

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Petition of)	
)	
Municipal Electric and Gas Alliance (MEGA))	
)	Case 16-____ - _____
For Approval of a Two-Year Demonstration)	
Community Choice Aggregation Program)	
)	

I. Introduction

As part of the broad and ongoing Reforming the Energy Vision (REV) Case 14-M-0101, in December 2014 the Public Service Commission (PSC) solicited comments and instituted a proceeding to explore the possibility of bringing Community Choice Aggregation (CCA) Programs to New York.¹ This general proceeding has involved discussions of the many benefits of CCA Programs, such as the price advantages of group purchasing, the opportunity for the addition of distributed energy resources (DER), consumer protections through a transparent and accountable procurement process, and the ability to educate consumers on their energy consumption and allow them to make choices on how they manage and consume that energy. These discussions have also generated proposals regarding the procedural steps and other mechanisms necessary to implement a successful CCA. This productive general policy discussion continued at the technical conference on customer energy data sharing and protection on December 16, 2015. As was reaffirmed for the Municipal Electric and Gas Alliance (“MEGA” or “the Alliance”) at this conference, involved parties must continue to engage with the many questions and concerns surrounding data sharing and consumer protection in order to implement DER, community distributed generation (CDG), and other opportunities communities may engage with through REV to advance municipal energy planning and increased consumer choice on such issues as renewable electricity targets. While such conversations are crucial to ensuring that New York’s pursuit of these goals incorporates the interests and views of all affected stakeholders, and addresses the many complexities inherent in some of the most pressing issues of our time, MEGA believes it is possible to move forward now with a supply-focused CCA demonstration project, while addressing these questions and testing the expected benefits and community acceptance of CCA programs.

For its part, MEGA wishes to make CCA a reality for the many communities it already serves, as well as other communities seeking an experienced partner in implementing effective, successful retail energy programs which provide both an alternative to the traditional consumer electric and gas utility model through a public procurement that meets the guidelines of State Law. To that end, MEGA is hereby seeking PSC authorization to create a demonstration CCA Program among a small subsection of its participant municipalities, with the hope of eventually expanding the Program’s availability to all MEGA participant municipalities wanting to consider such an approach, and any other community looking to participate.

¹Order Instituting Proceeding and Soliciting Comments in Case 14-M-0224, Proceeding on the Motion of the Commission to Enable Community Choice Aggregation Programs (December 15, 2014).

It is MEGA's understanding that the PSC's review and consideration of these programs is ongoing, and that additional information and guidance is forthcoming to aid interested groups in forming CCAs. As discussed below, MEGA feels that the design of its CCA Program offers simple solutions and addresses many of the Commission's concerns surrounding data-sharing and consumer privacy and protection. MEGA also recognizes and appreciates the need for such policies, including for municipalities who desire the inclusion of DER elements in their CCA Programs. One potential solution to the question of obtaining necessary data while protecting consumer privacy is already available in the form of the existing Utility Energy Registry, discussed further below, which will allow for easy access to aggregate load information without requiring the broad release of individual customers' information. At this time, MEGA's proposed CCA Program would focus on aggregating residential supply, allowing customers of participating municipalities to access the expected benefits of CCA now while helping prove the concept of CCA. MEGA would continue to participate in proceedings and deliberations around additional elements of more elaborate CCA initiatives, but proposes to defer application of such options until the concept of CCA has been tested.

By this Petition, MEGA wishes to express both its interest in beginning the process of forming a demonstration project for participant communities, as well as a willingness to continue working with the PSC as it develops its vision of what a New York CCA should look like, and what rules and guidance should apply.

In support of this petition, MEGA is also submitting: (1) dozens of letters of support from municipalities interested in participating in the CCA, (2) a copy of MEGA's formation documents, a list of the current Board of Directors, and other background information on the organization, (3) MEGA FAQs, (4) a copy of the resolution authorizing EnergyNext and Young/Sommer LLC to submit this petition on MEGA's behalf, (5) sample CCA documents used by EnergyNext's parent company Satori Energy to establish these programs in Illinois, (6) sample tariffs used by Illinois utilities to set commercially reasonable charges for the provision of utility customer information, and (7) a document outlining MEGA's process for securing energy for CCA participants.

