

# Energy Choice Matters

*December 10, 2009*

## **Glacial Energy Requests Maine PUC Issue Customer Lists for Small Customer Classes**

Glacial Energy has asked the Maine PUC to provide electric suppliers with customer lists for small customers, as is currently done for medium and large customers. The Maine PUC asked for comments on the request, through December 21, in docket 2001-399.

In 2001, the Commission ordered Central Maine Power and Bangor Hydro-Electric to provide suppliers with customer lists for the medium and large customer classes. The customer lists only contain customer names and addresses, as the PUC found that statute prohibits providing additional information, which could be considered proprietary, to a supplier without customer authorization (e.g. "customer specific" information such usage data and technical configuration). Additionally, the lists show all customers served by the utility for distribution service, not only those remaining on the Standard Offer, due to logistical concerns, and the Commission's conclusion that reporting whether the customer is on the Standard Offer could constitute proprietary information. The PUC ordered the lists to be updated every six months.

The Commission made no findings regarding the appropriateness of customer lists for small volume customers in its 2001 decision, and only addressed medium and large customer lists because that is what several suppliers originally proposed. Suppliers had noted that the number of medium-sized customers (10,000) is too small to reach cost effectively through mass advertising, but too large to solicit individually. Thus, suppliers suggested customer lists to support a direct mail

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## **Marketers Seek Reforms to CAISO Processes Based on Convergence Bidding Delay**

Power marketers sharply criticized the California ISO's petition to delay the introduction of convergence bidding until February 1, 2011, rather than April 2010 as required by a 2006 FERC order, although power marketers realized that the Commission has little recourse given CAISO's prolonged wait in informing FERC of the delay and requesting the extension (ER06-615 et. al.).

CAISO said that the delay is required due to the complex software design and testing process required for convergence bidding, and because work was suspended as CAISO implemented the Market Redesign and Technology Upgrade.

"The CAISO has put all parties - stakeholders and the Commission alike - in quite a predicament," the Western Power Trading Forum said. "It asks the Commission for permission not to implement convergence bidding in April of 2010, yet it waited so long to ask so as to leave no practical alternative other than delaying the scheduled implementation of convergence bidding in April of 2010. This raises an interesting question both as to the meaningfulness of the CAISO's filing as well as the meaningfulness of stakeholders' opportunity to comment. While WPTF's immediate desire is to ask the Commission to deny the CAISO's request and to direct it to follow through on its 3- plus year obligation, WPTF sees the futility in such a request."

SESCO Enterprises, Jump Power, Silverado Energy, and JPTC called CAISO's arguments for the delay, "nonsense," noting that, "[a]ll other ISO/RTO systems have implemented virtual trading,

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## United Illuminating Reports November Migration Data

Supplier Accounts as of 11/30/09	Nov. '09 Residential	Nov. '09 Business*	Nov. '09 Total *	% of Migrated Customers	Change vs. Oct. '09 Total
Clearview Electric, Inc.	914	67	981	1.5%	241
ConEdison Solutions	4,799	1,221	6,020	8.9%	(39)
Constellation NewEnergy	457	3,101	3,558	5.3%	3
Direct Energy Business	9	765	774	1.1%	8
Direct Energy Services	18,845	2,629	21,474	31.9%	1,977
Dominion Retail, Inc.	15,126	1,316	16,442	24.4%	(350)
Energy Plus	1,230	118	1,348	2.0%	316
Gexa Energy	188	216	404	0.6%	192
Glacial Energy	27	378	405	0.6%	7
Hess Corporation	53	480	533	0.8%	0
Integrays Energy Services	3	1,730	1,733	2.6%	(3)
Liberty Power Holdings		47	47	0.1%	4
MXenergy	3,517	586	4,103	6.1%	759
Public Power & Utility, Inc.	5,104	1,341	6,445	9.6%	285
Sempra Energy Solutions	31	688	719	1.1%	1
Suez Energy Resources NA	2	201	203	0.3%	1
TransCanada	8	466	474	0.7%	5
Viridian Energy	1,624	121	1,745	2.6%	563
<b>Total All Suppliers</b>	<b>51,937</b>	<b>15,471*</b>	<b>67,408*</b>	<b>100.0%</b>	<b>3,970</b>

