**PA PUC Communications Staff Proposal for a Statewide Consumer Education Campaign on Electric Shopping/PAPowerSwitch.com**

**With Input from Retail Markets Investigation Consumer Education Subgroup**

 **(3/13/12)**

On March 1, 2012, the Pennsylvania Public Utility Commission (Commission) approved a Final Order on the Investigation of Pennsylvania’s Retail Electricity Market (RMI): Intermediate Work Plan (Docket Number: I-2011-2237952). Page 12 includes the following:

“The Commission notes that, as part of the final phase of the Investigation, [the Office of Competitive Market Oversight (OCMO)] has appointed a consumer education subgroup – comprised of Commission staff, industry and consumer representatives – to develop a comprehensive statewide consumer education campaign. The campaign will be finalized in the spring of 2012, as part of the long-range work plan to improve the Commonwealth’s competitive electricity market.”

On November 10, 2011, the Commission held an *en banc* hearing on electric shopping issues. The five Commissioners heard from public polling experts who indicated that a majority of Pennsylvania electric consumers know they can change their electric supplier; however, less than half have explored making a change.

According to the presentations:

* A significant majority of Pennsylvanians are aware they can change their electric supplier;
* Slightly less than half have actually looked into changing their supplier;
* About one-third of those shopping have heard of PAPowerSwitch.com;
* Of those who visited PAPowerSwitch.com, almost 9 of 10 respondents found it easy to use;
* Price is the main concern driving customers to switch to a competitive electric supplier;
* Many respondents indicated that they are not switching because they perceive that the savings are not significant enough; and
* Consumers were more likely to switch suppliers if other products and services were a part of the offer from the supplier.

# These survey results can be found on the Commission’s website: [www.puc.state.pa.us](http://www.puc.state.pa.us). Select “Electricity,” then “Investigation of Pennsylvania's Retail Electricity Market” and scroll down to “En Banc Hearing.”

Consumer Education Subgroup conference-call meetings were held on February 16 and March 1, 2012. Input received during those calls and earlier conversations as part of the RMI was incorporated into the following plan. The plan provides three options for consideration by the Subgroup and OCMO, and for presentation to the Commissioners as part of the en banc hearing planned for March 21, 2012. While the options are presented separately, it is possible that staff and RMI stakeholders may recommend to the Commission to pursue all three options collectively with each option being a component of the overall consumer education campaign.

**Messages**

The primary message of the campaign would be based on the messages agreed to by all stakeholders and conveyed by the recent Commission postcard that was mailed by the Electric Distribution Companies (EDCs) to all residential and small business customers.

(LINK: <http://www.puc.state.pa.us/electric/pdf/RetailMI/PAPS_Customer_Postcard-Final.pdf>).

The primary message would promote electric shopping and drive customers to PAPowerSwitch.com. The secondary messages would educate consumers about changes made during the RMI, from accelerated switching to default service.

PUC Communications would continue to ask the Subgroup and larger RMI stakeholder group for input on message development and refinement.

**Option A**

**Mass-Media Campaign**

Subgroup member Dick Webster of PECO Energy has agreed to speak at the March 21 *en banc* hearing about his suggestion of using each EDC’s Purchase of Receivables (POR) Discount for funding the campaign. PECO uses this tool to collect costs for certain activities from suppliers. Rather than being a uniform charge, the POR discount can be scalable so that funds are collected from suppliers based on their size and market share.

Ron Cerniglia of Direct Energy also would be asked to speak about this option at the March 21 *en banc* hearing.

This option would be for a large-scale, mass media campaign utilizing a consultant that would focus on encouraging customers to log onto PAPowerSwitch.com to shop for a supplier.

The campaign would be augmented by the following: (1) the placement of educational material on the PowerSwitch site; (2) the efforts of the PUC, the Office of Consumer Advocate (OCA), the suppliers and the EDCs to distribute information related to the campaign to consumers; and (3) PowerSwitch consumer events.

**Funding:** Staff is recommending a budget of between $2 million and $5 million. The funding would come from contributions requested or the Commission would direct electric generation suppliers (EGSs) to provide funding, which would be collected by EDCs, as proposed by PECO. A survey is being drafted and will be circulated, polling suppliers as to their willingness to participate in this campaign.

