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August 24, 2018

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105-3265

Re: *En Banc* Hearing on Implementation of Supplier Consolidated Billing
Docket No. M-2018-2645254

Dear Secretary Chiavetta:

Enclosed for filing please find the Reply Comments of Drift Marketplace, Inc. ("Drift") in the above-referenced proceeding. The document was filed electronically with the Commission on the date listed above.

Should you have any questions or require any additional information, please contact me at (212) 590-0145 or via email at natarafeller@feller.law.

Respectfully Submitted,

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Enc.

BEFORE THE
PENNSYLVANIA PUBLIC SERVICE COMMISSION

En Banc Hearing on Implementation of	)	
Supplier Consolidated Billing	)	Docket No. M-2018- 2645254

REPLY COMMENTS OF DRIFT MARKETPLACE, INC.

Drift Marketplace, Inc. ("Drift") respectfully submits these Reply Comments in response to the Secretarial Letter dated March 27, 2018, in the above-referenced proceeding.

I. INTRODUCTION

Drift Marketplace, Inc. ("Drift") thanks the Pennsylvania Public Utility Commission ("Commission" or "PUC") for its leadership and support in the development of a retail energy marketplace for energy consumers in the Commonwealth. Pennsylvania now has one of the most robust retail marketplaces in the United States, and by continuing to review and improve market mechanisms, the Commission is proactively ensuring that retail customers in Pennsylvania will continue to realize the benefits of retail choice.

Drift is a new entrant to the retail energy industry, and is developing a range of products and services to provide customers with more control over their energy choices, and opportunities to participate in energy savings programs. Drift is building a model that cuts across traditional lines between retail and wholesale generation resources in an effort to provide its customers with the opportunity to directly support local renewable generation. Drift offers comments from the perspective of a Distributed Energy Resource provider ("DER") that utilizes technology and social media platforms to reach its customers.

In its Initial Comments, dated May 4, 2018, Drift expressed its full support for the Commission's initiative to implement supplier consolidated billing ("SCB"). This billing alternative allows retail choice providers (including traditional retail energy providers and new DERs) to offer a much greater choice and a wider range of services, tools, and information to customers than is currently possible. Drift's witness, CEO Greg Robinson, emphasized during his testimony at the June 14 *en banc* hearing ("June Hearing") that technology and customer demand has led his Company, Drift, to develop "Energy-as-a-Service" type products, which allow consumers the same control over their electricity as they have over their phone, internet, transportation, and other consumer goods and services. In order to continue protecting retail customers, it is imperative that the regulatory environment in PA evolve to capture technological innovations driven by customer demand.

Below, Drift provides additional written comments addressing certain issues raised by the Commission at the June Hearing and during its second *en banc* hearing on July 12, 2018. Drift will continue to be available throughout this proceeding and will continue to participate in and respond to any additional requests for comments or information.

II. DRIFT REPLY COMMENTS ON SCB PROPOSALS

Drift provides its selected comments to the six (6) topics for discussion outlined by the Commission in its March 27, 2018 Letter. Drift supports generally the positions put forth by the Retail Energy Supply Association ("RESA") and the Electric Generation Supplier Coalition for Supplier Consolidated Billing ("EGS Coalition for SCB") and provides below additional perspectives and recommendations on the six (6) topic areas outlined by the Commission in its March 27, 2018 Secretarial Letter.

A. Topic: Legal

Drift concurs with the analysis submitted by the Retail Energy Supply Association ("RESA") that implementation of SCB is consistent with the law and intent of the Competition Act. Further, SCB does not contradict provisions addressed in Chapters 14 and 28 of the Public Utility Code.

The Commission also has legal authority under Public Utility Code, 66 Pa.C.S. § 501 and the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. § § 2801—2812 to require additional financial and technical requirements from SCB suppliers, to ensure market entrants are qualified to offer such services and are committed to doing so in a way that also ensures the safety of consumers in the Commonwealth.

B. Topic: Impact on the Market

One direct benefit of supplier consolidated billing will be improved and direct communication between the supplier and the customer. SCB allows suppliers to communicate with the customer directly, rather than through a utility provided consolidated bill. By shifting the billing function from utilities to suppliers, customers will naturally turn to suppliers with questions about their bill and concerns about their service. Placing the responsibility of resolving consumer questions and complaints on the retail choice provider will improve competition among suppliers, as customers will be able to select – and hopefully demand – suppliers that offer the highest quality customer service.

SCB allows retail choice suppliers to offer more value to customers as they will be able to consolidate additional services on one bill, such as home security, HVAC maintenance, and products from energy partners (e.g. NEST). Through such direct relationships, consumers will also have greater agency in directing the market to respond to and provide products and services that consumers are looking for.

For companies like Drift, whose services and marketing strategy are highly dependent on being able to offer consumers real-time access to detailed energy information and choices, and for companies that are increasingly providing customers with paperless billing and information, the SCB option is a necessary and integral component of Drift's customer services model.

C. Topic: Mechanics of SCB

If the Commission decides to implement SCB, a critical next step (either through the current proceeding or under a new docket) is to determine what additional requirements retail choice providers that offer SCB would be obligated to satisfy, as well as identifying any additional reporting and compliance requirements. As with the tiered regulatory requirements currently in place for retail applicants seeking to become licensed as suppliers versus companies seeking only to offer broker services, Drift supports requiring SCB suppliers to post additional collateral and meet heightened technical and managerial standards. However, Drift cautions the Commission not to impose requirements that would either (i) be unduly burdensome for otherwise qualified small-to-medium and/or local companies; or (ii) unfairly favor traditional suppliers over DER providers, and other types of new market entrants seeking to serve retail customers

D. Topic: Collections & Termination

Under a SCB billing model, Drift does not seek the ability to turn off a customer's energy supply for non-payment. Drift supports the position taken by Deca Energy in its Comments, submitted in the Maryland Public Service Commission Case No. 9461 proceeding,[1] that the ability to disconnect for non-payment is not an absolute requirement for Supplier Consolidated Billing. To the extent any suppliers would seek the "power of the wrench," those entities should be required to meet additional financial, technical, and customer protection requirements.

E. Topic: Low-Income Customers/Assistance Programs

Drift supports the comments made by RESA on the proposal of a slower "phase-in" process for potentially vulnerable customer classes.

Based on its experience in the New York retail market, Drift is confident that it is possible to offer cost-saving programs to customers, including low-income customers. For example, Drift's business model is not to markup energy commodities, but to take out the financial, bureaucratic, and administrative overhead and offer these savings to its customers. In fact, Drift has routinely saved its New York customers (primarily residential) up to twenty percent (20%) as compared to their utility over the course of 2017.

F. Topic: Possible Alternatives

Drift as no additional comments on this topic at this time.

[1] CASE 9461 (Petition for Implementation of Supplier Consolidated Billing for Electricity and Natural Gas in Maryland), *Comments of Deca Energy* (November 14, 2017), p. 4-5.

III. CONCLUSION

Drift Marketplace, Inc. respectfully submits these Reply Comments to the Commission. If there are questions or concerns, please do not hesitate to contact the undersigned.

Respectfully Submitted,

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Dated: August 24, 2018