## Aggregate Data

### Customer Load - Suppliers and UI (MWh)

	Residential - SS		Business - SS		Business - LRS		Total UI Territory	
	MWh	% of Class	MWh	% of Class	MWh	% of Class	MWh	% of Total
Suppliers	31,012	19.5%	108,377	67.0%	109,431	94.6%	248,820	57.0%
UI	128,209	80.5%	53,313	33.0%	6,271	5.4%	187,793	43.0%
Total	159,221		161,690		115,702		436,613	

### Customer Count - Suppliers and UI

	Residential - SS		Business - SS		Business - LRS		Total UI Territory	
	Customers	% of Class	Customers	% of Class	Customers	% of Class	Customers	% of Total
Suppliers	51,937	18.0%	15,471*	41%	241*	89.6%	67,649*	20.7%
UI	237,024	82.0%	22,257	59%	28	10.4%	259,309	79.3%
Total	288,961		37,728		269		326,958	

**SS = Standard Service**  
**LRS = Last Resort Service**

*\*Data as reported by UI, including inconsistent reporting in number of migrated commercial accounts. Last Resort Supplier Accounts appear to be either missing from the individual supplier data, or double-counted in the aggregate data*

## PPL Updates Estimates of Price to Compare

PPL has updated its estimates of the Price to Compare effective January 1, 2010, though PPL said that the final 2010 Prices to Compare will not be known until late December after routine annual adjustments are made to transmission charges and state tax rates. Notably, the latest estimate of the residential (Rate RS) price to compare is 10.818¢/kWh, versus the prior estimate of 10.55¢/kWh.

### 2010 PPL Estimated Price to Compare

Rate	Generation Supply Charge** ( ¢ / kWh )	Transmission** (Estimated for 2010) ( ¢ / kWh )	PA Tax Adj Surchg.* (Estimated for 2010) ( ¢ / kWh )	Estimated Price to Compare* ( ¢ / kWh )
RS	10.220	0.597	0.001	<b>10.818</b>
RTS	8.870	0.597	0.001	<b>9.468</b>
RTD	10.220	0.597	0.001	<b>10.818</b>
RWO	10.220	0.597	0.001	<b>10.818</b>
RW1	10.220	0.597	0.001	<b>10.818</b>

BL	10.213	0.425	0.001	<b>10.639</b>
GS1 G1D	10.213	0.425	0.001	<b>10.639</b>
G1V	10.220	0.597	0.001	<b>10.818</b>
G1C	10.213	0.425	0.001	<b>10.639</b>
GH1, H1P, H1Q	10.213	0.425	0.001	<b>10.639</b>
GH2 H2R	10.213	0.425	0.001	<b>10.639</b>
SA	10.213	0.425	0.001	<b>10.639</b>
SA (per lamp)	\$6.700	\$0.28	0.001	<b>\$6.981</b>
SE (cents per kwh)	10.213	0.425	0.001	<b>10.639</b>
SHS	10.213	0.425	0.001	<b>10.639</b>
SHS (per lamp)(9500 Lumen)	\$4.358	\$0.18	0.001	<b>\$4.539</b>
SM	10.213	0.425	0.001	<b>10.639</b>
SM (per lamp)(6650 Lumen)	\$7.830	\$0.33	0.001	<b>\$8.161</b>
TS	10.213	0.425	0.001	<b>10.639</b>
TS (cents per watt)	7.461	\$0.31	0.001	<b>7.772</b>
SI 1	10.213	0.425	0.001	<b>10.639</b>
SI 1 (per lamp)(600 Watt)	\$2.119	\$0.09	0.000	<b>\$2.209</b>
GS3	10.213	0.425	0.001	<b>10.639</b>
G3V	10.220	0.425	0.001	<b>10.646</b>
G3C	10.213	0.425	0.001	<b>10.639</b>
IS1	10.213	0.425	0.001	<b>10.639</b>

LP4	9.210	0.384	0.001	<b>9.595</b>
L4C	9.210	0.384	0.001	<b>9.595</b>
ISP	9.210	0.384	0.001	<b>9.595</b>

