

State of Delaware
The Public Service Commission
Request for Proposal
ELECTRIC SUPPLY SERVICES TO THE STATE OF DELAWARE

Questions for the Delaware opt-in aggregation program

Where are responses to questions posted? Or are they being emailed out to all suppliers?

Question responses will be posted to the State's Bid website, the PSC website and e-mailed to the PSC's current list of residential and small commercial suppliers.

http://bids.delaware.gov/bids_detail.asp?i=3601&DOT=N

<http://www.depsec.delaware.gov/rfp.shtml>

Marketing and Communications:

1. Does the program come with marketing support from the state, such as:
 - a. PSC promotion (and if so, what channels are envisioned?)
 - b. Any committed PSC marketing spend?
 - c. With the winning bidder be able to insert something into utility bills?
 - d. Ability for utility service reps to do referrals on service calls (similar to the Pennsylvania model). I.E. will the utility reps offer this plan as an alternative to default service?
 - e. Will the winning bidder get utility prospect lists, including names, addresses, and account numbers?

The program only provides for the successful vendor to identify their product as "State Certified" or other such wording as may be approved by the Secretary of State. There is no PSC promotion or any committed marketing spend. The successful bidder will not be able to insert anything into utility bills, unless approved by the Commission, which is unknown. The successful vendor will only have limited print space on existing bills.

Since this is not a utility offer, the utility representatives will not be offering this plan as an alternative to default service. Names of prospects will not be available above and beyond the normal supplier marketing approach to such prospects.

2. Will there be any other communications to the customers by utility informing them of this program?

This is not a utility offer and the utility will not be informing customers of the program.

3. Would the State be able to define its expectations for the awarded supplier's marketing efforts in conjunction with the Opt In Program?

It is expected that the successful offeror would provide for some minimal marketing effort. There are no restrictions or expectations with respect to marketing efforts. The marketing efforts will be up to the individual offeror. However, the evaluation of the offer will include consideration of any proposed marketing approach.

4. Will the State be engaging in any additional educational or marketing efforts as part of the program? Are there any minimum requirements/commitments related to the marketing and awareness of the program? Are there examples of typical campaign efforts the State would like the supplier to initiate?

The State does not anticipate engaging in any additional marketing efforts beyond what the successful offeror provides. The PSC does anticipate some limited educational efforts in its implementation coordination role. There are no minimum requirements/commitments; however, the evaluation of the offer will include consideration of any proposed marketing or educational approaches.

Pricing:

1. The RFP asks for a firm price for 60 days after the proposal. What happens after that? Can suppliers offer their best prices going forward? Are there any rules/ guidelines for how the price will be determined after the initial 60 day period?

To comply with the Section 68 of the State Bond Bill, the price offered by the successful offeror must be available to customers for not less than two years. The 60 day period is to provide time for review and contract completion. In effect, the offered price must be available for not less than two years and two months. There will be no opportunity to change the offered price during the process.

2. Is the intent to offer the same price for small commercial and residential or can the supplier bid separate residential and small commercial prices.

The supplier is free to bid the same price or a separate price for residential and small commercial customer services.

3. Can we get a list of all the accounts in the pool including 12 months of historical usage?

Information on potential accounts is limited to the information currently available to 3rd party suppliers. There is no identified pool of accounts or historical usage available.

4. What is the maximum kWh usage and kW size of the small commercial customers in the pool?

Small commercial customers are those taking secondary service and using no more than 3500 kWh per month.

5. How long is a bidder required to hold open pricing for offers that are being proposed?

Bidders are expected to hold open pricing for not less than two years during the two year period of the contract. However; the statute is unclear on whether that offer price may be updated during the contract. If the offeror elects to update pricing, Section V of the RFP requires the proposal to state all plans for the proposed electric supply product including expected timeline for all products and services being proposed.

6. Are bidders permitted to refresh pricing periodically, perhaps every 6 months, in order to reduce risk premiums and offer better prices to customers, as well as update value added products that may change over time?

The statute is unclear on whether the offer price may be updated for new customers during the contract period. The price offered at any point in time would need to be a fixed price for those customers accepting the offer for no less than two years. If the offeror elects to update pricing, Section V of the RFP requires the proposal to state all plans for the proposed electric supply product including expected timeline for all products and services being proposed.

7. The RFP seems to imply, but does not explicitly state, that fixed price offers be held open for the full period of the program – or the entire two year offering period. However, the language in the statute does not state this.

Any fixed price offers must be held for the subscribing customer for a not less than two year period. If an offeror elects to have an offer pricing update during the period of contract, that offer must be held for the subscribing customer for a not less than two year period. If the offeror elects to update pricing, Section V of the RFP requires the proposal to state all plans for the proposed electric supply product including expected timeline for all products and services being proposed.

Legal Terms:

1. If the secretary terminates for convenience do all customer agreements terminate also as in the termination for cause paragraph?

