

NEW ENGLAND CONFERENCE OF PUBLIC UTILITIES COMMISSIONERS MODEL RULE ON INFORMATION DISCLOSURE

This document is a model rule on uniform information disclosure developed by NECPUC staff. The model rule builds upon a project initiated by the National Council on Competition and the Electric Industry, and supported by NECPUC, to develop uniform information disclosure for retail electricity sales throughout New England. The purpose of the model rule is to provide a common starting point for commissions in the region developing information disclosure policies. The model rule does not represent any formal action or conclusion by any individual state commission. While NECPUC acknowledges that each New England state will be developing its own specific information disclosure policy, NECPUC continues to believe that a uniform regional approach is in the public interest for two reasons. First, such an approach will assist consumers in comparing suppliers' offers, thereby enabling consumers to make informed decisions about electricity suppliers in the region. Second, such uniformity will reduce supplier expenses attributable to compliance with different state requirements which, in turn, will lower the cost of electricity in the region.

-NECPUC Commissioners

March 3, 1998

XXX.01: Information Disclosure Requirements

I. Purpose and Scope.

(A) Purpose. The purpose of this section is to ensure that Customers are presented with consistent, accurate, and meaningful information by which to evaluate services offered by Load-serving Entities.

(B) Scope. This section applies to all Load-serving Entities as specified in this section.

II. Information Disclosure Label.

(A) Each Load-serving Entity shall prepare information on a label for each price offering in a form that is consistent for all Load-serving Entities, as determined by the Commission. Such label shall be a condition of licensure for Competitive Suppliers. The label shall present information in accordance with Rule XXX.01(2)(b) through XXX.01(2)(e), and shall conform to all applicable state

rules and regulations. The label shall be distributed in accordance with Rule XXX.01(4).

(B) Price to be charged and price variability. The label shall present the price of generation service as an average unit price in cents per kilowatthour as measured at the customer meter over the course of an annualized period, regardless of actual price structure. This unit price shall be the price for generation services only, and shall not include charges associated with delivery, other Commission regulated services, or other non-generation products or services except as provided below. The label shall contain the following information on average price and price variability.

1. Average price information.

(a) Average prices shall be shown for four levels of use. The average price for each usage level shall be the total charge for generation service for the specified usage level, divided by the kilowatthours for the particular usage level. Average prices shall be rounded to the nearest one tenth of a cent per kilowatthour.

(i) Residential. Average prices for residential consumers shall be shown for usage levels of 250, 500, 1000 and 2000 kilowatthours per month.

(ii) Commercial. Average prices for commercial consumers shall be shown for 1,000, 10,000, 20,000 and 40,000 kilowatthours per month.

(b) Average prices for time-of-use and seasonal prices shall be based on a single, generic New England load profile for each customer class, as approved by the Commission.

(c) Average prices for service based on spot or other variable prices shall be shown based on the average prices that would have been charged in the last month of the prior quarter.

(d) Bundled Generation Service. Load-serving Entities that offer Generation Service in which electricity is bundled with any other product or service may display the charge for Generation Service either as

(i) The average price for which the Customer can purchase unbundled Generation Service from the Load-serving Entity, or

(ii) The average generation price, assuming the entire price of the bundled service is attributable to electricity. If this option is selected the label may include a statement in the same font as subheadings that identifies what is included in the average price, or

(iii) After approval by the Commission, the average price of the electricity separated from the other bundled services.

(e) Inducements. Average prices shall not reflect any adjustment for cash or non-cash sales inducements.

2. Price variability information. If prices vary by time of use or by volume, a subheading shall be printed below the average prices stating one or both of the following:

(a) If prices vary by time of use, including seasonal prices, the statement shall read “Your average electricity price will vary according to when you use electricity. See your Terms of Service for actual prices.”

(b) If prices vary by volume of sales, including prices that have a fixed charge and a flat energy charge, the statement shall read “Your average generation price will vary according to how much electricity you use. See your Terms of Service for actual prices.”

(C) Customer service information. The label shall contain a toll-free number for customer service and complaints.

(D) Fuel and Emissions Characteristics. The label shall contain information on the fuel mix and emissions characteristics associated with the Load-serving Entity’s resource portfolio.

1. Determining the Resource Portfolio.

(a) Resource portfolio. The resource portfolio of a Load-serving Entity shall consist of the portfolio of generating resources used to meet that portion of the Load-serving Entity’s Electrical Load associated with the kilowatthours delivered to retail customers, kilowatthours of associated electrical losses, and kilowatthours of use by the Load-serving Entity on its own system, as determined in accordance with Section 14.1 of the NEPOOL Agreement and associated market rules. The resource portfolio shall include (1) a NEPOOL Participant’s settlement resources, net of unit contracts sold, plus (2) any energy received due to negative adjusted net interchange, summed for all hours of the label reporting period.

Such generating resources shall reflect Known Resources and System Power as discussed below. The resource portfolio shall be determined using market settlement data or equivalent data provided by the Independent System Operator. Resource portfolio information shall be updated on a quarterly basis. Load-serving Entities shall be responsible for providing resource portfolio data to the Commission upon request.

(b) Label reporting period. The label reporting period shall be stated on the label. The label reporting period shall be the most recent one-year period prior to the reporting month for which resource portfolio information has been updated with the following exceptions:

(i) If a Load-serving Entity has operated for less than a full year, but more than three months, the Load-serving Entity shall report the information that is available for the portion of the year the Load-serving Entity has operated.

(ii) If a Load-serving Entity has operated for less than three months, the Load-serving Entity shall report a reasonable estimate of its resource portfolio based on (a) the Load-serving Entity's known generating unit ownership and contracts, and (b) the average regional system mix.

