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Comments submitted on New York market maelstrom

The New York PSC received reply comments Monday in the docket to consider further changes to retail market rules after it issued an order requiring retailers to beat utility rates. Generally retailers argued the PSC should be pursuing other ways to improve the market, while consumer advocates want the commission to stick to its guns.

The National Energy Marketers Assn (NEM) suggested ways to improve the market including letting retailers use purchase of receivables programs (POR) for more value-added services to customers. NEM suggested allowing more space on utility consolidated billing and letting more retailers give customers their own bills.

Retailers should also get detailed and timely energy use data to let them to better match supplies with demand, NEM said.

Utility default-service pricing should be properly recomputed to reflect current market conditions and utilities should be required to implement fully unbundled delivery service rates that properly and accurately separate out commodity and non-commodity costs from non-bypassable charges, NEM said.

Other states took various routes to reform their markets after the polar vortex roiled East Coast markets in 2014, the Retail Energy Supply Assn (RESA) said in comments. Those included greater price transparency, advanced notice of pricing changes, flexible customer notification and faster switch times.

Connecticut is the only other state to limit offerings in the way the New York PSC proposed. The state forbid variable-rate products through legislation, it added.

RESA is opposed to price regulation but wants any benchmarks to be based on the average of actual retail prices in the marketplace. That way is preferable to benchmarking to an index as they just do not exist for New York's mass market, RESA said.

"Utility pricing is not a proper comparison for ESCO prices because utility prices do not contain all of the utilities' costs to provide service and are subject to later true-up," RESA said. Many of the initial comments from retailers complained about the utilities' cost unbundling, but the utilities told the PSC in reply comments they already spent a decade on unbundling their supply and delivery costs.

Those efforts led to a situation where delivery and supply costs were allocated properly and tariff provisions were written with appropriate merchant functions designed to promote robust retail development, the utilities said, speaking as a single entity the state calls the "joint utilities."

The Public Utility Law Project (PULP) urged the PUC not to expand the number of products retailers can offer the mass market to "value-added services" as it claimed those just do not exist. But it recognizes the PSC is focused on allowing those value added services.

PULP argued that any expansion of retailer offerings should also be required to save customers money and that the Dept of Public Service (DPS), the home of the PSC, should screen new products.

"Without a DPS-curated list of qualified, value-added products, then essentially, there would be no change to how the ESCO marketplace exists now," PULP said.