Throughout this petition the term "participant" is used to refer to one or more municipalities and/or the group of customers who desire to participate in CCA. The term "customer" is used to refer to the individual resident/household within a municipality that desires to participate in a CCA.

II. Background Information on the Petitioner

MEGA, together with its experienced private partners EnergyNext, Inc. and its parent company Satori Energy, is uniquely qualified to spearhead a CCA among its participant communities. In fact, the MEGA model was cited by the Department of Public Service (DPS) in its Staff White Paper on CCA Programs as an example of one of the handful of existing aggregation programs in this state.² As an established organization currently involved in aggregating and purchasing power for its municipal customers, MEGA is already poised and ready to make its proposed CCA Program a reality by drawing on its existing internal infrastructure and resources, as well as the expertise of its partners and contacts developed through its 17 years of experience in this field.

²Order Instituting Proceeding and Soliciting Comments (Dec. 15, 2014), Staff White Paper at page 3.

MEGA is a not-for-profit Local Development Corporation that manages aggregated procurement of energy products and value-added services for 36 county governments and more than 275 municipal entities throughout the state. MEGA also serves some residential and commercial customers. The corporate members of MEGA are appointed by the Chief Elected Official of each participating county, and MEGA's Board of Directors is elected from among the corporate membership at the Annual Meeting each April.³ Overall, MEGA's programs have proved attractive to customers as a means of lowering energy bills and stabilizing municipal budgets. The Alliance's success has come as a result of its commitment to bring together municipalities to provide real service, savings and fiscal stability.

Since 1998, MEGA has issued procurements for electricity and natural gas supply, as well as for other value-added energy services, in partnership with county governments in Tompkins, Genesee, St. Lawrence and Rockland Counties. In each case, in addition to issuing the bids on behalf of MEGA, the issuing county adopts a "piggybacking" resolution in keeping with Section 408-a of the NYS County Law, and § 103 of the NYS General Municipal Law, thereby allowing all other municipalities in New York to avail themselves of the terms of the Agreement reached as a result of the bid between the issuing county, MEGA and the successful proposer/supplier.

Established in 1998 as a PSC-ordered pilot project serving Tioga and Tompkins Counties, as well as several hundred low-income residential NYSEG customers on an opt-in basis, MEGA has been successful in offering opt-in aggregation programs for electricity and natural gas supply, plus other value added energy services to a growing cohort of municipal entities. MEGA's participants currently include 36 counties, 13 cities, 77 towns and 42 villages, approximately 50 school districts and other educational institutions such as BOCES and community colleges, as well as an additional 30-50 other municipal entities such as sewage treatment authorities, airports, transit systems, and fire districts. All in all, over 275 municipalities are MEGA participants as of December 2015. The program has also proved attractive to small businesses and it continues to attract individuals wishing to lower their energy bills.

MEGA views the proposed CCA Program as a natural extension of its existing programs, and another tool for assisting its municipal participants in both controlling the cost of living, and enhancing energy options for residential and small business consumers, as MEGA already has done for municipal accounts. MEGA was created by local governments to serve local governments, and it makes decisions solely for the benefit of its participants, which has allowed the organization to develop a strong reputation and relationship of trust with the municipalities it serves. The organization's management has always stressed the importance of maintaining a thoroughly transparent operation, and has required that the procurement process used to select ESCO providers in the various utility service areas is in absolute compliance with all aspects of NYS General Municipal Law and all other legal aspects of NY procurement law. MEGA's current partnerships and affiliations with the NYS Association of Counties, the NYS Conference of Mayors and Municipal Officials and the NYS Association of School Business Officials, make MEGA uniquely qualified to take the lead in creating a successful Community Choice Aggregation Program.

MEGA has also engaged consultants to provide expertise and support in developing and implementing the CCA Program, drawing on EnergyNext's experience with other successful New

³ See Exhibits 2 and 3.

York initiatives as well as Satori Energy's significant experience developing CCA Programs throughout the state of Illinois.

