that public utilities charge may change due to changes in law or force majeure events. These provisions also allow RESs to manage certain costs and risks that would otherwise be unhedgeable/unanticipated.

ICC Question 3: Should the Commission adopt additional customer disclosure requirements for “fixed” offers that contain change-of-law contract clauses?

Please see the answers to Questions 1 and 2 in this Section. The default "standard" for fixed rate offers is to include change-in-law and force majeure provisions. Subject to the answer

to Question 2 in this Section, it is not clear why "additional customer disclosure requirements" would be appropriate for standard contract conditions that will be found in virtually every RES offering, and that exist in connection with utility offerings as well.

ICC Question 4: Should the Commission adopt additional customer disclosure requirements for “fixed” offers that contain change-of-supplier-cost contract clauses?

For the same reasons stated above that CES/NEM do not favor a Commission-imposed definition of "fixed" or "variable" rates, CES/NEM do not favor any special additional regulatory requirements for change-of-supplier-cost contract clauses. That is, this question improperly implies that there is a problem with the way rate offerings are communicated to Illinois customers. While some anecdotes have been advanced to suggest that this may have been a problem in particular cases, there is no evidence indicating that this is a significant issue of general concern in Illinois. The current statutory and regulatory provisions regarding disclosures and enforcement of consumer protections appear to be adequate. Further, Section 412.110(h) requires disclosure of "Any fees assessed by the RES to a customer for switching to the RES." (83 Ill. Admin. Code 412.110(h).) Accordingly, CES/NEM caution against any assumption that Illinois customers would be assisted by further mandatory disclosures.

ICC Question 5: Should the Commission adopt additional customer disclosure requirements for “fixed” offers that contain other non-fixed rate components?

CES/NEM would not favor additional disclosure requirements, for the reasons set forth in the answers to Questions 1-4 in this Section.

V.

**RESPONSES OF CES/NEM TO THE COMMISSION'S
QUESTIONS REGARDING THE PRICE-TO-COMPARE**

ICC Question 1: Should the Commission specify how a supplier has to portray the utility Price-to-Compare?

An accurate "price-to-compare" can certainly be of use to consumers in their evaluation of market offerings. However, the utility "price-to-compare" is wholly within the control of the utility. Thus, it is not clear why the Commission would want to consider imposing a requirement upon RESs associated with the utility's "price-to-compare."

That is not to suggest that there are not serious problems with the current notion of the utility "price-to-compare" in Illinois. On the contrary, as currently portrayed on the PlugInIllinois website, the "price-to-compare" can be quite confusing and potentially misleading for consumers. The principal problem is that the utility "price-to-compare" portrayed on the PlugInIllinois website does not include the utility purchased energy adjustment ("PEA"). The reason for this omission is unclear. As the PlugInIllinois website states, the PEA is "a component of ComEd's Electric Supply Charges." (<http://www.pluginillinois.org/FixedRateBreakdownComEd.aspx>.) Yet, the "price-to-compare" for ComEd and Ameren on the website does not include the PEA charge. (*See id.*; <http://www.pluginillinois.org/FixedRateBreakdownAmeren.aspx>.) Thus, the so-called "price-to-compare" specifically excludes a cost that is a component of utility electricity supply charge to customers that must be included in any rate comparison.

Moreover, the PlugInIllinois website fails to clearly indicate that the ComEd and Ameren default rates are variable rates that change from month-to-month based upon an after-the-fact application of the PEA. The current treatment of the "price-to-compare" is, at best, misleading

for consumers and is harmful to the competitive market, since it obviously results in incorrect price signals.

The Commission should consider addressing the issues associated with the "price-to-compare," so that accurate price information about the utility price is provided to consumers.

ICC Question 2: Should the Commission require a uniform method of price comparison based on usage intervals?

The reference to a potential "uniform method of price comparison based on usage intervals" is confusing. CES/NEM would support changing the way the utility "price-to-compare" is portrayed to reflect that the utilities' default offering is a month-to-month price that varies based upon calculation of the PEA. Absent such a change, customers are unable to engage in an apples-to-apples comparison of price offerings in the marketplace.

