Report Regarding the Enrollment or Unenrollment from a Standard-offer Service Provider or Competitive Electricity Provider Within Three Business Days

Submitted to the Joint Standing Committee on
Energy, Utilities and Technology

January 31, 2025

Maine Public Utilities Commission
18 State House Station,
Augusta, ME 04333

I. Introduction

During the Second Regular Session of the 131st Legislature, the Maine Legislature enacted "An Act to Require Consumer Consent for Certain Generation Service Contract Renewals," P.L. 2023, ch. 636 (the Act). The Act replaced the original bill[1], which included a provision that would require an entity that provides electric billing and metering services to process an electronic transaction of enrollment or unenrollment after receipt of that transaction. Subsequent to the vote of the Joint Standing Committee on Energy, Utilities and Technology (Committee) the Maine Public Utilities Commission (Commission) received a letter (Appendix A) from the Committee requesting that the Commission facilitate a stakeholder process to develop recommendations to enable the enrollment and unenrollment of customers within three business days of a customer's request. The letter further requested that the Commission submit a report to the Committee by February 1, 2025.

On August 20, 2024, the Commission initiated an Inquiry to obtain information from investor-owned transmission and distribution (T&D) utilities, all licensed competitive electricity providers (CEPs), including standard-offer (SO) providers offering service in the State, and other interested persons. After the inquiry, the Commission held a stakeholder meeting on January 17, 2025.

After reviewing the comments received in the Inquiry, as well as taking into consideration the discussion that occurred at the stakeholder meeting, the Commission is recommending that "drops" (a customer switching from CEP service to SO service) occur within three business days, regardless of whether the drop occurs on-cycle or off-cycle within a billing period, and that any fee to implement an off-cycle drop be eliminated.

II. Inquiry

On August 20, 2024, the Commission initiated an Inquiry to obtain information from investor-owned T&D utilities, all licensed CEPs, including SO providers offering service in the State, and other interested persons.[2] In this Inquiry, the Commission asked the following questions:

1. Is it feasible to effectuate a customer's request to enroll or unenroll with a CEP or SO provider within three business days?
    a. If it is not feasible, please identify the obstacles to achieving this outcome.
    b. If it is feasible, would there be any new costs associated with complying with a requirement to enroll or unenroll a customer from service provided by a CEP or SO service within three business days?
    c. If there are specific situations where it is not feasible, please identify the situation(s), explain why it is not feasible, and provide an alternative recommendation to allow a timely enrollment or unenrollment.

[1] LD 2163, An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal
[2] Docket No. 2024-00233

2. Should a requirement that a customer be enrolled or unenrolled with a CEP or SO provider within three business days apply to customers in all rate classes? If no, please identify the rate classes that the requirement should not apply to and explain why.

3. Does an enrollment or unenrollment in the middle of a billing cycle, where a customer may receive prorated bills, create an unreasonable administrative burden or any unintended consequences?

4. Should the number of times a customer can enroll or unenroll with a CEP or SO provider be limited?

    a. If a limitation should be imposed, why, and what should that limitation be?

Comments were received from the following parties[3]:

- Maine Power LLC (Jeff Jones) – serves the large class of standard-offer customers;
- Central Maine Power;
- New Brunswick Marketing Corporation (NBEM) - NBEM's business activities include wholesale electricity sales in Maine as well as standard offer service provision;
- Versant Power; and
- NRG (NRG Business f/k/a Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; NRG Home f/k/a Reliant Energy Northeast LLC; and XOOM Energy Connecticut, LLC).

While all commenters that were responsive to Question 2 in the Inquiry agreed that if there was a requirement for the effectuation of a three-day enrollment or unenrollment with a CEP or SO provider it should apply to all rate classes, a vast majority of commenters did not think such a requirement should be established. With the exception of NRG, commenters expressed the following concerns:

- Volatility in the supply market could lead to gaming of the system if switching were allowed more rapidly and a large customer with professional resources that could switch more rapidly than currently allowed would disadvantage smaller customers without the same resources.

- This type of change would likely increase consumer energy supply costs, as increased uncertainty about customer load would tend to increase suppliers' bids to provide both standard offer service and competitive service.

- The costs (potentially higher supply prices, costs to make changes to utility billing systems and costs associated with potentially increased billing true ups) to implement such a change far outweigh any potential benefits.

- Currently, there is not a need for this change since at least 90% of residential customers take standard offer service and a change in provider is more often occurring in the

[3] All comments received by the Commission in this Inquiry can be found in Appendix B.

context of a customer changing from CEP service back to standard offer service and not switching between CEPs.

NRG, the only commenter in support of more rapid switching, noted that the ability for a customer to switch providers more rapidly allows that customer to more quickly realize the benefits of the choices they make when exercising their right to shop for electricity service. NRG also contends that allowing more frequent switching between providers would incentivize CEPs to work harder to meet their customers' needs and listen to their demands or risk seeing their customers leave almost immediately. NRG commented that the current switching process contributes significantly to customer frustration and severely diminishes the shopping experience. NRG noted that accelerated switching is available in Delaware, the District of Columbia, Maryland and Pennsylvania.

After the Commission reviewed all the comments received in the Inquiry, a stakeholder meeting was scheduled.

