

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

**Illinois Commerce Commission** :  
**On Its Own Motion** :  
 : **11-NOI-01**  
**Notice of Inquiry Into the Implementation** :  
**Of Public Act 97-0222** :

**Comments of the Illinois Competitive Energy Association**

The Illinois Competitive Energy Association (“ICEA”) appreciates the opportunity to provide comments to the Illinois Commerce Commission (“Commission”) regarding the above-referenced Notice of Inquiry that has been initiated by the Commission to implement Public Act 97-0222.

**Introduction**

ICEA is an Illinois not-for-profit corporation established as an Illinois-based trade association to represent the interests of competitive energy suppliers, including licensed Alternative Retail Electric Suppliers (“ARES”) and others interested in preserving and enhancing opportunities for customer choice and competition in the electric and natural gas industries in Illinois. ICEA’s members are some of the most active and largest competitive energy suppliers both in the state and nationally, and include ARES that serve residential, commercial, industrial and public sector customers.<sup>1</sup>

In response to the questions posed in the NOI, ICEA believes that there is a need for updates to existing consumer education materials for residential and small commercial customers and has provided in the comments below specific recommendations to update these materials and to enhance the Commission's overall consumer education effort. In addition, pursuant to the request of the Office of Retail Market Development contained in their e-mail to potential respondents on October 26, 2011, ICEA has included in its comments specific recommendations regarding the display and format of residential complaints brought before the ICC against alternative retail electric suppliers. The Commission and the

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<sup>1</sup> Each member of ICEA expressly reserves the right to present its own individual position during the course of this inquiry.

Commission's Office of Retail Market Development ("ORMD") play an important role in educating Illinois consumers on retail electric choice. Consumers look to the Commission for unbiased and straightforward information that they can use to make an informed choice. ICEA commends the Commission and the ORMD on the steps taken thus far to educate customers and encourages the Commission to adopt the following proposals which ICEA believes will enhance customers' shopping experience.

**Existing Consumer Education Materials**

**a. PluginIllinois.org**

ICEA commends the Commission for ensuring that pertinent information on electricity competition is readily available to all residents in the State. ICEA participated in the ORMD's efforts to up-date the old PluginIllinois.org website. ICEA believes the current PluginIllinois.org website provides consumers with much valuable and useful up-to-date information to help individual consumers with the supplier selection process.

To further enhance the information already provided on the website, ICEA recommends that the PlugInIllinois.org website be expanded to include more information on municipal aggregation. At present, the information on the PlugInIllinois.org website regarding municipal aggregation appears limited solely to a list of communities with aggregation programs and their associated pricing. ICEA believes that including more information on the website on exactly how opt-out aggregation programs work (including the enrollment process) would help ensure that customers are well informed about these programs. For example, it is important for customers to understand that a referendum must be passed in their jurisdictional community to allow for opt-out aggregation. Moreover, customers need to understand that for communities that adopt an aggregation program, the aggregation program is just one electric supply option, of many, for customers to evaluate as they determine which product and provider is best

suited to their individual needs. Accordingly, ICEA recommends the following language be added to the PlugInIllinois.org website:

Service under a municipal aggregation program may happen in one of two ways.

- Option 1 (Opt-In): Residents may receive a notice regarding the program but will not receive the community aggregation price unless they contact the supplier directly to enroll.
- Option 2 (Opt-Out): Residents will receive a notice regarding the program. If the resident “does nothing” and does not follow the process in the notice to be excluded from the program, the resident will be automatically enrolled in the program and receive the program price.

In either scenario, residents can compare prices against other available supply options to ensure the decision is the best for their energy needs.

#### **b. Additional Consumer Education**

Consumer education materials for residential and small commercial electricity customers currently appear to be limited to the materials found on the PlugInIllinois.org website. ICEA would like to see additional channels for consumer education that would provide expanded and enhanced information on energy choice. The existing materials, while accurate in the information provided, are “passive” in the sense that they require customers to seek out information rather than proactively providing information to consumers and offer no ability for a real time exchange of information or conversation with a consumer. ICEA members have participated in these sorts of proactive education efforts in other states and have found them to be successful in reaching consumers who may not otherwise be informed about the many benefits available to them through customer choice. Thus, ICEA suggests that additional forums for messaging on customer choice (e.g. trade show booths and other public events) should be explored. In addition, utility education programs about customer choice should be maintained and/or expanded to ensure customers have ample opportunities to be informed about the benefits of retail choice from multiple sources. An example of these enhancements can be found in Pennsylvania where Commission Staff have coordinated events at shopping malls, and where invited suppliers attend and set

up individual supplier booths. It is understandable that in these difficult financial times the Commission may have limited funds to spend on consumer education. However, in many states, the commission will coordinate and publicize events for which suppliers provide funding and personnel to support the commission initiative. Ultimately, it takes the combined efforts of the Commission, the ARES, and the utilities to effectively educate consumers not only on how to select an ARES for their electricity supply needs but also to explain and reassure them that the reliability of these services will not be affected by their exercise of choice.