EnergyNext, Inc. of Saratoga Springs, New York, has managed group energy-buying programs since the inception of deregulation in the mid-1990s. EnergyNext works with MEGA, trade associations, and a dozen Chambers of Commerce. Through these groups, EnergyNext procures electricity and natural gas supplies, plus renewable energy, for more than 1,500 customers with total annual energy spending of more than \$100 million. MEGA plans to rely heavily on EnergyNext to provide the practical resources and everyday work necessary to implement and operate the CCA, which is a natural extension of the role EnergyNext already plays in MEGA's municipal energy aggregation programs.

Since 2012, EnergyNext's parent company Satori has been the consultant for nearly 40 communities in Illinois and has guided them through all phases of community choice aggregation – from providing educational forums, preparing the initial resolution to put the question on the ballot, through implementation, and contract renewal. Satori prepared, and issued the Request for Proposals (RFP) for electric supply using utility-supplied summary data. This consortium of 38 communities represents 500,000 annual MWhs, over 40,000 accounts, and approximately \$9 million in savings to date. Additionally, Satori has successfully established an Energy Efficiency Fund for both consortium residents and small businesses. MEGA is confident that Satori's extensive experience in this emerging field will prove an invaluable resource in ensuring that the proposed CCA is thoughtfully developed, well-executed, and ultimately successful.

III. Details of MEGA's Proposed Pilot CCA Program

Attached as Exhibit 7 to this Petition is a document outlining the specific procedures MEGA intends to use in order to implement its CCA Program, from solicitation of bids through provision of energy to customers.

What follows here is an additional discussion of specific and important topics related to the proposed CCA, based upon items raised in the Commission's generic proceeding on CCAs and comments made by parties thereon, as well as issues which have arisen in other CCA proposals.

a. Interest Among Participant Communities

MEGA already has dozens of participants that would be interested in considering the proposed CCA as soon as it is approved. These interested communities agree that CCA can provide savings and stability to participant communities through an open, transparent, and competitive procurement process, and they are excited to have the opportunity to implement these programs.

Over the past several months, MEGA has surveyed its participant communities to determine the level of interest in participating in a potential CCA. The response was encouraging, and demonstrates the confidence that MEGA participants have in MEGA's ability to develop innovative programs in keeping with regulatory requirements and market conditions. To date, 31 municipalities have expressed support for a MEGA CCA, as well as interest in participating in a future CCA Program. MEGA has collected these letters of interest from a number of county, city, town and village governments throughout the state, representing approximately 380,000 households total.

Interested communities are located throughout the state, from communities served by several different utilities (Central Hudson, National Grid, NYSEG, and RG&E), and in multiple NYISO load zones (zones A, B, C, E, F and G). Letters of interest and support are attached to this petition at Exhibit 1.

Because MEGA already procures energy supply for all types of accounts in the utility areas it serves, MEGA's energy supply offerings assure customers receive a fair rate for their energy, whether fixed or variable, and appropriate to any geographic setting, utility territory, or NYISO load zone, account service class, or other factors. MEGA will therefore be able to design a procurement for CCA Programs that will ensure all participating residential customers receive pricing that is appropriate to their location, and that they are not "carrying" other customer cohorts' costs through zonal, utility or other cross-subsidizations.

Within the CCA context, MEGA believes that group buying power can be leveraged to achieve cost reductions or stability for customers from all areas of the state, and it will implement similar provisions to ensure that customers in any load zone can receive value and cost savings from participating in the aggregation.

b. Customer Eligibility

As addressed in EnergyNext Inc.'s response to the Staff White Paper on Community Choice Aggregation,⁴ a clear definition of "eligible municipality" is required to prevent competing or overlapping CCA Programs. In New York State, every resident of a town or city is also a resident of a county. In order to approach the CCA Program in the most effective and efficient manner, and avoid potentially conflicting or overlapping aggregation programs, MEGA is considering opening up the Program first to counties, then to individual towns and cities, then to villages, for participation. If a county agrees to participate in the CCA, residents of its member towns, cities and villages will necessarily be subsumed into the Program. However, if a county opts not to participate on a county-wide basis, MEGA will open up participation to towns, cities and villages interested in participating.