LP5	8.953	0.35790	0.001	<b>9.312</b>
L5S	8.953	0.35790	0.001	<b>9.312</b>
LP6	8.953	0.35790	0.001	<b>9.312</b>
IST	8.953	0.35790	0.001	<b>9.312</b>

\* These figures reflect a State Tax Adjustment Surcharge of 0.013% for Generation and Transmission

\*\* Gross Receipts Tax is included in Generation and Transmission at 5.9%

## **AReM Opposes PG&E REC Contract Application as Discriminatory**

Allowing Pacific Gas & Electric to meet RPS compliance through the use of tradable RECs prior to permitting the use of tradable RECs by other load serving entities would be discriminatory, the Alliance for Retail Energy Markets said in comments at the California PUC opposing two proposed REC contracts filed by PG&E (A. 09-10-035).

PG&E has sought approval of two REC contracts: a five-year contract with SPI Corporation for approximately 100,000 RECs annually, and a five-year agreement to purchase 175,000 RECs annually from a wind farm to be constructed in Alberta by TransAlta Corporation.

AReM said that it would be, "patently unfair to allow one LSE to use RECs for RPS compliance, unless this flexible compliance tool is also made available to all LSEs."

The PUC has yet to issue a final decision on the use of tradable RECs. AReM urged the PUC to act on a proposed decision that has been pending since a first draft in July 2008 (Only in Matters, 7/16/08).

## **PUCT Staff: Term "Variable Rate" Doesn't Commit REPs to Change Price with Wholesale Market**

"The phrases 'variable rate plan' and 'variable price plan' merely describe the type of plan that the customer is under and in no way indicate how that price is calculated, specifically whether the commodity price is tied to the wholesale market price for electricity," PUCT Staff said in a supplemental statement of position in a complaint filed by three customers against Gexa Energy.

As only reported in *Matters*, three customers on variable rate plans filed a formal complaint against Gexa essentially arguing that under their contracts, their rates should have fallen with wholesale market prices. Aside from the fact-specific contractual dispute between the parties, the complaint raises issues of broader market applicability; namely, that citing a REP's website in the terms of service incorporates any

materials on the website into the contract (which Staff has already rebutted); and that the term "variable rate plan" constitutes a commitment that the price will vary with the wholesale market (Only in Matters, 11/18/09).

Under an amended complaint, the customers alleged that by using the terms 'variable rate plan' and 'variable price plan' in the terms of service and Electricity Facts Label, Gexa committed that the retail rate would bear a reasonable relationship to changes in the wholesale market price. Staff disagreed, and said that those terms do not constitute any evidence of a promise to tie the retail rate to the wholesale market price.

Staff said that other aspects of the complaint were unsupported for failure to state a claim upon which relief may be granted, and recommended that an ALJ require an amendment to the complaint in some parts, while recommending dismissal of other claims from the complainants.

## **Briefly:**

### **Tybec Energy Management Seeks Pa. Broker License**

Tybec Energy Management applied for a Pennsylvania electric broker/marketer license to serve all sizes of commercial, industrial and governmental customers.

### **HealthTrust Purchasing Group Seeks Pa. Broker License**

HealthTrust Purchasing Group, which runs a purchasing group for hospitals and health care providers, applied for a Pennsylvania electric broker/marketer license to serve non-residential customers above 25 kW. HealthTrust Purchasing Group said it has already conducted an RFP procurement for eight Pennsylvania members (seven in PPL and one at Duquesne Light), and has negotiated terms with the winning supplier for service starting January 1, 2010, but has not yet executed enrollments.

### **North American Power and Gas May Expand to Pennsylvania, Massachusetts, Other Markets in 2010**

North American Power and Gas, which has a pending electric supplier license application in

Connecticut, said it may explore opportunities in Ohio, Pennsylvania, Massachusetts, Rhode Island, and Maine during 2010, in response to an interrogatory from DPUC Staff. Connecticut would be the first market it enters, and the retailer does not currently have any applications pending in other states. As only reported in *Matters*, start-up North American Power and Gas is led by President Kerry Breitbart, former CEO of United Companies, where he specialized in commodity trading, particularly oil, electricity, natural gas, and emissions credits. Carey Turnbull, founding partner of Amerex, will serve as chairman of North American Power and Gas (Only in *Matters*, 10/19/09).

