

## Retailers respond to New York PSC whitepapers

### Direct offers alternative policies it sees as middle-of-road

Retailers urged the New York PSC to avoid getting even tougher on its proposals, as they commented this week on staff whitepapers covering the implementation of proposed market reforms (PMT, [June-7](#)). The commission issued an order earlier this year that would require all retailers to either beat the utility price or offer at least 30% renewable energy – and included other changes to consumer protection rules (PMT, [Feb-24](#)).

That order is still being challenged in the courts and the National Energy Marketers Assn (NEM) and the Retail Energy Supply Assn (RESA) both mentioned they are not giving up anything in that court case with their reply comments.

In their initial comments, the New York Attorney General and the state's Utility Intervention Unit urged the PSC to ramp up its notice requirements so any price change on a month-to-month deal would have to be expressly approved by a customer.

The PSC rejected that same idea back in 2014, NEM noted, and argued the current rules not requiring express notice for price changes on monthly deals fits with current consumer expectations and offers them adequate protection.

The proposal for express consent on monthly price changes is simplistic and unpersuasive, RESA argued. When a customer signs a variable monthly deal, they

are automatically on notice that the price can change every month. The requirement would force firms to get express consent every month and that is unrealistic and puts a highly burdensome process on the retailer and the customer, RESA said.

Direct Energy came up with what it sees as more middle-of-the-road policies that could improve the market experience for customers without suppressing competition as the Attorney General and others' proposals would. The PSC could place a cap on the amount that variable products could change every month.

“The concept of a ‘guard rail’ for monthly variable prices is far preferable to more direct intervention in ESCO [energy service company] pricing practices, such as those contained in the Reset Order and the Reference Price Whitepaper,” Direct said.

Another vexing issue in the process the PSC has been conducting is how to treat low-income customers and Direct suggested their ability to switch to a non-utility provider be temporarily suspended. The commission found the market for low-income customers to be not workably competitive and its solutions to that have not been popular among retailers.

A “switch block” could be placed on all “APP” customers that are currently on utility service so they could not be moved to a retailers' roles, Direct suggested. The firm would like the ban to last two years and argued that if such customers really wanted to shop, they should be able to get the ban lifted.