### **Format and Presentation of ARES Complaint Statistics**

Complaint statistics can be valuable information to customers that are trying to determine which supplier is best suited to meet their individual needs. However, for this information to be most helpful to the customer, it is important that the complaint statistics are both meaningful for customers and fairly represent the supplier community. Many ICEA members operate in states which have complaint scorecards including Texas and New York. Drawing on members' experience, ICEA presents the following comments to the ORMD's proposed complaint presentation options:

#### **a. Complaints Versus Inquiries**

ICEA suggests that for purposes of providing consumers with a complaint scorecard the Commission focus on actual customer complaints, and not informal inquiries. As such, the first item to be clarified in this regard is what constitutes a "complaint." ICEA believes that customer interactions with the Commission can be categorized into either a complaint (whether it be formal or informal) or an inquiry. The manner in which the issue is ultimately categorized is imperative not only to suppliers, but also to the consumers who use this information to make informed choices about their supplier.

For example, a supplier who is new to the market or is offering a unique product may receive a number of questions that are not actually complaints, but rather "inquiries" that are addressed simply with additional details to clarify basic information. It would be unfortunate, and may ultimately impair the

introduction of innovative product designs, to categorize this type of simple inquiry as a complaint. Similarly, if a diligent consumer calls the Commission for information about a supplier, such as whether they are a licensed ARES, the contact should also not be considered a complaint.

Conversely, in ICEA's view, a complaint is typically a more complex customer issue that cannot be resolved simply with the provision of additional information and which may involve customer dissatisfaction. Clarifying what constitutes an inquiry and what is defined as a complaint will help the Commission provide meaningful information to customers.

ICEA recommends that the Commission hold semi-annual workshops for at least the first two years after deciding upon and placing into production a complaint reporting format to discuss opportunities for process improvements, including but not limited to: presentation of data, categorization criteria and other pertinent issues.

#### **b. Presentation of Complaint Information**

ICEA recommends the star approach as contemplated in ORMD Option #3. This approach provides the customer with a format that offers a quick look at a supplier's overall performance. ICEA asserts that only complaints should be included on a scorecard and that the star "ranking" should be calculated based on a ratio of those complaints. The scorecard can be limited to solely residential customers or have a separate scorecard for small commercial customer. ICEA opposes the flat presentation of the number of complaints lodged against an ARES primarily because this lacks the context of the number of total customers an ARES serves in relation to the complaint count and thus, could create a skewed perception of a single supplier. For example, Supplier A may have thousands of sales a month and tens of thousands of customers leading to 10 complaints whereas Supplier B who has one or two sales a month and serves hundreds of customers has 5 complaints. The perception of 10 complaints to 5 would be that Supplier B is more "reputable" or "customer focused" than Supplier A when using only flat numbers. But, that would not be a fair assessment. Hence, to avoid the misinterpretation that attends the use of flat numbers, ICEA supports the ORMD proposal to use a per 1,000 customer ratio to calculate the

star ranking. However, to avoid the same perception issue for smaller suppliers, ICEA recommends that suppliers with fewer than 1,000 customers or less than six months as an active supplier either be excluded from the list or included with a note that their star ranking is not computed based on the lack of a sufficient sample size. Again, this approach provides a relative comparison that levels out the differences between very large and very small suppliers so no single ARES suffers from customer perception skewed simply based on the size of the ARES's customer base.

Along with the star rankings, customers should have the option to also do a deeper dive into a supplier's complaint/star ranking. In that context, ICEA recommends using the percentage of complaints category chart from ORMD Option #2 which is listed on page 2 with the modifications listed below.

First, this chart could reference both inquiries and complaints, but the percentage of each of category should be provided. For example, if 80% of a supplier's customer contacts are inquiries and 20% are complaints, then that is the information that should be published. Second, ICEA agrees that the division between sales and marketing versus contracts and billing are relevant categories for a complaint. ICEA proposes, however, that "sales" and "switching, contracts and billing" may be more meaningful terms for customers.

Finally, ICEA recommends that both the star rankings as well as the additional information provided in the charts be easily accessible via a separate link titled Complaint Statistics on the PlugInIllinois website.

## **Conclusion**

ICEA would like to thank the Commission for this opportunity to provide comments. ICEA believes that our members' experiences in other states (as both large and small suppliers) will assist this Commission in finding a balance in its presentation of consumer education and complaint statistics. The Illinois electric market is proving itself to be a success for customers of all sizes and it is ICEA's goal to continue to foster a market where educated consumers can shop with confidence among a wide variety of

retail electric suppliers. ICEA looks forward to working with the Commission, ORMD, and other stakeholders as this NOI proceeds.

Respectfully submitted,

THE ILLINOIS COMPETITIVE ENERGY ASSOCIATION

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