While MEGA already provides aggregation options for municipal, residential and commercial customers, it proposes to limit this CCA demonstration project to residential customers at this stage. It is possible that other consumer types, such as non-demand commercial customers, might also fit into and benefit greatly from participation in a CCA. However, ongoing discussions about community aggregation which have highlighted this suggest it is a complex issue about which there is not yet consensus. MEGA feels resolution of commercial participation may be best left for later stages of these programs, once they are established.

c. Low-Income Customer Programs

In 1998, as part of its initial formation and at the PSC's direction, MEGA began a procurement for low-income residential customers on an opt-in basis, and many of these customers are still served by MEGA. We are aware that the February 2015 Order regarding specific price

⁴EnergyNext Comments in Response to the Commission's Motion to Enable Community Choice Aggregation Programs, filed in Case 14-M-0224 (February 17, 2015).

guarantees for ESCOs serving APPs⁵ and the work of the collaborative to address protections of low-income customers served by ESCOs will have implications on the design of CCA Programs.⁶ MEGA recognizes that CCA Program design is not guaranteed to meet the forthcoming rules for APP aggregations and/or service by ESCOs. Thus, if MEGA is authorized to move forward with a pilot before the questions surrounding APPs are resolved we would include APP customers in the initial aggregation and ensure the ESCO contract terms allow such customers to be switched to another ESCO, with no penalty, if the CCA Program does not ultimately fulfill the Commission's requirements surrounding APPs. While some procurement specification may be necessary to assure coordination of offerings with the New York Home Energy Assistance Program (HEAP), budget billing options and privacy of APPs MEGA is already equipped to handle these issues and would work to ensure that low-income customers within participating communities do not lose their eligibility for existing assistance programs and benefits by virtue of their participation in the CCA.

d. Utility Cooperation and Customer Data

MEGA has already reached out to utilities whose customers may be involved in its potential CCA, including National Grid and NYSEG. These discussions are ongoing and are expected to continue throughout the review, formation and implementation of the proposed CCA. MEGA anticipates a collaborative and cooperative relationship with any utilities in whose territory we are initiating a CCA.

Early in the REV process, the Commission issued a Memorandum and Resolution on Demonstration Projects,⁷ which emphasized the importance of demonstration projects in helping to shape the policy changes and goals of these reforms. In this resolution, the Commission urged utilities and third parties to work together to develop potential demonstration projects, and stressed the importance of engagement and cooperation between all stakeholders, including consumers, in creating competitive markets, spurring innovation and testing new ideas. The resolution also notes the importance of data sharing as an essential component of allowing new market participants to propose and pursue solutions. The importance of stakeholder cooperation, information sharing, and innovation are also crucial for CCA demonstration projects.

In order to prepare a competitive procurement on behalf of MEGA's participating municipalities, aggregated customer data would be required. MEGA proposes to obtain this information by utilizing the following two-step process. Under this proposal, only aggregated data would be shared with the CCA, while customer-specific information would be transferred directly between a utility and the CCA's selected ESCO.

1) Aggregate load information. It is fortuitous that through the efforts of Climate Action

⁵Case 12-M-0476, *et al.*, Order Granting and Denying Petitions for Rehearing in Part (issued February 6, 2015), p.6 (February 2015 Order).

⁶Case 12-M-0476. Report of the Collaborative Regarding Protections for Low Income Customers of Energy Services Companies. (issued November 5, 2015).

⁷Case 14-M-0101 (December 12, 2014).

Associates in the role of NYSERDA contractor for the Climate Smart Communities Program⁸ a database, the Utility Energy Registry (UER), has been developed. Upon review of the UER, and based on experience from other CCA markets, including Illinois, MEGA believes that the UER aggregated energy data database is sufficient to inform qualified ESCOs of the available load in a CCA Program as part of a Request for Bids. The UER includes monthly community aggregate kwh usage of electricity, by rate class, census tract and municipal jurisdiction, as well as generic electrical load profiles for all CCA-eligible residential customers.

Once bids are issued, the ESCOs analyzing the opportunity will be able to make commercially reasonable assumptions about the market, such as the likely opt-out rate, the number of customers that may remain in an existing ESCO agreement, numbers of low-income customers if new rules require them to be withheld, and other factors.