III. Stakeholder Meeting

On January 17, 2025, the Commission held a stakeholder meeting remotely to discuss the comments received in the Inquiry and provide an opportunity for further discussion on the speed and frequency of switching energy providers. In addition to Commission staff, the following parties attended the meeting:

- Brian Marshall and Elizabeth Deprey, Office of the Public Advocate;
- Arrian Myrick-Stockdell and Lori Omlar, Versant Power;
- John Holtz, NRG;
- Robert Munnelly, Jr., Davis Malm & Dagostine P.C. (law firm that represents CEPs);
- Crystal Boone;
- Linda Ball, Sue Clary, Mark Morrissette and Elizabeth Trafton, Central Maine Power;
- Deanne Guerette; and
- Emily Turnen

Commission staff began the meeting by providing background information on the legislation and subsequent Committee letter and proceeded to address each question from the Inquiry. However, other questions were addressed organically through discussions related to Question one; therefore, the Commission offered participants the opportunity to address anything discussed previously or not otherwise discussed.

Like the Inquiry, those present and speaking highlighted the complexity associated with the enrollment or unenrollment of a customer from a provider of standard-offer service or competitive electricity service within three business days. Many of the examples and concerns highlighted in the written comments were reiterated at the meeting.

While written comments were not provided in response to the Inquiry, the Office of the Public Advocate (OPA) noted at the meeting that the OPA was approaching this issue from a consumer protection angle and the emphasis of rapid switching should be placed on switching from a CEP to a SO provider for residential customers. The OPA suggested that a customer's request to switch from a CEP to a SO provider should occur within three business days regardless of where they are at in the billing cycle and this switch should occur without any charges.[4] None of the meeting participants objected to this suggestion and several participants specified that they were in agreement with this proposed suggestion.

NRG, the only participant advocating for rapid switching said their interest is to have any changes requested by a customer implemented as quickly as possible, regardless of whether that customer is switching from SO service to CEP service, CEP service to CEP service or CEP service to SO service, but was open to limitations on the number of times that this can occur over a billing cycle.

It was clear from the stakeholder meeting that no one was strongly advocating for the changes proposed in LD 2163 and in fact most participants were opposed to establishing rapid switching requirements.

IV. Conclusion

Based on its assessment of the comments provided in the Inquiry and at the stakeholder meeting, the Commission recommends that the only change that should be made to the current enrollment and unenrollment process is to ensure that a customer's request to switch from a CEP to a SO provider occur within three business days regardless of where in the billing cycle that request occurs and that this switch should occur without any charges. This change in the enrollment and unenrollment process would not require any statutory changes and could be accomplished by amending Commission rules, Chapters 322 and 301. It appears that no party strongly advocated for the changes proposed in LD 2163 and that the costs to customers far outweighed any potential benefits to customers wishing to switch providers multiple times during a billing cycle.

[4] Currently, CMP charges customers $5 to make an off-cycle change.

Appendix A

Committee Letter

SENATE

MARK W. LAWRENCE, DISTRICT 35, CHAIR
NICOLE GROHOSKI, DISTRICT 7
MATTHEW HARRINGTON, DISTRICT 33

LINDSAY J. LAXON, LEGISLATIVE ANALYST
MICHAEL GAGNE, COMMITTEE CLERK

HOUSE

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REAGAN L. PAUL, WINTERPORT

STATE OF MAINE
ONE HUNDRED AND THIRTY-FIRST LEGISLATURE
COMMITTEE ON ENERGY, UTILITIES AND TECHNOLOGY

April 3, 2024

Philip Bartlett, Chairman
Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

Dear Chairman Bartlett,

The Energy, Utilities and Technology Committee recently considered LD 2163, An Act to Require Electricity Providers to Inform Customers of Alternative Electric Rates and Gather Consent Prior to Contract Renewal. Among other things, the bill required an entity providing electric billing and metering services to process a customer's electronic enrollment or unenrollment from a standard-offer service provider or competitive electricity provider effective within three business days after receipt of a notice from a standard-offer service provider or competitive electricity provider. Although both the majority and minority reports on this bill did not include the section establishing these electronic enrollments and unenrollment requirements, we believe that processing these transactions quickly is important for increasing customer choice among electricity providers.

We write to respectfully request that the Commission facilitate a stakeholder process including competitive electricity providers, transmission and distribution utilities, and other entities providing electric billing and metering services in the State to develop recommendations to facilitate the enrollment and unenrollment of customers within three business days of a customer's request. We further request that you provide a report of the stakeholder process, including any recommendations, by February 1, 2025, to the joint standing committee of the 132nd Legislature having jurisdiction over energy matters.

Thank you for your attention to this important matter.

Sincerely,

Mark W. Lawrence
Senate Chair

Stanley Paige Zeigler, Jr.
House Chair

cc: Joint Standing Committee on Energy, Utilities and Technology

100 STATE HOUSE STATION, AUGUSTA, MAINE 04333-0100 TELEPHONE 207-287-4143

Appendix B

Comments Received in Docket No. 2024-00233

September 25, 2024

Amy Dumeny
Administrative Director
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

RE: Docket 2024-00233; Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider

Dear Ms. Dumeny:

Below are Maine Power LLC's ("Maine Power") Response to the Commission's Request for Comments in Docket 2024-00233; Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider. Maine Power only serves the Large Class of Standard Offer customers.

Our comments are most relevant to items 2, 3 and 4.

Maine Power does not provide electric billing and metering services, so it is generally unaffected by processing times. However, Maine Power does not believe that the rules that currently apply to the Large Customer Class for switching from a CEP to Standard Offer or the reverse should be modified. Some of these customers are very large, with very large supply bills and very professional energy management staff.