The handling of individual customer - supplier contracts or agreements after termination of the Program by the Secretary of State for either convenience or for cause, ultimately depends on what is written in the customer – supplier contracts and what is written in the Program contract between the Secretary and the offeror. The details of the Program contract between the Secretary and the offeror have not been finalized and are pending negotiation.

2. What measures is the DOS taking to ensure that customers who terminate their existing contracts with other third-party suppliers are aware they may not be eligible to enter into this program?

The DOS is not taking any measures with respect to existing supplier contracts. Customers who may elect to terminate their contract with a 3rd party supplier will not be restricted from taking advantage of the new multi-year fixed price service.

3. Can the supplier charge early term fees for customers that are enrolled and drop during their term?

The supplier may charge customers an early termination fee; however, it will be considered in evaluating the overall benefits of the offer.

4. Confirm the “contract” referenced in Section XIII of the RFP is the Electricity Supply Services Agreement on page 37 of the RFP?

The “contract” referenced in Section XIII of the RFP is the draft Electricity Supply Services Agreement on page 37, subject to negotiation with the Secretary of State.

5. With respect to Section XVIII, please clarify that the indemnification obligations of the successful offeror shall not apply to any claims resulting from either a residential, small commercial customer or a third party supplier and an existing supply agreement between any of them.

The State shall be held harmless from any claims against the State, whether from the successful offeror or the offeror’s contractual customers.

6. Is the State willing to accept redline changes to its draft electric supply services agreement?

Yes, subject to negotiation.

7. Does the state have any limitations on a supplier working with customers to install equipment (i.e. thermostats) if the customer elects to participate in a program that would have this requirement?

Any customer installations will be subject to current State law and licensing requirements. Customer installations should be completed by an appropriately licensed professional.

Operations:

1. Please list the utilities that will have customers eligible for this offer.

Current utility customers are those of Delmarva Power and Delaware Electric Cooperative.

2. Are we able to serve via Utility Consolidated billing?

It is anticipated that the offeror's customers will be billed by the host utility providing delivery services.

3. Are there any customer care requirements such as 24/7 inbound call hours? Any support for foreign languages?

The only requirement is that the offeror has a toll-free number available. However, any other customer care benefits will be reviewed and evaluated as they relate to the benefits of the offer.

4. Are we required to send fulfillment packets for new enrollees? Any other compliance requirements beyond standard retail electric supply requirements?

There is no specific requirement for "fulfillment packets." However, the successful offeror is required to comply with 26 Del. Admin. C. §3001 - 2.1.1.9 of the Supplier Rules for contracts with residential and small commercial customers. Those contracts are subject to review by Commission Staff for compliance with the rules prior to soliciting customers.

5. Does the supplier decide how to treat customers on renewal? i.e. New fixed price offer, drop back to default service put on Month to month etc.

Renewal of customer supply will be up to the successful offeror and how they would like to approach it. The approach will be subject to review and evaluation as it relates to the benefits of the offer.

6. Are there any REC requirements for offers and what are the compliance tracking requirements for REC settlements beyond those for standard electric supply?

REC requirements and REC compliance tracking are currently met by the host delivery utility and are not the responsibility of the supplier.

7. What marketing methods are allowed? Inbound calls, Outbound telesales, web pages, social media, direct mail, door to door, bill board etc.

The State will not limit the methods that the successful offeror uses to market to customers, unless it is otherwise prohibited by law or applicable regulations. The successful offeror may be required to submit their marketing plan for review.

8. What parameters or key indicators would the State like to see tracked through the program?

Offers made, offers accepted, offers retained beyond the initial multi-year period, etc.

9. What measures will the State use to evaluate success of the program?

Offers made, offers accepted, offers retained beyond the initial multi-year period, etc.

10. Is the supplier prohibited from charging early termination fees under the program?

No. However, any fees will be reviewed and evaluated as they relate to the benefits of the offer.

Supply Services Agreement (“Agreement”):

1. In Section 4.3, or Section 13.2, please confirm that it is not the DOS’ intent to terminate a supply agreement between Offeror and the residential or small commercial customer as the DOS would have no privity of contract;

The handling of individual customer - supplier contracts or agreements after termination of the Program by the Secretary of State for either convenience or for cause, ultimately depends on what is written in the customer – supplier contracts and what is written in the Program contract between the Secretary and the offeror. The details of the Program contract between the Secretary and the offeror have not been finalized and are pending negotiation.

2. Please clarify that Suspension under the Agreement is limited to instances where the Offeror and customer have not entered into a contract.

The handling of individual customer - supplier contracts or agreements during Suspension of the Program by the Secretary of State for either convenience or for cause, ultimately depends on what is written in the customer – supplier contracts and what is written in the Program contract between the Secretary and the offeror. The details of the Program contract between the Secretary and the offeror have not been finalized and are pending negotiation.

3. Please clarify the need for the Assignment of Antitrust Claims.

The Assignment of Antitrust Claims is a legal issue to be determined in contract negotiations between the Secretary of State and the successful offeror.

4. Could the State provide more explanation on Section XXIII on page 14? Would the state terminate individual customer agreements if the Program is terminated with the supplier?

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