2) Customer specific information. After bids are received, and an award made by MEGA and the participating municipalities, the winning ESCO will be able to contact the utility, request and receive specific customer contact information, utility account numbers, etc. in order to initiate supply service. Meanwhile, all customers will have received notice as to how to opt-out of the aggregation, and may still exercise that option. In addition, educational efforts will also reach customers with current ESCO contracts offering them the option to opt-in. Information from the utility relevant to the winning ESCO's service would then include:

- Information on CCA-eligible customers' participation in budget billing and/or low-income assistance programs, if applicable based on PSC rules;
- Information on CCA-eligible customers currently participating in demand reduction or other energy reduction programs, such as utility-controlled water heater shutoffs;
- The names and addresses of all residential customers who are taking delivery service from the utility located within the boundaries over which the CCA municipality has jurisdiction. Additional information includes: the delivery service classification, supply type, summer usage, non-summer usage, and total usage, total number of residential customers on third-party supply, as well as corresponding load.

This two-step process aims to maximize efficient use of existing aggregate data collection and both limits and assures the integrity of customer information going to third parties. After participating in the Commission's December 16, 2015 Technical Conference regarding Customer and Aggregated Energy Data Provision and Related Issues, it is clear to MEGA that there is general agreement that aggregated data are a public good and should be available for free. As noted, these aggregate data were provided by all major utilities for 1,300 municipalities and now reside in the Utility Energy Registry. Access to this database, collaboratively created through efforts supported by Regional Greenhouse Gas Initiative funds, removes the need for utilities to provide municipal-level aggregate data directly to a CCA, because it is already being provided to the UER. MEGA's proposed process also assures that the only third party to receive individual customer account information would be the ESCO that has been awarded a contract to provide power to a given

⁸Of the 31 municipalities who have submitted letters of support for a MEGA CCA 9 are Climate Smart Communities including Tompkins County and the City of Albany.

municipality's residents. That ESCO would be bound by all requirements of the Uniform Business Practices of the PSC. Many issues surrounding consumer privacy are avoided if municipalities and MEGA do not have direct access to individual customer information.

Recognizing the broader conversation around fees for individual customer data, which will be required by ESCOs in order to provide CCA communities with electric service, MEGA has also provided sample tariffs from two Illinois electric utilities, Commonwealth Edison Company and Ameren Illinois Company. These tariffs lay out a fair and reasonable process and cost for obtaining the customer data. These tariffs can be found at Exhibit 6. Ensuring that customer data is provided by utilities for a commercially reasonable price will aid MEGA in funding the public outreach, education, and engagement efforts sought in the REV proceedings.

e. Relief from the Uniform Business Practices (UBP)

As noted by the DPS Staff in the white paper on this issue, MEGA, or any other community implementing an aggregation program will likely need relief from Sections 4(B)(1)-(3), 5(B)(1), 5(D)(1) & (4), and 5 (k) of the Uniform Business Practices, as well as potentially other provisions. To the extent that such relief is required in order to accomplish this CCA, MEGA respectfully requests that the Commission grant such relief as part of any approval of the demonstration program.

Specifically, waiving the requirement for each customer to authorize sharing of individual account information may still be necessary in order to create an opt-out aggregation, even if that information will be shared directly with the ESCO instead of being filtered through the CCA itself. Customers will be afforded multiple opportunities to learn about CCA, participate in hearings and/or referenda held by the municipality, and then receive material instructing them to mail, e-mail or call, if they choose to opt-out. CCA presents an opportunity to benefit a large number of residential customers, offering them easy access to competition, improved pricing and the protections that follow municipal and consultant support of energy procurement. As MEGA knows from experience, and the Staff White Paper explains, these benefits are not attainable through an opt-in approach.

f. Adoption by Municipalities

MEGA envisions the CCA demonstration project as having two major components—a municipality-driven participation effort, and a MEGA-supported education and implementation effort. In such a partnership, it would be MEGA's approach to encourage municipalities to drive their own decision-making, with MEGA acting as a resource for information and perspectives, and ultimately to act as the municipalities' administrator of the CCA once it is up and running. MEGA's experience with markets and the regulatory environment ensures that the aggregation(s) will be designed to spur market animation and thus return benefits to participating municipalities.