### **Texzon Utilities Receives Ohio Electric, Gas Broker Licenses**

The Public Utilities Commission of Ohio granted Texzon Utilities licenses to operate as an electric and natural gas broker/agggregator (Only in *Matters*, 11/4/09).

### **Energy Alliances, Inc. Receives Ohio Broker License**

The Public Utilities Commission of Ohio granted Energy Alliances, Inc. an electric broker/agggregator license (Only in *Matters*, 11/4/09).

### **Alternative Energy Source Receives Ohio Broker License**

The Public Utilities Commission of Ohio granted HB Hayes & Associates, LLC (d/b/a Alternative Energy Source) an electric broker/agggregator license to serve all customer classes in all service territories.

### **Citizens', Wellsboro File Updated Generation Rates**

Citizens' Electric Company of Lewisburg applied to lower its Generation Supply Service Rate to 8.2687¢/kWh for the three-month period beginning January 1, 2010, 13% lower than the current rate of 9.5399¢/kWh. Wellsboro Electric Company applied to lower its Generation Supply Service Rate to 7.3017¢/kWh for the three-month period beginning January 1, 2010, 14% lower than the current rate of 8.5294¢/kWh.

### **Clean Currents Expands to Allegheny Power Territory in Md.**

Clean Currents has expanded its green electric power marketing to the Allegheny Power territory in Maryland, offering one and two-year wind products, either 50% or 100% wind. Clean Currents functions as a broker/agggregator in Maryland, and previously focused on the Baltimore Gas & Electric and Pepco territories (and Pepco's District of Columbia service area). Clean Currents also recently formed a green energy buying group with the Rockville, Md., Chamber of Commerce

### **National Grid Agrees to 20-Year Contract with Deepwater Wind**

Narragansett Electric (National Grid) has reached an agreement to buy supplies from Deepwater Wind on a 20-year contract. The contract includes an initial price of 24.4¢/kWh in 2013, with an annual escalation of 3.5%. The contract is subject to Rhode Island PUC approval. A copy of National Grid's filing was not immediately available to determine what form of cost allocation would be used for cost recovery.

### **Calif. Senate Blocks Re-nomination of Rachelle Chong to PUC**

Citing her actions on several telecom related proceedings, California Senate leadership refused to hold a hearing on the re-appointment of PUC Commissioner Rachelle Chong to the regulatory agency. With the re-nomination blocked, Chong will be forced to leave the Commission at the end of the year. The Senate is still considering the re-appointment of PUC President Michael Peevey.

### **Liberty Power Signs City of Allentown**

Liberty Power has signed a 24-month electric supply contract with the City of Allentown, Pa., to supply an estimated 7,200 megawatt-hours annually starting January 1, 2010. The contract covers certain government facilities such as City Hall, police headquarters, firehouses, and parks. The contract was awarded through a competitive bid process administered by CX Energy MarketPlace, a unit of Co-eXprise.

### **Ontario Energy Board Issues Final Storage and Transportation Access Rules**

The Ontario Energy Board adopted as final new Storage and Transportation Access Rules (STAR) in docket EB-2008-0052. Among the changes from an earlier draft is that OEB will not require the posting of shippers' existing transportation contracts that have been identified as "negotiated contracts," as was originally proposed. The Board agreed with wholesalers that posting of these existing contracts may have limited value to shippers. As previously reported, the new STAR rules are meant to ensure non-discriminatory access to transportation services for storage providers and customers (Only in Matters, 9/22/09). Under the rules, which take effect in June 2010, storage providers must provide pricing and revenue information semi-annually (on April 1 and October 1) on their website, for firm storage contracts with terms of one year or greater. The pricing and revenue information to be posted must include the following:

- Identity of shipper; and
- The unit charge (annual cost per GJ of storage capacity) and total revenue received from each shipper.

