

## NEMA, RESA laud Delaware PSC staff retail-power report

The Delaware PSC's staff report on how to improve the retail power market won praise from the industry in comments filed Friday. The report thoroughly identified barriers to consumer energy choice that exist in Delaware, which have existed in other jurisdictions and been successfully resolved, said the National Energy Marketers Assn (NEM).

NEM urged the commission to implement all of the report's recommendations including mechanisms such as purchase of receivables (POR) as soon as possible. POR programs facilitate the development of retail power markets, especially at the mass-market level, NEM said.

POR avoids the duplication of costs at the front end of the transition to a fully competitive market by not requiring marketers to develop duplicative billing, credit and collection systems and processes. The practice promotes efficiencies, cuts costs and lowers barriers to entry, it added.

They facilitate market development by limiting competitive disadvantages retailers have compared to utilities with guaranteed bad debt cost recovery and the often exclusive ability the monopolies have to collect bad debts by shutting off a captive ratepayer's energy supply.

Another major barrier that needs to be addressed is consumer education and awareness – and a major plank of that effort would be to set up a state power shopping website as many others have.

Delaware now procures SOS in three-year laddered supply procurements that insulate consumers from what is happening at wholesale. The provision of timely, market-

based energy pricing signals is a prerequisite to informed consumer purchasing and use decisions, NEM said.

The PSC has an open docket on SOS and the report argued the commission should wait to rule there until its retail markets investigation is completed.

The Retail Energy Supply Assn (RESA) noted that while the retail market in Delaware has been "lackluster" with just 10% shopping among retail customers and 31% shopping among small commercial, that can be changed with careful planning and rule changes as outlined in the report.

A well-designed SOS program can ultimately benefit customers by increasing their ability to choose from multiple suppliers, RESA said. The report did question whether retailers could beat that price by enough to make customers want to leave Delmarva's service.

Now Delmarva's price is 10.52¢/KWH and consumers can get a 12-month, fixed-rate at 9.59¢/KWH, which would save the average customer about \$9.30/month, RESA said.

Another factor is that a truly competitive market will yield offers that compete on more than price including products such as energy efficiency, conservation services and green products, RESA said.

All retail suppliers, including those that do not compete solely on price, view the enhancement programs in the report as essential to a robust competitive retail market, RESA argued. The enhancements put suppliers on more equal footing with the monopoly utility and eliminate some of the inherent biases that exist now.