



SB 685

Electricity and Gas – Energy Suppliers-Assisted Customers

Unfavorable

The Retail Energy Supply Association (RESA)¹ submits these comments in opposition to SB 685 and respectfully request that the Committee render an unfavorable report on this proposed legislation.

The purpose of this legislation prohibits retail electric and natural gas suppliers from knowingly enrolling a residential customer into their service if the customer has received financial assistance from any program administered by the Office of Home Energy Services (OHEP) during the preceding 12 months or participated in any assistance program authorized by the Commission.

Our opposition to this proposed legislation stems from RESA's core principles that:

- Competition, not regulation, is the most effective means for efficiently allocating resources. This is as true in the retail energy markets as it is in the markets for other goods and services. Thus, we believe that electricity and natural gas should be provided by competitive entities rather than by price-regulated utilities.
- Competition among retail companies brings benefits to consumers that are not readily provided through traditional utility regulation. These benefits include the setting of efficient prices, the development of innovative products and services, and the ability to efficiently meet clean energy policy objectives.
- For competition to be effective, all consumers must be afforded the right to shop for competitively priced energy products and services, just as they shop for other products and services. **The benefits of competition should be available to all retail customers, including those on low-income and other assistance programs.**

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.



- The exercise of customer choice is essential for competitive markets to thrive as consumers best express and protect their interests through their individual energy purchasing choices. Thus, we believe that customer choice should be subject to the absolute minimum amount of constraint that is consistent with the operation of a well-ordered market.
- Competitive markets function best when they are free from distortions introduced by excessive government interference. Thus, any government mandates for societal benefit, whether environmental or economic, should be implemented in a competitively neutral manner.

Retail electric and natural gas suppliers have no means to determine which customers may be on assistance on any program administered by OHEP or authorized by the Commission. Unless suppliers have that information supplied to them in advance of any marketing or sales activity, suppliers would be at a distinct disadvantage and in violation of this proposed legislation. Furthermore, it would be prohibitively expensive for suppliers to market to a customer, engage in the sale of retail energy, execute the required contractual agreements just to find out that the customer is not eligible to participate in the retail energy market. This process known as customer acquisition would incur costs that would be unrecoverable, and ultimately be passed on to consumers who are able to take advantage of the retail energy market in the form of higher prices.

For the reasons discussed above, RESA respectfully requests that the committee render an unfavorable report on this legislation.

Thank you for your attention and allowing RESA to provide these comments.