Because of the volatility in the supply market, Maine Power believes that there are opportunities for some large, sophisticated customers to game the system if they were allowed to switch more rapidly. Standard offer prices are based on an average over all hours of a month. If a very large customer with professional resources were able to switch on and off from Standard Offer more rapidly than under the current rules, then that would disadvantage smaller customers without those resources.

Maine Power appreciates the opportunity to provide these comments.

Sincerely,

/s/ Jeffrey Jones

Jeffrey Jones
Managing Member
Maine Power LLC
40 Harlow Street, Suite 3
Bangor, Maine 04401

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2024-233

September 30, 2024

MAINE PUBLIC UTILITIES COMMISSION Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider	))))	Central Maine Power Company's Response to Inquiry

I. INTRODUCTION

On August 20, 2024, the Maine Public Utilities Commission ("Commission") initiated an Inquiry to obtain information from investor-owned transmission and distribution utilities ("T&D utilities") in the State, all licensed competitive electricity providers ("CEPs"), including standard-offer providers ("SOP") offering service in the State, and other interested persons regarding the timing for enrollment and unenrollment from a CEP or SOP. The Commission initiated this Inquiry at the request of the Joint Standing Committee on Energy, Utilities and Technology, which asked the Commission to facilitate a stakeholder process to develop recommendations to facilitate the enrollment and unenrollment of customers within three business days of a customer's request.

In its Notice of Inquiry in this proceeding, the Commission posed a number of questions to stakeholders and other interested parties related to the enrollment and unenrollment of customers from a CEP or SOP within 3 business days. CMP describes its current enrollment and unenrollment process below and then responds to the Commission's specific questions.

In sum, with limited exceptions (explained below), CMP already processes CEP unenrollment requests ("drop" to SOP) within 2 business days when requested by a customer or CEP (*i.e.* an off-cycle drop or unenrollment). As to CEP enrollments (switching from SOP to CEP or from one CEP to another) and the limited cases where CMP cannot currently process off-cycle unenrollments, it would likely be possible to modify CMP's SmartCare system to effectuate such requests within three business days. However extensive and complex changes would be required, and the time and expense associated with such modifications would be significant. In CMP's view, the current practice of on-cycle enrollments and both on- and off-cycle unenrollments has worked effectively and provided customers with the appropriate ability to make supply decisions about their accounts. The Company questions whether the proposed changes provide sufficient additional customer benefit to justify the investment that would be necessary to implement them, which would ultimately be incurred by ratepayers. This is a particularly relevant question given that only 10% of CMP's customers currently choose to avail themselves of CEP supply options.

Further, the proposed changes in this proceeding suggest that customers should be able to change suppliers as often as every three days, presumably to take advantage of incremental price differences. First, this would challenge the stability of the market for CEPs, such that they could never be confident of their ability to retain a customer for any more than three days at a time. Second, this places a new obligation on regulated utilities to design and implement billing and EDI (electronic data interchange) solutions to accommodate this fast and frequent switching. While customers would gain the benefit of incremental savings through switching, a likely unintended and off-setting consequence would be paying a higher price to CEPs, due to load uncertainty. And all customers would pay the cost for utilities to implement complex billing and EDI system changes to accommodate the 10% of customers who currently avail themselves of CEP options.

The Company further assumes that the current proposals are intended to provide additional customer protections against unscrupulous CEP pricing tactics so that customers can drop a high CEP price more quickly. Some protections already exist, with regard to this issue. First, customers of CEPs already have the ability to unenroll back to SOP within two business days, as discussed in greater detail below. Second, the Commission has the authority to protect customers from unreasonably high prices or poor CEP behavior under existing rules, as evidenced by Docket No. 2023-024, Investigation Pertaining to Electricity Maine, LLC. Thus, the proposed changes do not provide sufficient customer benefits to warrant the necessary investment.

II. CMP'S CURRENT ENROLLMENT AND UNENROLLMENT PROCESS

CEP Unenrollment Requests

With two exceptions, CMP's SmartCare system is already programmed to process CEP unenrollments (drop to SOP) within two business days when requested. This is referred to as an off-cycle drop, *i.e.*, taking place on a day other than the regular monthly meter reading / billing date. An off-cycle drop carries a nominal $5 fee charged to the customer. There is no cost to customers for an on-cycle drop, which is a drop on the regular monthly meter reading / billing date. A CEP can send an EDI transaction to effectuate the drop to SOP, or a customer can make the request to CMP via phone or by using CMP's online form at Request Standard Offer Pricing (SOP) - CMP (cmpco.com). CMP developed the online form, which enables customers to switch to the standard offer independently of their CEP's actions, in response to customer feedback that CEPs were not communicating drop requests timely.

The two exceptions to processing CEP drop requests within two business days when requested are (1) when the drop request involves a Net Energy Billing ("NEB") program participant, or (2) when the drop request is received during the customer's 5-day monthly billing window. For customers participating in NEB, off-cycle drops are not currently possible because the SmartCare system is not programmed to allocate NEB kWh credits between a CEP and SOP within a single monthly bill. Accordingly, an off-cycle drop request for an NEB participant is automatically modified to an on-cycle drop. In the second instance, once a CMP customer account is within the monthly billing window (*i.e.*, 2 business days before and 3 business days after the scheduled meter reading date), EDI transactions and customer requests cannot be processed until after the account has invoiced. CMP has a five-day billing window to allow for meter readings to upload and be validated and, if necessary, any issues resolved.