### **Met-Ed, Penelec Launch Solar REC RFP**

Met-Ed and Penelec have launched a [website](#) for their RFP to procure solar RECs for default service customers under long-term contracts with a delivery period of June 1, 2010 through May 31, 2020. Final bids are due February 17, 2010.

### **Citizens', Wellsboro Seek PUC Confirmation Their Customers May Participate in PJM Demand Response Markets**

Citizens' Electric Company and Wellsboro Electric Company requested that the Pennsylvania PUC affirm that their customers may participate in PJM demand response programs. Both distribution companies delivered less than 4 million MWh last year, and under FERC Order 719, their customers may only register with PJM's load response programs if the relevant retail regulator authorizes such participation.

### **Md. PSC Seeks Comment on EnerNOC Petition Regarding Demand Response at Small Utilities**

The Maryland PSC said that it will address EnerNOC's request that the Commission enter an order allowing customers at small electric distribution utilities to participate in RTO demand response programs at its December 16 administrative meeting (Only in Matters, 12/7/09). Comments will be accepted through December 14 by noon.

### **Energos Consulting Group Receives Texas Aggregation Certificate**

The PUCT granted Energos Consulting Group an electric aggregator certificate (Only in Matters, 11/16/09).

### **Milagro Power Seeks Change in Certified Name**

Milagro Power, certificated as TexRep3 LLC, applied for an amendment to its REP certificate so that the primary certificated name is Milagro Power Company, due to a corporate restructuring which combined TexRep3 LLC into its immediate parent, Milagro Power Company. Milagro Power is already an approved trade name for TexRep3 (Only in Matters, 7/23/09).

### ***Maine ... from 1***

approach.

Glacial Energy said that further development of the competitive mass market could be achieved by providing suppliers with customer lists for small volume customers in the same manner. Similar to the currently available large customer lists, Glacial suggested that suppliers would be prohibited from using the small customer lists for anything other than marketing electricity, and could not share the lists with another entity.

### ***CAISO ... from 1***

in most cases from the date of market start, and have seen tremendous benefits from this trading sector."

Dynegy likewise said that the CAISO's request, "strains believability." CAISO's requested delay, "erodes market participant

confidence in the CAISO's role as a neutral market developer and operator. Further, it jeopardizes market participants' confidence in the Commission's ability to direct the CAISO to act to ensure just, reasonable and competitive market outcomes," Dynegy added.

"Granting the CAISO's request for delay will simply confirm for the CAISO that it can implement whatever market functionality it chooses, or doesn't choose, at the time of its own choosing, simply by asserting that it must focus on some other software project and that it has limited staff or vendor resources," Dynegy argued.

WPTF and Dynegy both asked FERC to increase transparency into how CAISO implements new market designs.

More FERC oversight of CAISO implementation of FERC directives is needed, WPTF said, noting that while the CAISO files with FERC its market design conceptual plans (including target implementation dates) and its general "road map" processes, "there is virtually no Commission oversight when critical design features are passed on to the software 'Release Planning' stage of the CAISO's process."

WPTF requested that FERC direct CAISO to file any changes to its release plan that affect FERC-mandated items as soon as the CAISO is aware that a change in the rollout of functionality may be warranted, and that the CAISO otherwise provide quarterly updates on its release plans.

Similarly, Dynegy noted that in the CAISO's current "market initiatives roadmap" process, stakeholders spend significant amounts of time prioritizing various proposed market improvements, "only to have the results of this time-consuming process disappear into the CAISO's internal strategic planning process, likely to be re-adjusted based on CAISO interactions with vendors and employees that market participants are not privy to, even though market participants ultimately bear the costs of those CAISO decisions."

"Consequently, the Commission should direct the CAISO to annually seek Commission approval of the CAISO's future plans - detailing both scope and schedule - for adding new functionality to its markets," Dynegy said.

Pacific Gas & Electric supported the delay in

convergence bidding, agreeing with CAISO's assessment that an extension is necessary in order to provide sufficient time for the ISO and market participants to develop and test software and the many interrelated business applications. PG&E opposes any acceleration of the CAISO's proposed February 1, 2011 deadline.