MEGA's goal is to make participation in the CCA simple for municipalities. By aiding in the education and awareness process early, and providing information, resources and expertise for municipalities seeking to participate, MEGA can facilitate initial community organization and participation, even before a municipality has formally joined the CCA. This model has worked successfully in Illinois and could absolutely be replicated in New York.

g. Referenda and Public Hearings

In the DPS Staff White Paper on CCAs, it was suggested that a CCA could be legally accomplished through the use of NY General Municipal Law § 360, and that a referendum on a given municipality's participation in the CCA would be required.⁹ The New York State Solicitor General, in an informal opinion provided in Case 14-M-0564 to Sustainable Westchester, has stated that a public referendum is not required in order for a municipality to form a CCA, because NY GML § 360 does not apply.¹⁰

While MEGA does not have an opinion at this time as to the legal necessity for a municipal referendum in order to enact a CCA, it is MEGA's belief that referenda or similar public fora could provide significant and beneficial opportunity which its CCA participants may wish to pursue. Therefore, MEGA will recommend that its participant communities seriously consider utilizing public meetings and hearings, where required or available, as a tool to determine whether there is sufficient public support for the CCA, and to aid in educating the public on CCAs, including the process for opting out if an individual customer does not wish to participate.

Public review and discussion prior to a municipality's decision to participate would have the added benefit of ensuring that CCA participant communities have a consensus in favor of participation, and are in the Program to stay. This will minimize the risk of communities pulling out of the Program, or even potential litigation on their participation, which would jeopardize MEGA's and/or the municipality's contractual commitments and create uncertainty for other municipalities participating in the CCA. Therefore, regardless of whether a referendum is or is not ultimately determined to be required for CCA participation, MEGA will encourage some form of public hearings, engagement and affirmation as a matter of good policy during this demonstration period. Further, if a referendum is ultimately required by law, MEGA will ensure compliance and is prepared to support such a requirement.

h. Public Outreach and Education Efforts

Public outreach will be crucial to the success of the Program. MEGA has experience working with its participant communities on other energy procurement issues, and it will continue to utilize those relationships to ensure communities have what they need to make an informed decision about participation in the CCA. Further, MEGA has access to its own expertise and consultants who can provide information, publications, and other support to aid communities in their public outreach efforts.

A robust and informative notice to customers will be circulated early in the process to ensure the public is presented with the benefits and risks of participation. Ideally, much of this information would be circulated prior to or concurrent with any public hearings held on the CCA. Furthermore, ensuring that the cost of procuring utility customer data is commercially fair and reasonable will also ensure that adequate funding is available to support a comprehensive public outreach and education effort.

⁹Order Instituting Proceeding and Soliciting Comments (Dec. 15, 2014) at pages 6-7, 10.

¹⁰ Solicitor General, Informal Opinion 2015-1 (June 26, 2015).

A CCA Community Awareness and Education Campaign may include: informational town hall meetings, educational talks at local chambers of commerce, social clubs, senior citizens centers; CCA information via community newsletter and newspaper articles, water/sewer bill inserts, social media, press releases; raising awareness via radio commercials, lawn signs, billboards, etc.

i. Opting Out and Opting In

MEGA will also work with CCA customers and the selected ESCO(s) to create an opt-out process for residents who do not wish to participate in the initial demonstration project, or for those who wish to leave at any point in the contract's duration, as well as an opt-in program for residents who move to the area after the Program is up and running, or others who may want to join the CCA at specified intervals after its formation.¹¹ Further, customers who wish to join the CCA following its formation will be permitted to join at any time, and will enjoy the energy prices applicable to all other customers at that time; there will be no penalty for late adoption.

In accordance with the PSC's stated preference in Case 14-M-0224, residents will be given at least 20 days to opt out of the CCA.

j. Existing ESCO Customers

MEGA is aware that some residents in the communities seeking to participate in this CCA may already be obtaining their energy from ESCOs. It is not MEGA's intention to work at cross-purposes with these ESCOs. Further, MEGA is aware that many customers participating with ESCOs may face penalties or fees associated with their early withdrawal from an ESCO agreement. Therefore, when the requested CCA is formed, MEGA will ensure that ESCO customers are not automatically enrolled. In the event an ESCO customer wishes to participate in the CCA, MEGA will permit that customer to opt-in on that individual customer's initiative. Information on opting in will be made available to participating communities, as it would also apply to newcomers to these areas, and potentially others.