CEP Enrollment Requests

The SmartCare system is configured to process CEP enrollments on a customer's monthly billing cycle with the prior supplier responsible for serving the account up to the meter read date and the new supplier responsible for serving the account beginning the following day. Hence, on average, CEP enrollments are typically processed within 15 days of request, with an outside processing time of 30 days. As with CEP drops, however, CEP enrollments are also subject to the five-day billing window. Enrollment requests must be received at least 2 business days prior to the customer's published meter read date or the request will be processed on the next scheduled meter read date. Thus, when enrollment requests are received in the two days prior to the meter read date, the request is processed 32 or 31 days later, on the following meter read date.

At the request of CEPs, CMP is currently working on a new EDI transaction to allow CEPs to cancel a pending enrollment. The cancelling CEP would need to send the EDI request at least 2 business days prior to customer's scheduled read date for the cancellation to take effect. This request is in response to concerns that, absent this new transaction, a pending enrollment must be completed and then a customer would need to drop the CEP when in fact, the customer or CEP would prefer not to complete the enrollment in the first place, which improves the timeliness of responding to customer requests in this situation.[1]

III. RESPONSE TO QUESTIONS POSED IN NOTICE OF INQUIRY

1. Is it feasible to effectuate a customer's request to enroll or unenroll with a CEP or SO provider within three business days?

As noted above, the ability to drop a CEP and move to SOP within three business days already exists, other than the two specific situations discussed. However, the ability to enroll with a CEP has historically always taken place on the next meter reading date. With a highly-automated system like SmartCare, any change to the CEP enrollment or unenrollment process is theoretically possible with sufficient time and investment. That said, given that the modifications required to effectuate all drops and enrollments within three days would be extensive and complex, CMP anticipates this would be a significant project in terms of both cost and time to implement. This again leads to the question of whether the benefits of such a change would outweigh the costs to ratepayers of implementing it. CMP is not aware of any customer concerns regarding not being able to enroll with a CEP quickly enough. Rather, customers appear more focused on dropping higher priced CEPs in favor of SOP, which can already be effectuated within two business days.

The most extreme example of how long a CEP enrollment request might "wait" to be processed is a request received within the two business days prior to the scheduled meter read date. This request would "wait" until the following meter read date to be processed, which is typically no more than 34 days (two business days prior to the current meter read date plus two weekend days plus 30 days until the next meter read date, to use the most extreme example).

[1] Alternatively, when a customer or a CEP contacts CMP to cancel a pending enrollment, CMP seeks Commission approval to manually unwind a pending enrollment and then CMP has to manually cancel the enrollment.

Should the proposed changes be implemented, and CMP be required to process the CEP enrollment off-cycle and within three business days after the current meter read date, a customer would gain, at most, 29 days of preferable pricing with a new CEP (34 days minus the five-day billing window). Using a high illustrative CEP price of $0.199 versus a CEP price of $0.11 to be close to the standard offer price, the potential savings for an average customer using 550 kWh per month (or 18 kWh per day) is $47.31. While this could be an appreciable savings for an individual customer, the majority of customers changing CEPs would have significantly fewer days impacted and a far less significant per kWh price savings. Recouping the costs of the necessary system changes would thus take an extraordinary number of max-value switches and even more switches at less than this hypothetical max value. Moreover, given that only ten percent of customer are with a CEP, that recoupment may never occur.

1a. If it is not feasible, please identify the obstacles to achieving this outcome.

While possible to modify CMP's SmartCare system to make the changes discussed, there are many challenges to achieving that result. CMP discusses the initial challenges it has identified but notes that it is possible that additional obstacles could come to light during a later development phase.

The SmartCare system, as currently configured, cannot support more than two suppliers in the same billing period, specifically, a single CEP dropping to SOP.[2] Billing and invoicing multiple providers in the same billing period would require major modifications to the core functions of billing, invoicing, and bill print, and these modifications would require substantial testing to ensure that all the possible scenarios are addressed and programmed properly. As an extreme example, if a customer were to change supply providers every three days, a utility bill

[2] As noted above, the SmartCare system can only support a single supplier in the same billing period in the case of NEB participants.

would need to be capable of presenting all aspects of billing for up to ten suppliers for a single billing period. Enabling such billing would be extremely complicated and would likely pose a significant risk to billing all customers accurately and timely. Testing would need to be performed on all the components of the T&D and Supply pricing for each rate category, including service charges, energy charges, demand charges, capacity charges as well as any applicable late payment charges and sales tax. And the proration of pricing components across multiple providers offering different pricing options would also need to be configured and tested. Finally, the system would need to manage customer payments to those multiple suppliers and shipbacks to those suppliers if not paid. Put simply, the level of complication associated with billing multiple suppliers in a single billing period is staggering.

Actual meter reads, time-of-use ("TOU") periods, and dynamic pricing[3] would pose significant additional challenges if the Commission were to require multiple switches within a single billing period. Requiring actual meter reads for off-cycle drops, as opposed to proration, would further increase complexity, as both the SmartCare system and the Meter Data Management System would need programmatic changes to be able to send and receive multiple register readings within the billing period. And for customers with non-standard meters, CMP would need to conduct a field read each time a switch occurred, which adds costs and potentially complications should switch requests coincide with weather conditions like major storms, when such field personnel are not readily available. For these reasons, CMP recommends all off-cycle drops be prorated, should the Commission choose to facilitate multiple suppliers within the same billing window.

