

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

En Banc Hearing on Implementation of
Supplier Consolidated Billing

:
:
:
:

Docket No. M-2018-2645254

**COMMENTS OF
INSPIRE ENERGY HOLDINGS, LLC**

Aaron Jacobs-Smith
Corporate Counsel
Inspire Energy Holdings, LLC
1221 2nd Street, 4th Floor
Santa Monica, CA 90401
(424) 272-1998
ajacobs-smith@helloinspire.com

Date: May 4, 2018

TABLE OF CONTENTS

I. INTRODUCTION.....	1
II. COMMENTS.....	2
A. SCB Helps Strengthen the Customer-Supplier Relationship.....	2
B. A Strong Customer-Supplier Relationship Is Critical to Stimulating Innovation and Driving Consumer-based Market Accountability	3
C. The SCB Platform Arms Suppliers with Increased Flexibility to Offer Innovative, Value-add Services	4
III. CONCLUSION	5

I. INTRODUCTION

In response to the Pennsylvania Public Utility Commission's ("PUC") Notice of *En Banc* Hearing on Implementation of Supplier Consolidated Billing, Docket No. M-2018-2645254, Inspire Energy Holdings, LLC ("Inspire"), a Pennsylvania electric generation supplier, submits the comments herein to urge the Public Utility Commission ("PUC") to institute Supplier Consolidated ("SCB"). SCB is critical to the realization of the competitive retail electricity market promise: the creation of a vibrant, innovative, and dynamic marketplace that maximizes consumer welfare.

The conversation starts with the consumer — as it should in any discussion of retail market reforms. Consumers must be able to exercise their preferences through the unencumbered selection of products in an open marketplace. Market participants compete to offer products they believe consumers will value, but it is the consumer who acts as the ultimate arbiter of what creates the most value through product selection. In this way, consumers are holding companies accountable, voting with their wallets. But when the relationship between the consumer and the product provider is weakened, the above described market dynamics are undermined. This can lead to a reduction in consumer awareness that a choice of product exists, or who is providing the products they are consuming, which ultimately hinders accountability and dampens market benefits.

The bill is a key point of contact between a customer and the provider of the product purchased. When a third party performs the billing, it creates customer confusion and represents a missed opportunity for the provider to communicate with its customer. Consequently, the absence of SCB depresses consumer awareness of the existence of retail choice and can leave some customers ignorant of who is supplying them with electricity.

SCB also supports innovation in another way. Under the current Utility Consolidated Billing (“UCB”) default, the commodity only limitations can stymie progress. Energy efficiency and energy management products go hand-in-hand with energy supply. SCB creates more opportunities for suppliers to bring together these complementary products and deliver the kind of seamless, tech-enabled consumer experience that most expect in our modern economy.

Inspire is a technology and energy company, with a singular consumer focus. We are always looking for opportunities to build closer relationships with our customers, as that customer connection helps ensure that we are offering products that responsive to our customers needs. SCB would open up a key point of customer contact, allowing us to strengthen our relationship with our customers, helping us to continue to create the products that offer real consumer value. Inspire also sees SCB as creating an important new avenue for bringing value creating energy management technologies into our customers’ lives.

II. COMMENTS

A. SCB Helps Strengthen the Customer-Supplier Relationship

Markets work best when the consumer is king. But for the consumer to rule, markets must be designed to foster a direct customer-company relationship. A close relationship promotes responsiveness and accountability to the consumer. SCB works toward this end for a number of reasons. First, billing is a salient point of customer contact, which makes it especially important that the bill comes from the supplier. After enrolling with a retail supplier, often a customers’ main connection to their new electricity supply is through the bill they pay. While Inspire strives to reach its customers in a variety of ways, the bill remains a key point of focus

for our customers. The fact that the energy bill comes from the utility, deprives us of a key medium for deepening our relationship to our customers.

Second, the status quo UCB default option can drive a wedge between suppliers and their customers. UCB creates customer confusion regarding the customer's relationship to the supplier. When customers switch from a utility to competitive supply, but then continue to receive a bill from the utility, they may lose sight of the fact that a switch occurred at all. UCB impedes the ability of suppliers to build relationships with their customers because it creates a system where the utility stands between the supplier and the customer.

B. A Strong Customer-Supplier Relationship Is Critical to Stimulating Innovation and Driving Consumer-based Market Accountability

When the customer-supplier relationship is strong, the supplier is acutely attuned to the needs of its customers. This in turn creates a responsiveness that calls on the supplier to innovate — constantly searching for ways it can improve the customer experience. This has been Inspire's story. Our mission statement begins with the call to “Build the world's most consumer-focused clean power platform” We only sell clean energy products because we recognize the threat posed by climate change and understand our customers do as well. Further, it was this consumer focus that drove us to create a subscription energy offering. We took note of the industries where consumers were truly empowered to drive change: Amazon Prime for retail, Netflix for video, and Spotify for music. All offered a simple, transparent, single charge. At Inspire, we tasked ourselves with bringing this innovative pricing structure to the energy industry and the response from consumers has been very positive. As we continue to invest in innovation,

the customer is always top of mind. Thus, it is critical that paths for customer contact are made open to us. SCB is one such path.

The best way to ensure that consumers are protected is to empower them to hold suppliers accountable. That empowerment is supported by market transparency and greater consumer education around how energy supply works, and who the suppliers are that serve Pennsylvanians. SCB, by putting the customer in direct communication with the supplier on billing, improves the consumer understanding of retail supply. With heightened awareness, consumers can be a more engaged shoppers, policing supplier practices through informed decisions to switch supply, or remain with a supplier who is serving them well.

C. The SCB Platform Arms Suppliers with Increased Flexibility to Offer Innovative, Value-Add Services

There is tremendous potential in the retail energy market for bold new ideas that will produce enormous value to consumers. The advances we have seen in new technologies have not reached all sectors of our economy, and this especially true in the retail energy industry. There are off-the-shelf hardware and software solutions that can power massive energy efficiency improvements. These same tools can be used to shift demand, offering energy management capabilities that can make our grid cleaner, and less expensive to balance. To date, the hurdle to the realization of this promise has been getting these tools into the hands of consumers, and once there, ensuring that they are used to their full potential. Inspire, as a retail energy provider, is in a unique position to clear the hurdle.

A direct consequence of our subscription payment model is that we now share in the consumers' interest in making the home smarter, and more energy efficient. We do better when

our customers consume less energy, and we can reward them for doing so. This dynamic creates a strong business case for us to bring new technologies to our customers that save energy, which will save our customers money, and ultimately help save the planet by reducing overall demand.

The best way to get these modern tools to our customers is through a single bill. That is why SCB is so important. Giving suppliers greater control over what can be included on the bill — whether it be charges or credits — and how these line items are displayed and ultimately communicated to the customer, will help suppliers like Inspire bring much needed advancements to the retail energy space.

III. CONCLUSION

Inspire commends the PUC for its further consideration of SCB. There is an opportunity here for Pennsylvania to continue to show retail market leadership. We look forward to the *en banc* hearing and a well reasoned discussion of how SCB can be brought to the retail market to the benefit of Pennsylvania consumers. Inspire sincerely hopes that this process results in a SCB platform that we can leverage in our perennial search to find new ways to create more value and better serve Pennsylvanians.

Respectfully submitted,

/s/ Aaron Jacobs-Smith
Aaron Jacobs-Smith
Corporate Counsel
Inspire Energy Holdings, LLC
1221 2nd Street, 4th Floor
Santa Monica, CA 90401
(424) 272-1998
ajacobs-smith@helloinspire.com

May 4, 2018