



June 20, 2016

Hon. Kathleen H. Burgess
Secretary
NYS Public Service Commission
Three Empire State Plaza
Albany, NY 12223

RE: Cases 15-M-0127, 12-M-0476, 98-M-1343: Notice Seeking Comments on Resetting Retail Energy Markets for Mass Market Customers (“Notice”)

Dear Secretary Burgess,

The Energy Professionals Association (“TEPA”) appreciates the opportunity to provide this letter in lieu of formal comments regarding the above-referenced Notice. TEPA is an active national membership organization consisting of primarily Aggregators, Brokers, and Consultants, (“ABC”) along with ESCOs/competitive suppliers/retail electric provider active in all the competitive and/or restructured electricity and/or natural gas markets. I have attached a statement of the principles that guide the members of TEPA.

The ABC Members of TEPA generally are client-side representatives that counsel their clients and provide consumers with information that they can use to make a more informed and sophisticated choice concerning their electricity provider and type of electricity service. Member ABCs of TEPA have agreed to the guiding principles, among them the TEPA Code of Conduct, which generally requires information disclosures and other transparent business practices to their clients/customers. Members of TEPA also provide information and advise their clients about energy efficiency, demand response and renewables, as well as other services that may affect the ultimate cost to the consumers of the commodity.

One of the ESCOs that provided comments to the Notice asking that the PSC take notice of the “impact of pricing of brokers on the pricing dynamic” (Comments by Big Apple Energy, March 14, 2016). TEPA agrees that ABCs can have an impact on the sales and pricing process—but that the value provided by ABCs far outweighs any negative impacts. ABCs do represent their clients and, in acting in their clients’ behalf, not only assist and advise their clients, but advocate on their behalf with ESCOs to ensure the consumer is getting an appropriate rate plan given the consumer’s needs, often as part of a comprehensive energy procurement and management strategy. In that sense, ABCs are “gatekeepers” in the sales process, but necessary and consumer-favoring ones, because ABCs generally work for their clients’—and not merely as sales agents for ESCOs—and educate and assist consumers with information and a degree of sophistication that might dissuade them from pursuing price or contract terms that are unsuitable for their preferred level of risk tolerance.

We believe that the ESCO commenting did not substantiate its statements on fees nor explain why the ESCOs “cannot make money on a significant segment of the market”—presumably referring to the Commercial and Industrial customer sphere. It is certain that the presence of ABCs in the market does not inhibit ESCO entry, but rather enables those who take advantage of ABCs’ services to take part in an ever-expanding energy services market (both commodity-based and services-bases) in a meaningful and more sophisticated way than they otherwise would.

Retail competition is not easy—for ESCOs or ABCs—but ABCs provide valuable commodity-plus solutions for their clients in ways that some ESCOs may currently not do. TEPA believes that the presence of ABCs enhances competition and market transparency and makes retail choice more accessible to more potential consumers. We look forward to providing the Commission more information regarding our membership and our organization as part of this proceeding or otherwise.

Sincerely,



Javier Barros
President – Northeast Region
The Energy Professionals Association