With respect to TOU periods, CMP strongly recommends that CEPs choosing to offer

[3] Dynamic pricing is hourly pricing, which can be ISO-NE Day Ahead prices, Real Time Lead Market Participant pricing, or some combination of TOU and DA/RT pricing.

time-of-use ("TOU") rates be required to adopt TOU periods that coincide with the utilities' TOU periods. This prevents confusing price signals should time periods differ and exponentially more complicated billing system adjustments to accommodate different time periods. As to dynamic pricing, manual intervention is already required when a customer switches to such pricing. Accordingly, if CMP were required to bill multiple suppliers in a single period, the workload associated with dynamic pricing would increase.

Other challenges to billing and invoicing multiple providers in the same billing period include the following:

- Budget Billing: Some CEPs offer budget billing (branded SimplePay at CMP) and others do not. Allowing multiple providers in the same billing cycle could cause confusion if the two CEPs within the same billing period differ on budget billing.
- Payment Waterfall: How to apply partial payments to multiple CEPs billed in the same bill period would need to be determined and programmed.
- Meter Reads. More than two suppliers in a billing period will lead to significant confusion/complexities around estimated/actual readings. Partial reads and partial estimated reads cannot be used in the same billing period. With multiple suppliers in a single billing period, the likelihood of this occurring increases, which would result in increased manual workload to resolve such issues.
- Invoices. Multiple supplier pages on the same invoice will increase printing and mailing costs.
- Shipback of past due CEP receivables. The SmartCare system would need to be configured and tested to ensure that when multiple past due CEP receivables have the same monthly vintage, the system accurately generates the shipback for the correct amount and CEP.

In the case of NEB participants, there would be additional challenges if the Commission were to require multiple switches for these customers within a single billing period. As noted above, the SmartCare system is not programmed to allocate NEB kWh credits to multiple suppliers within a single monthly bill. Given the already existing complexity of NEB billing, allowing multiple suppliers in the same billing period can only add to the complexity.

As discussed above, changes to suppliers during a customer's five-day monthly billing window is simply not possible at this time. CMP recommends that any changes directed by the Commission with regard to enrollment and unenrollment allow CMP to maintain the integrity of the billing window.

1b. If it is feasible, would there be any new costs associated with complying with a requirement to enroll or unenroll a customer from service provided by a CEP or SO service within three business days?

Yes. Once the actual business requirements are established, CMP would consult with its development team, and at that point, it would be able to provide a realistic time or cost estimate. Given that the modifications being discussed would impact every aspect of billing and program types (e.g. Simple Pay, payment arrangements, NEB, TOU options), such an endeavor is expected to be a significant project, both in terms of cost and time to implement.

1c. If there are specific situations where it is not feasible, please identify the situation(s), explain why it is not feasible, and provide an alternative recommendation to allow a timely enrollment or unenrollment.

For specific situations where enrollment or unenrollment within three business days is not feasible, the five-day meter reading window and customers participating in NEB are particular challenges, as discussed more thoroughly above.

2. Should a requirement that a customer be enrolled or unenrolled with a CEP or SO provider within three business days apply to customers in all rate classes? If no, please identify the rate classes that the requirement should not apply to and explain why.

Yes. Modifications to the system that limits the timing on enrollment or unenrollment to certain rate classes would entail exponentially more additional programming, time, and cost.

3. Does an enrollment or unenrollment in the middle of a billing cycle, where a customer may receive prorated bills, create an unreasonable administrative burden or any unintended consequences?

Yes, please see CMP's response to Question 1a.

4. Should the number of times a customer can enroll or unenroll with a CEP or SO provider be limited?

CMP supports the rules that have been in effect since March of 2000, which permit no more than one CEP for a single billing period and which support CEP enrollments at the start of a billing cycle.

4a. If a limitation should be imposed, why, and what should that limitation be?

The current practice of on-cycle enrollment and both on and off-cycle drops has worked effectively. As noted above, customers have the option to drop a CEP off-cycle for a nominal fee, yet few choose to do so. In CMP's experience in 2023, of the 18,187 CEP drops requested, only 18% of customers elected an off cycle drop, suggesting there is not a significant need to change the process. The costs associated with modifying the EDI and SmartCare systems are expected to be significant. The potential benefits would need to be significant in order to justify the time and investment that would be incurred and passed on to all ratepayers, particularly given that only 10% of CMP residential customers participate with a CEP.

This is all the more true given the competing regulatory priorities that require modifications to the SmartCare system. CMP is currently working on various projects that require SmartCare system modification, including, among other things, Supply and Standard Offer Time of Use expansion, rate expansion (e.g. Residential Demand Rates), and EDI transactions to cancel a pending CEP enrollment. The same CMP resources devoted to these projects would be needed to implement any changes to the CEP enrollment and unenrollment process. Accordingly, before requiring changes to the enrollment and unenrollment process, consideration should be given as to which projects are priorities.

III. CONCLUSION

CMP appreciates the opportunity to provide comments on the feasibility of effectuating unenrollment and enrollment requests within three business days and looks forward to further participation in the stakeholder process.

/s/ *Susan Clary*__________________________
Susan Clary
Director, Electric Supply
Susan.Clary@cmpco.com

STATE OF MAINE PUBLIC UTILITIES COMMISSION	Docket No. 2024-00233 September 30, 2024
MAINE PUBLIC UTILITIES COMMISSION Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider	COMMENTS OF NEW BRUNSWICK ENERGY MARKETING CORPORATION

I. INTRODUCTION

New Brunswick Energy Marketing Corporation (NBEM) respectfully submits the following comments in response to the Maine Public Utilities Commission's (Commission) Notice of Inquiry (NOI). As noted below, NBEM is a standard offer service provider who could be affected by changes to the Commission's process for enrollment and unenrollment of customers. Based on NBEM's experience, it may be feasible to change utility and other processes to enable customer enrollment or unenrollment within three business days, but accommodating these changes would likely increase consumers' energy supply costs in ways that could outweigh any benefits of the reforms.