**Option B**

**Special Incentive Program:**

**Supplier Contest Driving Customers to PowerSwitch to Sign Up**

Subgroup members Michael Meath of the Pennsylvania Energy Marketers Coalition (PEMC) and the American Coalition of Competitive Energy Suppliers (ACCES), and Ron Cerniglia of Direct Energy would be asked to speak about this option at the March 21 *en banc* hearing.

This option would focus on creating buzz to drive electricity consumers to PAPowerSwitch.com. Electric suppliers would be encouraged to offer a 12-month supply contract for free to randomly selected customers who visit PAPowerSwitch.com.

EGSs and EDCs would be either encouraged or directed to promote PAPowerSwitch.com and the special incentive program using their marketing, such as bill stuffers, websites, etc.

When a consumer reaches PAPowerSwitch.com, they would be able to access a form to sign up for the contest without switching (“no purchase necessary”). They could also select or switch suppliers and, if the supplier they choose is participating in the incentive program, could win free electricity for a year.

To ensure transparency and fairness, the process for the random selection of the winners and the number of winners per 1,000 shoppers should be disclosed on the site. There also should be a disclaimer that employees of the PUC, participating EGSs, EDCs and their immediate family members are ineligible to win. Additionally, disclaimers could include that the Commission is not responsible for the unexpected technical failures that might prevent a customer from entering online.

The PUC would host, and suppliers and EDCs would participate in, a new round of PowerSwitch events at Pennsylvania shopping malls at which we would sign customers up for this contest “manually.” We would again seek a media partner to promote these events.

Customers without Internet access also could sign up for this promotion during PowerSwitch events or by other means yet to be determined.

The Commission would arrange “Publishers Clearing House”-style check presentations to winners that also would promote PAPowerSwitch.com.

**Funding:** There would be some costs associated with adding a registration form and other required information for the special incentive program to PAPowerSwitch.com. The Commission would seek contributions from any supplier or utility participating in the PowerSwitch events.

Otherwise, expenses to market and provide the incentive would be borne by participating suppliers. Any costs incurred by an EDC would be recoverable from ratepayers.

**Option C**

**Public Relations-Focused Campaign with Resources of PUC, ACCES, EDCs**

Michael Meath of PEMC and the ACCES offered and will speak about this option at the March 21 *en banc* hearing.

ACCES offers its existing and yet-to-be-developed educational materials (including FAQs, videos and other resources), as “is” or as edited, for use by the campaign (with or without regard to attribution to ACCES). ACCES also offers to serve in a coordinating and liaison role on behalf of electricity generation suppliers and in cooperation with all key stakeholders, including the Commission and the OCA.

*6-Month Objective (to December 2012):* Increase traffic to PAPowerSwitch.com

*Measurement:*  Pre-campaign and monthly web statistics on PAPowerSwitch.com

*12-Month Objective (to December 2013):* Educate consumers on upcoming changes to default service (should PUC order)

*Measurement: Monthly* web statistics on PAPowerSwitch.com

|  |  |  |  |
| --- | --- | --- | --- |
| ACTIVITY | OWNER | NEW COSTS  | IMPLEMENTATION |
| Develop Key Messages | ACCES | $0 | ACCES provides draft, RMI subgroup edits and Commission approves through Office of Communications |
| Develop Content | ACCES | $0 | ACCES provides draft, RMI subgroup edits and Commission approves through Office of Communications |
| Develop Videos | PUC/ACCES | $0 | ACCES videos modified slightly for PA market, for use on websites, in PSAs, etc. Commission approves through Office of Communications |
| Content Deployment | All | RMI stakeholder discretion | PUC, utilities, suppliers, consumer advocates, and other stakeholders deploy Key Messages and other content on websites, during public events, in printed materials (optional and at stakeholders’ cost). Modifications to materials can be made with Commission approval coordinated by PUC Communications. Cost recovery for EDCs would be subject to Commission approval. |
| Radio PSAs | PUCACCES | TBD | RMI subgroup develops script; PUC records? |
| Television PSAs | PUCACCES | TBD | RMI subgroup develops script or use ACCES videos with edits or videos produced by PUC. |
| Media Interviews;TV, Radio, Print | PUC | $0 | ACCES can provide list of key media contacts throughout State; PUC arranges interviews; Chairman Powelson and other Commissioners participate. |
| Social Media | PUC/ACCES | Would require resource commitment | Monitor and engage in conversations on Twitter, Facebook, LinkedIn, and other social media platforms. |