



Illinois Commerce Commission
Illinois' Power Meter Policy Session
Retail Electric Suppliers: Best Practices and
Consumer Protections
March 21, 2018

ICEA & RESA: Who We Are

- ICEA, chartered in October 2008, is an Illinois-based trade association of competitive energy suppliers whose mission is to preserve and enhance customer choice and Illinois' competitive retail electricity and natural gas markets by fostering a positive regulatory and legislative environment; educating policy makers about competitive energy market benefits; being a trusted information resource; advocating positions to preserve and improve customer choice and competition; and defending against threats to the competitive energy markets caused by unscrupulous marketing practices.
 - ICEA or ICEA member company actions led to the Alternative Gas Supplier Law reform legislation with the AG's Office in 2008, the passage of the Retail Competition Act of 2006 and the creation of the ORMD, Purchase of Receivables / Utility Combined Billing, ICC's Retail Electric and Natural Gas Competition Reports, and CUB's \$50 Cap on Early Termination Fees.
- RESA, a national trade association, is a broad and diverse group of retail energy suppliers who share the common vision that competitive retail electricity and natural gas markets deliver a more efficient, customer-oriented outcome than does the monopoly-protected, rate-regulated utility structure. RESA is devoted to working with all interested stakeholders to promote vibrant and sustainable competitive retail electric and natural gas markets in the best interests of residential, commercial, and industrial consumers. Regardless of their business model, all RESA members are dedicated to preserving and promoting competitive energy markets in the public interest.
- Together, ICEA and RESA represent 22 retail electric suppliers who must comply with each Association's standards for membership as a condition for maintaining membership. There are 55 retail electric suppliers serving the residential and small commercial market.

ICEA & RESA Shared Values: Code of Conduct

- Conduct all business in accordance with all applicable laws, regulations, tariffs and rules, and in good faith and with a commitment to honest dealing.
- Not engage in unfair, deceptive, misleading or fraudulent behavior, including misrepresenting rates, prices, or level of customer savings.
- Use reasonable efforts to provide accurate and timely information to customers, upon request, or with a link to a website at which information can be obtained, in response to all customer inquires.
- Honor the terms and conditions of the contract.
- Engage only in transactions with legitimate business purposes
- Not collude with other market participants to affect the price or supply of power, allocate territories, customers or products, or otherwise unlawfully restrain competition.

ICEA & RESA Shared Values: Code of Conduct

- Maintain documentation on all transactions for an appropriate period of time as required under applicable laws and regulations.
- Ensure prompt and fair investigations of all customer inquiries and complaints concerning a competitive supplier's service and/or marketing practices.
- Cooperate fully with the Illinois Commerce Commission and other appropriate agencies regarding all matters related to the provision of competitive electric and natural gas service.
- Cooperate fully with the appropriate state regulatory authorities, state consumer agencies, and local law enforcement in investigations concerning unfair, deceptive and/or misleading marketing practices prohibited by state law or regulation.
- Apply these principles and practices in training of marketing representatives; in-person and telephone contact with customers; and dispute resolution of customer complaints and disputes.
- Adhere to the Association's Anti-Trust Compliance Policy.

Competitive Retail Electric Market Benefits

- Competitive retail electric markets allow consumers to shop among suppliers for innovative products, services, and rate plans that best meet their needs as an alternative to the utility's "plain vanilla" bundled service.
- Competitive retail electric markets are the best means to address demand response opportunities, energy conservation and management, and development of advanced and renewable energy products.
- The IL residential market is evolving from a supply price savings only proposition to a commodity plus value-added and "premium services" paradigm, not unlike other evolving network service industries. A growing number of consumers want a suite of products, such as energy management services, smart home technology, and renewable energy options, as part of their power purchasing decision.
- When ComEd and Ameren's AMI roll-out and smart meter deployment has evolved and access to AMI Interval Meter Data issues has been resolved, retail electric suppliers will be able to provide dynamic price and Time-of-Use products based on interval usage data allowing consumers to manage their electric usage and cost more effectively.

Competitive Retail Electric Market Benefits

- Data analysis from smart grid and AMI can enable important consumer benefits. In choice markets, customers and other participants will have far more freedom and flexibility in making use of the information and the services offered. Competing providers can test their creativity by offering pricing and products to customers that may be accepted or rejected, withdrawn or imitated and improved. Customers can more profitably adjust their consumption patterns or contract for innovative pricing and products based on individualized data analysis.
- Smart Meters in a choice environment can be considerably more effective in assisting consumers in managing their energy than in a monopoly market.
- Knowledge is power. Competitive markets are proving to be learning laboratories for pricing and service innovation.

Source: Restructured Recharged, The Superior Performance of Competitive Electricity Markets, 2008-2016, by Philip R. O'Connor, Ph.D., April 2017, Prepared for the Retail Energy Supply Association.

Competitive Retail Electric Market Benefits

- As of November 2017, about 1.8 million residential and small commercial customers are served by retail electric suppliers either through municipal aggregation programs or through individual supply contracts with a RES.
- The IL residential market is robust and competitive based on the following benchmarks: the number of suppliers serving the market; the percentage of customers served and total electric load served; the number of supply options; and a generally unconcentrated market.
 - ❖ 55 RESs actively serving residential customers in the ComEd service area with 106 different residential supply offers. About 35% of ComEd's residential customers are ARES-served.
 - ❖ 27 RESs actively serving residential customers in the Ameren service area. From 53-61% of Ameren's residential customers are ARES-served in its 3 Rate Zones.
 - ❖ ComEd vs. Ameren Residential RES Market: Of the 1,244,899 RES-served ComEd residential customers, about 759,825 RES-served residential customers are on individual supply contracts (61%) and about 485,074 RES-served residential customers are municipal aggregation served (39%). Of the 636,235 RES-served Ameren residential customers, about 66,281 RES-served residential customers are on individual supply contracts (10%) and about 569,954 RES-served residential customers are municipal aggregation served (90%).

(Source: 2017 ICC/ORMD Report)

ICEA & RESA Sources

- The Retail Energy Supply Association Statement of Principles
- Consumer Education Guide, Prepared by The Retail Energy Supply Association
- Restructured Recharged, The Superior Performance of Competitive Electricity Markets, 2008-2016, by Philip R. O'Connor, Ph.D., April 2017, Prepared for the Retail Energy Supply Association.
- Illinois Competitive Energy Association Code of Conduct
- Illinois Competitive Energy Association Anti-Trust Compliance Policy
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