II. BACKGROUND

NBEM is a wholly owned subsidiary of New Brunswick Power. Since 1999, NBEM has been the exclusive marketer of New Brunswick Power's surplus power and surplus capacity. NBEM's business activities include wholesale electricity sales in Maine as well as standard offer service provision. NBEM has repeatedly responded to the Commission's periodic solicitations for standard offer service, and the Commission has repeatedly selected NBEM to provide standard offer service in Maine. Today, NBEM supplies standard offer service to Central Maine Power Company's medium non-residential customers, Versant Power's Bangor Hydro District small and medium customers, and all of Versant Power's Maine Public District customers. Through these activities, NBEM is familiar with the Commission's regulations and utility practices regarding customer enrollment and unenrollment with standard offer service and competitive supply.

NBEM is also familiar with Maine's electric industry restructuring and the continuing development of retail electricity policy. As the Commission knows, the Legislature recently considered a bill regarding retail electricity supply. In its original form, the proposed legislation included a provision requiring transmission and distribution utilities to process electronic enrollment or unenrollment of customers within 3 business days. While an amended version of that bill was later enacted into law as P.L. 2023, ch. 636, the rapid-enrollment provision was removed from the bill prior to its enactment. Instead, the Legislature's Joint Standing Committee on Energy, Utilities, and Technology (EUT Committee) asked the Commission to review its current processes for enrollment and unenrollment of customers. In response, the Commission opened this docket.

III. COMMENTS

1. *Is it feasible to effectuate a customer's request to enroll or unenroll with a CEP or SO provider within three business days? If it is not feasible, please identify the obstacles to achieving this outcome.*

While it may be feasible to change utility and other systems to enable this form of rapid enrollment, the changes would risk significant increases in consumer costs that could essentially eliminate any benefits of reform. First, utility timelines for processing customer enrollment and unenrollment are too long to enable rapid enrollment. Second, expediting the current process would create additional need for true ups for all rate classes of customers. These true-ups are unreasonable burdensome and would strain the system. Finally, increased uncertainty about customer load would tend to increase suppliers' bids to provide both standard offer service and competitive service. This would result in increased prices paid by consumers for their energy supply.

As a supplier, NBEM works closely with the utility to create a consolidated invoice comprised of electricity and T&D charges. Consolidated invoicing provides real benefits to consumers, because they can see all their charges in one place. These consolidated invoices require a New Rate Form Application through the transmission and distribution utility, and this typically takes 21 days.

2. *Should a requirement that a customer be enrolled or unenrolled with a CEP or SO provider within three business days apply to customers in all rate classes? If no, please identify the rate classes that the requirement should not apply to and explain why.*

NBEM suggests that any rapid-enrollment policy should be applied equally to all customer classes.

3. *Does an enrollment or unenrollment in the middle of a billing cycle, where a customer may receive prorated bills, create an unreasonable administrative burden or any unintended consequences?*

Yes, enrollment or unenrollment in the middle of a billing cycle requires true-ups and creates an unreasonable administrative burden as well as unintended consequences that will tend to increase consumer costs.

First, T&D utilities read meters for invoicing on a monthly basis, but with a different schedule for each account. This means that not all account numbers for a customer are guaranteed to be read at the same time. Second, depending on how the calendars align, enrolling account numbers with the CEP may occur after the monthly read cycle date, in which case many first invoices will be rendered at the SO rate before being accepted in the utility system at the CEP Rate. This invoice discrepancy requires true-ups with the customer after the CEP rate "kicks in."

To process CEP customers enrollment or unenrollment in three business days would likely require more true-ups for those that are not able to get all their account numbers and new associated rate codes in the utility portal on the monthly cycle. There may be an additional cost in contract negotiations to provide such a service as it causes strain on the supplier and utility.

4. *Should the number of times a customer can enroll or unenroll with a CEP or SO provider be limited? If a limitation should be imposed, why, and what should that limitation be?*

Yes, the Commission should limit the number of times (or frequency) a customer can switch back and forth between standard offer service and competitive supply, to avoid unreasonable administrative burden and increased consumer cost.

Allowing customers to hop on and off standard offer with increasing frequency as proposed would increase the risk to standard offer suppliers by creating greater uncertainty with forecasting revenue and costs (i.e., hedging). Increasing the frequency also results in higher risk which translates to higher risk premiums (i.e., higher SO rates than they otherwise would be). In other jurisdictions which do not have any limitations on migration to or from standard offer, we have seen load served under Standard Offer decreasing by as much as 15% in the span of 3 months. This creates great difficulty with appropriately hedging market exposures and would tend to increase consumer costs.

IV. CONCLUSION

NBEM appreciates the Commission's consideration of these comments. Based on NBEM's experience as a standard offer service bidder and supplier, the Commission should carefully weigh any benefits of rapid enrollment and unenrollment against the associated increases to administrative burdens and consumer costs.

Dated at Augusta, Maine, this 30th day of September, 2024.

Respectfully submitted,

Todd J. Griset
Counsel for New Brunswick Energy Marketing Corporation

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STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2024-00233

September 30, 2024

MAINE PUBLIC UTILITIES COMMISSION
Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider

VERSANT POWER
Response to Notice of Inquiry dated August 20, 2024

Versant Power ("Versant" or the "Company") files these comments pursuant to the Maine Public Utilities Commission's (the "Commission") August 30, 2024 Procedural Order requesting additional information ("the Order"). Versant previously filed a response on September 20, 2024, but wishes to add further clarification.

