Electric Choice in Pennsylvania

by Brian D. Crowe(*)


I. Implementing Electric Choice
   A. PECO Energy
   B. Background on Pennsylvania's Retail Competition
   C. Current Status
   D. Building Blocks
   E. Potential Problems and Pitfalls
   F. Implications

II. PECO Energy Company
   A. Serving Southeastern Pennsylvania
   B. $4 Billion Annual Revenue
   C. 1.5 Million Electric Customers (approximately 28% of PA customers)
   D. 400,000 Natural Gas Customers
   E. Three Primary Organizations:
      1. Local Distribution Company
2. Generation and Power Trading

3. Ventures (Electric Marketing Affiliates and Telecommunications, Infrastructure)

III. Pennsylvania's Electric Competition Legislation

A. Passed December 3, 1996.

B. Result of Consensus working group under the PA Public Utility Commission.

C. Established Pilot Programs for 5% of load beginning in November, 1997.

D. Remaining customers to be phased into choice from January, 1999 through January, 2001, in 33% increments.

E. PECO accelerated phase-in to 2000.

IV. Electric Choice

A. Advanced metering and billing is unbundled is made competitive.

B. Suppliers can offer advanced metering to their generation customers (i.e. remotely read)

C. Customers may have up to 3 billing options: combined bill from PECO, combined bill from the electric generation supplier, or two separate bills.

V. Current Status

A. As of January, 2000, all customers are eligible for electric choice.

B. Approximately 250,000 customers are participating in PECO Energy's territory.

C. Over 500,000 customers are participating in Pennsylvania.

D. Over 35 active suppliers in our territory.

VI. Building Blocks

A. Wholesale market model

B. Stranded Investment

C. Supplier Licensing

D. Market Rules / Tariffs and Fees

E. Infrastructure

F. Testing

G. Consumer Education

H. Time
VII. Potential Problems & Pitfalls

A. Weak Licensing
B. Technical Weakness
C. Slamming
D. Lack of Testing
E. Customer Confusion
F. Market Rules
G. Measures of Success.

VIII. Implications

A. Will Customer Choice take off?

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