

TESTIMONY SUPPORTING SB 209

Before the Committee on Utilities – March 15, 2017









What is RESA?

The Retail Energy Supply Association is a broad and diverse group of retail energy suppliers who share the common vision that competitive retail energy markets deliver a more efficient, customer-oriented outcome than a regulated utility structure. RESA members are devoted to working with all stakeholders to promote vibrant and sustainable competitive retail energy markets for residential, commercial and industrial consumers.



RESA's Core Principles

- Competition, not regulation, is the most effective means for efficiently allocating resources.
- Competition among retail companies brings benefits to consumers that are not readily provided through traditional utility regulation.
- For competition to be effective, all consumers must be afforded the right to shop for competitively priced energy products and services, just as they shop for other products and services.
- Competitive markets function best when they are free from distortions introduced by excessive government interference.



Who/What are Retail Suppliers?

- Licensed Electric Commodity Suppliers
- A Competitive Alternative to Utilities
- Diversified Energy Services Companies Offering Renewable Energy, Energy Efficiency, Demand Response and Other Innovative Products
- Companies who Compete for your Business and Offer Cost-Effective Energy Options to Residential, Business, Industrial, Government and Non-Profit Entities



Who Do Retail Suppliers Serve?







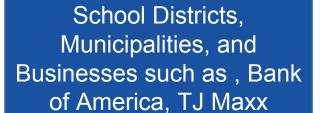
Over 16.4M Americans





Small & Medium Business Customers

(individual: restaurants, gas stations, apartment complexes, schools, hospitals, and non-profits)





Large Commercial & Industrial Customers

(shopping complexes, manufacturing facilities, chambers of commerce affinity groups and government compounds)



Wal-Mart, UPS, Amtrak

The Pennsylvania Market: A Success Story

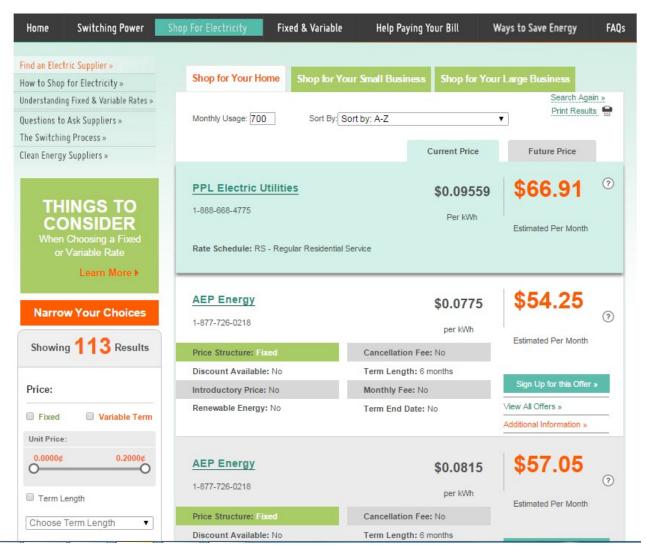
- More than 2,000,000 residents and businesses have switched to competitive retail suppliers
- Percent of customers served by competitive suppliers statewide

	% of Customers	% of Load
Residential	35.7%	44.7%
Commercial	46.0%	83.5%
Industrial	85.6%	97.0%

- Supportive legislative and regulatory policies have been the cornerstone to this success
 - Electric Choice and Competition Act of 1996
 - Foundational PA PUC policies
 - Customer education (www.papowerswitch.com)
 - Engaged regulators (CHARGE working group)
 - Fair market rules (equitable access to customer data, supportive utility billing platforms, etc.)







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www.papowerswitch.com

The Texas Market Providing Customer Benefits

- This marks the <u>15th year</u> since the implementation of customer choice in Texas. Customers continue to enjoy the benefits of a competitive market.
- Numerous retail electric providers (REPs) actively compete to offer innovative products designed to meet the needs of residential, commercial, and industrial customers. As of September 2016, 109 REPs were providing 440 total unique products.
- On average, residential retail rates have <u>declined to as low</u> <u>as 4.5 cents per kWh</u>, compared to a nationwide average of 13.45 cents per kWh in 2016.¹
- The <u>powertochoose.org website</u> serves as the official and unbiased electric choice website of the PUCT. This website is available to all electric providers to list their offers for free.



The Texas Market Providing Customer Benefits

 Price offers are <u>substantially lower</u> than prices available just before competition began.

Utility Service Territory	Last Regulated Rate (2001), ¢/kWh	Last Regulated Rate, Adjusted for Inflation	Current Lowest Fixed Price	Percentage Change
AEP Central	9.6	13.1	5.6	-57.25%
AEP North	10.0	13.6	5.0	-63.24%
CenterPoint	10.4	14.1	5.4	-61.7%
Oncor	9.7	13.2	4.5	-65.91%
TNMP	10.6	14.4	5.0	-65.28%







www.PowerToChoose.org www.<u>PoderDeEscoger.org</u>

What types of products/services are available?

- Competition delivers choice
- 100% Renewable Products
- Free Nest or Honeywell Thermostats
- Cash back rewards products
- No cancellation fee options



RESA's Participation in Competitive Markets Regulatory & Legislative Arenas

- RESA and its member companies are long-standing stakeholders and have been active participants in all major proceedings in competitive markets
 - Legislative and regulatory proceedings
 - Municipal aggregation programs
 - Renewable Portfolio Standards
 - Consumer Education Efforts



RESA online: http://www.resausa.org/

Tracy McCormick – Executive Director