To that end, MEGA seeks to have utilities supply monthly updated utility customer lists for communities participating in the CCA Program, so that customers no longer bound by an existing supply contract, or customers who are new to the area, have the opportunity to opt into the Program. This process has worked successfully in Illinois and should be replicated here.

k. MEGA's Process for Securing Energy for CCA Participants

Once participating municipalities have completed their respective processes for joining the CCA, MEGA will follow a general process for energy purchases. An explanation of all elements of the process from initial bid solicitation through activation of service as well as details surrounding education and compliance are found in Exhibit 7.

l. Oversight of the Program

Municipalities themselves have expressed an interest in providing oversight of the CCA Program to ensure that residents are receiving the benefits of aggregation. As detailed in Exhibit

¹¹ Some of these issues are also discussed at Exhibit 7.

7 of this Petition, the proposed MEGA CCA will be transparent, accountable, and flexible, allowing it to adapt to the needs of participating municipalities and encourage consumer participation in shaping their energy future.

m. Consumer Privacy and Protections

MEGA understands and appreciates the need to protect customer information and privacy. While MEGA employees are already expected to handle customer data responsibly, and their treatment of additional residential customers' data would be no different, the structure of the proposed demonstration project has many elements that aid in consumer privacy and protection.

As noted above, MEGA and the CCA's participating municipality(ies) would have access only to aggregate data. Later in the bid selection process, customer-specific information will be shared by the utility directly with the winning ESCO. To assure consumers that their information is being handled in accordance with industry standards, MEGA will require any ESCO providing service through a CCA implement customer privacy protections which are at least as protective as those implemented by the customers' existing commercial utilities, from whom much of the information would be obtained. MEGA will ensure that it keeps its ESCOs abreast of any changes to utility policies on consumer information, as well as any changes to the PSC's regulations and guidance on such issues.

Working with any of the nine counties or two cities that have expressed their support for a MEGA CCA would ensure that any privacy standards such as the '15/15' or '4/80' rules would easily be met. The public outreach and education efforts, referenda and/or public hearings and the choice to opt-out also provide a level of protection to customers. Finally, the accountability of municipal officials and the experience MEGA as in selecting qualified ESCOs will help to provide consumers an additional level of protection against predatory suppliers.

Further, MEGA will comply with the Home Energy Fair Practices Act (HEFPA), where applicable and appropriately manage APP customers based on any new requirements of APPs receiving service from ESCOs.

IV. Conclusion

MEGA's proposed CCA Program will generate substantial benefits to ratepayers and municipalities throughout the State who seek to have greater input and choice in their energy selection and use. Most importantly, MEGA sees its role as providing the resources and expertise to facilitate municipality-driven CCA efforts, allowing interested residents and municipalities an affordable option for pursuing this exciting new opportunity, in a manner that best reflects their needs. Although the ultimate goals of the REV proceeding include increasing customer-focused market reforms, MEGA believes CCA can start now with a simple value proposition of better supply pricing for residential consumers. In the future, we believe CCAs will offer a platform for more reforms, as well as the flexibility to ultimately allow municipalities to pursue options that are important to them, such as time-sensitive pricing, smart metering, distributed generation, and renewable energy procurement. MEGA's CCA Program will reflect that customer and municipal focus.

As a participant in the energy market for over 18 years, MEGA has established its role as an effective aggregator, broker, consultant and advocate for the public interest, and has a proven

track record of negotiating fair and cost-saving energy contracts for municipal facilities—consumers who rely on affordable, predictable electric prices to protect their taxpayers from ever-rising costs. MEGA will do the same for residential customers in a demonstration Community Choice Aggregation Program, under the Commission’s direction.

Dated: January 11, 2016

Respectfully Submitted,

/s/ Laura K. Bomyea

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Enclosures