However, to the extent that the "uniform method of price comparison based on usage intervals" would apply only to RESs, CES/NEM believe that such an approach would be unfair, anti-competitive, and highly likely to result in inaccurate price signals to consumers. It also would cause customer confusion. As discussed above, a threshold issue relating to a discussion of virtually any aspect of price comparison is curing the uncertainty and confusion that exists with respect to the interplay between the utility "price-to-compare" and the PEA. Until that issue is resolved, other attempts to address price uniformity will be nothing more than tinkering around the edges, without addressing the fundamental issue.

VI.

RESPONSES OF CES/NEM TO THE COMMISSION'S QUESTIONS REGARDING CONSUMER EDUCATION

ICC Question 1: Do you recommend changes and/or supplements to the Commission's retail electric education website, PlugInIllinois.org?

The Commission, its Staff, and the Commission's Office of Retail Market Development are to be commended for the work they have done to foster a highly successful competitive market in Illinois. The PlugInIllinois website has been an important component of the Commission's efforts in that regard, and both the Commission and the Commission Staff's work on PlugInIllinois has been valuable and should be recognized.

As discussed above, the most important initial modification to PlugInIllinois should be to revise the way that the utility "price-to-compare" is portrayed. Once that is done, the information on the website discussing the "price-to-compare," including the PEA but also the other components, should be revised to be as straightforward as possible.

CES/NEM also believes that the sort and search components of the PlugInIllinois website could be improved. For example, consumers would benefit from being able to sort supplier offers based on whether they are fixed/variable, from lowest to highest rate, whether a product includes additional value-added components and whether the product is "green."

ICC Question 2: Do you propose additional ways to increase traffic to PlugInIllinois.org?

One possible way to engage "new" interest in the PlugInIllinois website would be to revise the utility "price-to-compare" methodology and website discussion, and use that improvement as a way to tout a "revised and improved PlugInIllinois" through various channels

of public access. Additionally, consumer awareness of the PlugInIllinois website could be increased through inclusion of website information on utility bills and in utility bill stuffers.

ICC Question 3: Should the Commission Staff create a website and/or document with all laws and regulations relevant to retail electric suppliers in Illinois?

Creating such a website or document would be a useful tool for ensuring that all market participants are on the "same page" in terms of applicable legal and regulatory requirements.

ICC Question 4: Should the Commission Staff hold periodic workshops to discuss existing rules?

The Commission, the Commission Staff, and the Commission's Office of Retail Market Development all have engaged in numerous workshop processes over the years in order to seek consensus of stakeholders, discuss various competitive market-related proposals, and work through various contentious issues in the context of rulemakings and other proceedings. On balance, these workshops have helped foster the development of the successful Illinois market, and the Commission and its Staff's efforts in this regard are appreciated.

Holding periodic workshops to discuss existing rules would be helpful to the RES community, allowing RESs to better understand the perspective of the Commission Staff and other stakeholders, to understand the "practical" application of the Commission's rules, and to discuss solutions to perceived problems.

In addition, CES/NEM would encourage the Commission to consider holding a Policy Session at least annually to focus specifically on the status of the competitive market. A discussion of the competitive market by the Commission in that forum would help bring focus to

areas of success as well as any items of concern within the competitive market, and would also provide an opportunity, through media coverage typically associated with Commission Policy Sessions, to promote customer education through PlugInIllinois and other channels.

ICC Question 5: Should utilities be required to display the supplier logo on a utility-consolidated bill?

Yes. The utility consolidated bill represents the main point of regular contact that most choice customers have with the companies providing their electric or other utility service. Including the supplier logo on the bill makes sense, promotes customer understanding, and is fair to suppliers. For example, the Pennsylvania Public Utility Commission is working to reform the presentation of supplier information on utility consolidated bills to foster the creation of something more akin to a joint utility-supplier bill. This will entail including the supplier logo on the bill, expansion of bill messaging space allotted to suppliers, and inclusion of a shopping information box (customer account number and Rate Schedule information) on the bill. (*See* PAPUC Docket M-2014-2401345, Joint Electric Distribution Company-Electric General Supplier Bill, Final Order, May 23, 2014.)