Responses to the Commission's Questions

1. Is it feasible to effectuate a customer's request to enroll or unenroll with a CEP or SO provider within three business days?

Response: Versant currently processes enrollments in as few as three business days. This time frame is contingent on Versant receiving the request for enrollment at least two business days prior to the Customer's scheduled read date. Versant can currently process customer requests to unenroll in as few as **three** business days as an off cycle drop if requested by the Competitive Energy Provider ("CEP") or if requested by the Customer. This means that, subject to the details set forth above, it *is* feasible for Versant to effectuate a customer's request to enroll or unenroll with a CEP or SO provider within three business days. There would be no associated costs for compliance with this three-day timeline.

2. Should a requirement that a customer be enrolled or unenrolled with a CEP or SO provider within three business days apply to customers in all rate classes? If no, please identify the rate classes that the requirement should not apply to and explain why.

Response: Versant agrees the same requirement regarding these timelines should apply to all rate classes. This is beneficial to avoid further additional administrative work, including developing separate requirements for the different rate classes.

3. Does an enrollment or unenrollment in the middle of a billing cycle, where a customer may receive prorated bills, create an unreasonable administrative burden or any unintended consequences?

Response: Currently all enrollment requests are processed on cycle with no proration. If this process changes to allow off-cycle prorated enrollments, Versant would need to change the way this process is coded within Versant's systems. Unenrollments/Drops are processed as both off-cycle with proration and on cycle with no proration, so there would be no additional changes needed.   There may be additional work and changes within Load Settlement and the data interface software between Versant's billing and load settlement systems if CEP's are allowed to enroll a customer in the middle of a billing cycle.

4. Should the number of times a customer can enroll or unenroll with a CEP or SO provider be limited?

Response: Versant suggests continuing with the current rule of one enrollment with a CEP per month based off the "first in" rule. This would not result in a significant practical change.

Conclusion

Versant appreciates the opportunity to provide these responses and would be pleased to discuss any of these issues further, or provide any further clarification which would be of assistance.

Respectfully submitted on September 30, 2024.

/s/ Arrian Stockdell
Arrian Stockdell
Corporate Counsel
Versant Power
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September 30, 2024

VIA ELECTRONIC FILING

Amy Dumeny
Administrative Director
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

RE: Docket 2024-00233; Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider

Dear Ms. Dumeny:

NRG Business f/k/a Direct Energy Business, LLC; Direct Energy Business Marketing, LLC; Direct Energy Services, LLC; NRG Home f/k/a Reliant Energy Northeast LLC; and XOOM Energy Connecticut, LLC (collectively, "NRG" or "NRG Retail Companies) hereby submit these comments to the Maine Public Utilities Commission ("Commission") in response to the Commission's Notice of Inquiry dated August 20, 2024, in Docket No. 2024-00233, "Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider."

INTRODUCTION

On August 20, 2024 the Commission initiated an Inquiry to obtain information from investor-owned transmission and distribution (T&D) utilities in the State, all licensed competitive electricity providers (CEPs), including standard-offer (SO) providers offering service in the State, and other interested persons regarding the timing for enrollment and unenrollment from a CEP or SO provider in order to develop recommendations to facilitate the enrollment and unenrollment of customers within three business days of a customer's request and report such recommendations to the Legislature's Joint Standing Committee on Energy, Utilities and Technology (EUT Committee).

NRG strongly supports enabling Maine customers to more quickly realize the benefits of the choices they make when they exercise their right to shop for electricity service. The current switching process, which requires a customer to wait one or more billing cycles to see their shopping election appear on their electricity bill, contributes significantly to customer frustration and severely diminishes the shopping experience. In an era where consumer expectations for product delivery are in "Amazon-time," waiting weeks to receive a product is simply unacceptable. Speeding the product delivery process to three business days will undoubtedly lead to more satisfied customers.

Equally importantly, enabling customers to leave their current supplier much more quickly may also positively impact how CEPs behave in the marketplace, resulting in a secondary benefit to consumers. With the knowledge that a customer can leave their service within three business days, all CEPs will have a strong incentive to work even harder to meet their customers' needs and listen to their demands or risk seeing their customers leave almost immediately. In short, CEPs will have to work harder to retain customers and may offer better products and services – and pricing – that is attractive to consumers. Expediting the switching process is a win-win for consumers.

INITIAL COMMENTS OF NRG IN RESPONSE TO THE COMMISSION'S NOTICE OF INQUIRY

NRG provides the following initial comments in response to the Commission's questions associated with its examination of this important customer matter.

1. **Is it feasible to effectuate a customer's request to enroll or unenroll with a CEP or SO provider within three business days?**

   <u>RESPONSE</u>: It is technically feasible to effectuate a customer's request to enroll or unenroll ("switches") with a CEP or SO provider within three business days. Competitive electricity providers and local distribution companies are performing accelerated switches in Delaware, the District of Columbia, Maryland and Pennsylvania.

2. **Should a requirement that a customer be enrolled or unenrolled with a CEP or SO provider within three business days apply to customers in all rate classes? If no, please identify the rate classes that the requirement should not apply to and explain why.**

   <u>RESPONSE:</u> A requirement that a customer be enrolled or unenrolled with a CEP or SO provider within three business days should apply to customers in all rate classes. All customers, whether residential or business, will benefit from having their service choice effectuated quickly.