ICC Question 6: Should suppliers be required to post their residential offers on PlugInIllinois.org?

No. The provision of information by RESs for posting on PlugInIllinois should remain voluntary. There is no legal basis for "mandatory" reporting or posting of RES offer information on PlugInIllinois; it is unclear why the Commission would consider making that type of reporting mandatory.

VII.

RESPONSES OF CES/NEM TO THE COMMISSION'S QUESTIONS REGARDING CANCELLATION AND RECISSION

ICC Question 1: Should a customer be entitled to the previous rate if she cancels the contract within a set number of days of being notified of the new rate?

Respectfully, the parameters of the proposal suggested by this question are unclear. As a matter of basic contract law, a customer cannot be in a position to unilaterally "accept" a contract for a lower rate that has not actually been offered to the customer. Thus, this scenario would only make sense *if* a RES gave a customer a contractual right under a given contract to leave that contract and then return to that same contract (or the same rate but under a different contract) at some later date. While it is conceivable that a RES could offer such a contract, CES/NEM are unaware that such a contract exists now, and it seems highly unlikely that a RES would offer such a contract.

ICC Question 2: Should the Commission change the rescission period for customers with a smart meter? If so, what should the new rescission period be?

Smart meter technology should allow for more expedited customer switching and the provision of information to customers, RESs, and utilities more quickly than is currently generally the case. Accordingly, it would likely make sense and would be competitively neutral, without impeding fair customer treatment, to consider shortening rescission periods for smart meter customers.

VIII.

CONCLUSION

CES/NEM appreciate the opportunity to submit these Initial Comments, and look forward to a productive dialogue with the Commission and other retail market participants.

Respectfully submitted,

**THE COALITION OF ENERGY
SUPPLIERS**

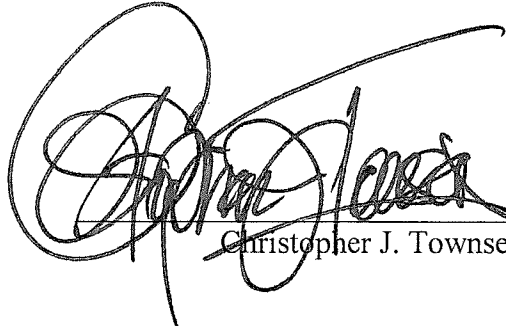
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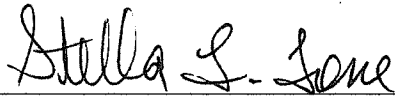
VERIFICATION

Christopher J. Townsend, being first duly sworn, on oath deposes and says that he is one of the attorneys for the Coalition of Energy Suppliers, that he has read the foregoing Joint Verified Initial Comments of the Coalition of Energy Suppliers and the National Energy Marketers Association, that he knows of the contents thereof, and that the same is true to the best of his knowledge, information, and belief.



Christopher J. Townsend

Subscribed and sworn to me
this 6th day of November 2014.

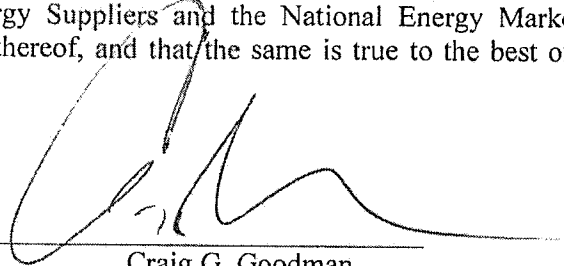


Stella L. Love




VERIFICATION

Craig G. Goodman, being first duly sworn, on oath deposes and says that he is the President and CEO the National Energy Marketers Association, that he has read the foregoing Joint Verified Initial Comments of the Coalition of Energy Suppliers and the National Energy Marketers Association, that he knows of the contents thereof, and that the same is true to the best of his knowledge, information, and belief.



Craig G. Goodman

Subscribed and sworn to me
this 6th day of November 2014.



Commission Exp: January 14, 2018

JENAI HOWARD-STUART
District of Columbia Notary Public
My Commission Expires January 14, 2018