3. **Does an enrollment or unenrollment in the middle of a billing cycle, where a customer may receive prorated bills, create an unreasonable administrative burden or any unintended consequences?**

   <u>RESPONSE</u>: Under the procedures in place today the effective date for a customer's selection of a service provider is dependent on the customer's meter read date. Limiting enrollments or unenrollments to only meter read dates would effectively nullify the purpose and benefit of accelerated switching for most of a billing cycle based on the farther from meter read dates a switch request is submitted. From NRG's perspective mid-cycle enrollments and unenrollments should be operationally feasible. Any administrative issues should be addressed and resolved through a collaborative work group process among CEPs, SO providers and transmission and distribution utilities.

4. **Should the number of times a customer can enroll or unenroll with a CEP or SO provider be limited?**

RESPONSE: The number of times a customer may enroll or unenroll with a CEP or SO provider should not be limited. Of the retail electric choice markets with accelerated switching, referenced above, only Maryland limits customers to two changes in service provider per month.

Respectfully submitted,

NRG RETAIL COMPANIES

/s/ John Holtz
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STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2024-233

October 21, 2024

MAINE PUBLIC UTILITIES COMMISSION Inquiry into the Timing of Enrollment and Unenrollment from a Competitive Electricity Provider or Standard-offer Provider	))))	Central Maine Power Company's Reply Comments

I. INTRODUCTION

On August 20, 2024, the Maine Public Utilities Commission ("Commission") initiated an Inquiry to obtain information regarding the timing for enrollment and unenrollment from a competitive electricity provider ("CEP") or standard offer provider ("SOP"). In its Notice of Inquiry in this proceeding, the Commission posed a number of questions to stakeholders and other interested parties related to the enrollment and unenrollment of customers from a CEP or SOP within three business days. On September 30, 2024, CMP responded to those questions, explaining its concern that the proposed changes would not provide sufficient additional customer benefit to justify the investment that would be necessary to implement them, which would ultimately be incurred by ratepayers.

Versant Power, Maine Power LLC, New Brunswick Energy Marketing Corporation ("NBEM"), and NRG also submitted comments in response to the Commission's Notice, which CMP responds to below. CMP generally agrees with the comments of Versant, Maine Power, and NBEM, each of whom raised similar concerns as CMP. CMP disagrees with NRG's comments supporting the proposed changes, as NRG's position ignores the cost of implementing the proposed changes as well as the unintended consequences such changes would have on the supply market, both of which would likely lead to higher costs for customers.

II. CMP REPLY COMMENTS

CMP agrees with the comments filed by Versant Power, Maine Power LLC, and NBEM. Like CMP, Versant processes all enrollment requests on cycle, and if this process were changed, costly system changes would be required. Additionally, as noted by NBEM, enrollment or unenrollment in the middle of a billing cycle would impose a significant administrative burden on utilities and suppliers by creating additional need for true ups. For these reasons, CMP agrees with NBEM and Versant's position, which support the current rule of one on-cycle enrollment with a CEP per month. As CMP's initial comments explained, the current practice of on-cycle enrollments and both on- and off-cycle unenrollments has worked effectively and provided customers with the appropriate ability to make supply decisions about their accounts. Changing this process would be extremely costly and create additional administrative burden, such that the benefits would not likely justify the investment that would ultimately be incurred by ratepayers.

CMP also shares the concerns raised by NBEM and Maine Power LLC regarding the unintended consequences of allowing customers to switch suppliers as often as every three days. As CMP stated in its initial comments, such a change would challenge the ability of utilities to deliver accurate and understandable customer bills and challenge the stability of the market for CEPs leading to higher CEP prices. NBEM's comments echoed a similar concern, noting that SOPs would face greater uncertainty with forecasting revenue and costs, ultimately leading to higher standard offer rates. Relatedly, Maine Power noted that, due to the volatility in supply markets, there would be opportunities for large, sophisticated customers to game the system if they were allowed to switch more rapidly than under the current rules, which would disadvantage other customers. These unintended consequences, which could offset any incremental savings customers gain through more frequent switches, should be fully explored before any changes to the enrollment or unenrollment process are made.

Unlike CMP, Versant, Maine Power, and NBEM, NRG supports rapid switching, claiming it is "technically feasible" to effectuate requests within three days and that doing so would lead to "more satisfied customers." NRG's position, however, ignores the substantial costs of the system modifications that would be required to effectuate rapid switching—costs that would be borne by ratepayers, including those who do not choose to participate in the supply market. Nor do the comments of NRG consider the impact that load uncertainty would have on the default SOP pricing. Nearly 90% of residential customers take standard offer service. Given the increased costs that standard offer bidders would factor into their bid price due to load uncertainty, along with the system upgrade costs that would be passed to ratepayers, mandating the proposed changes would likely increase consumer costs, potentially dwarfing or even eliminating any benefits of reform. More, increased costs will almost certainly lead to customer dis-satisfaction, precisely the opposite of NRG's contention. By contrast, there is simply no evidence that customers are dissatisfied with the existing switching rules. In fact, as CMP noted in its initial comments, the vast majority of CMP customers switching choose not to switch faster and instead, are content to wait for the next regular meter reading date.

III. CONCLUSION

CMP appreciates the opportunity to provide comments on the feasibility of effectuating unenrollment and enrollment requests within three business days and looks forward to further participation in the stakeholder process.

/s/ *Susan Clary*_________________________
Susan Clary
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