(c) Known Resources: For each hour in which the resource portfolio includes kilowatthours that are associated with specific generating units in which the Load-serving Entity holds unit entitlements or contracts that specify the associated generation units, such kilowatthours shall be deemed to derive from Known Resources. On a monthly basis, the Load-serving entity shall determine the total kilowatthours that are associated with specific generating units, its Known Resources, and subtract them from its total kilowatthours of loads served in that month. For the purpose of determining fuel mix and emissions characteristics in Rule XXX.01(2)(d)2 and 3, kilowatthours from Known Resources shall be ascribed the characteristics of the associated generating units.

(d) System Power: For all kilowatthours that are not associated with Known Resources in accordance with Rule XXX.01(2)(d)(1)(c) above, such kilowatthours shall be deemed to derive from System Power. For the purpose of determining fuel mix and emissions in Rule XXX.01(2)(d)2 and 3, kilowatthours from System Power shall be ascribed the characteristics of the residual system mix. The residual system mix shall be the mix of generating resources in New England net of Known Resources.

(e) Imports: Until adjacent regions develop compatible disclosure policies, a Load-serving Entity's total imports to New England will be listed as a separate fuel source as defined in Rule XXX.01(2)(D)2. For the purpose of determining emissions characteristics as defined in Rule XXX.01(2)(D)3, imports shall be ascribed the characteristics of the exporting system's mix.

(f) Disaggregation of Resource Portfolio: If a Load-serving Entity seeks to disaggregate its resource portfolio pursuant to this rule and make assignments and provide differentiated labels to particular customer groups, the Load-serving Entity shall be required to demonstrate to the Commission's satisfaction that its disaggregation is based on data that can be verified.

2. Fuel Source Characteristics

(a) Each Load-serving Entity shall determine its resource portfolio in accordance with Rule XXX.01(2)(d)1 and shall report on the label the fuel mix of said resource portfolio.

(b) At least the following fuel sources shall be separately identified on the label and listed in alphabetical order: biomass; coal; hydro; municipal solid waste; natural gas; nuclear; oil; solar; wind; and other Renewable Resources (including fuel cells utilizing renewable fuel sources, landfill gas, and ocean thermal). Fuel mix percentages shall be rounded to the nearest full percentage point.

(c) Energy Storage Facilities. The fuel mix associated with an energy storage facility shall be the fuel mix of the energy used as input to the storage device. The characteristics disclosed shall include any losses as a result of storage.

3. Emissions Characteristics

(a) Each Load-serving Entity shall identify its resource portfolio in accordance with Rule XXX.01(2)(d)1 and shall report on the label the emission characteristics of said resource portfolio.

(b) For the purpose of emission characteristics disclosure, at least the following pollutants shall be separately identified on the label: carbon dioxide (CO₂), nitrogen oxides (NO_x), and sulfur dioxide (SO₂). The Commission shall determine, in consultation with the State Air-Quality Agency, whether additional pollutants should be disclosed.

(c) Emissions for each emission category shall be computed as an annual emission rate in pounds per kilowatthour. For each emission category, the emission rate of the resource portfolio shall be compared to a reference emission rate. The reference emission rate shall be the New England regional average emission rate. Said reference emission rate may be modified from time to time by the Commission in consultation with the State Air-Quality Agency.

(d) Emission characteristics of the resource portfolio shall be calculated using annual emission rates for each generating facility as identified by the Commission in consultation with the State Air-Quality Agency and the United States Environmental Protection Agency. Until such annual emission rates are identified by the Commission, the annual emissions rates for a generating unit shall be calculated based on one of the following:

(i) Continuous Emissions Monitoring data for the most recent reporting year divided by net electric generation for the same period;

(ii) Emission factors currently approved or provided by state environmental protection agencies, the United States Environmental Protection Agency, or other appropriate government environmental agency, if Continuous Emissions Monitoring data are not available; or

(iii) If the generating unit has been in operation less than one year: (a) for NO_x and SO₂, permitted emissions levels; and (b) for CO₂, the carbon content of the fuel.

(e) The following types of generating units shall be assigned emissions characteristics as provided in this section:

(i) Energy storage facilities. The emissions associated with an energy storage facility shall be the emissions of the energy used as input to the storage device. The characteristics disclosed shall include any losses as a result of storage.

(ii) Cogeneration facilities may make a reasonable allocation of emissions between electricity production and other useful output based on measured heat balances. Said allocation shall be reviewed by the Commission, in consultation with the State Air-Quality Agency.

(iii) The use of offsets associated with facilities that emit CO₂ shall be as determined by the Commission, in consultation with the State Air-Quality Agency.

(E) Format of Information Disclosure Label. The label shall be presented in a format to be determined by the Commission.

III. Company Disclosure. Each Load-serving Entity shall prepare an annual Company Disclosure report that aggregates the Resource Portfolios of all affiliated Load-serving Entities. The Company Disclosure report shall be provided to each customer of a Load-serving Entity prior to the initiation of service and on an annual basis thereafter.

IV. Terms of Service Requirement. Each Load-serving Entity shall prepare a statement entitled “Terms of Service” as described in this section. The Terms of Service shall be distributed in accordance with Rule XXX.01(4), and shall conform to all applicable consumer protection rules and regulations. The Terms of Service shall present the following information:

(A) Actual pricing structure or rate design according to which the Customer will be billed, including an explanation of price variability and price level adjustments that can cause the price to vary;

(B) Length and kind of contract;

(C) Due date of bills and consequences of late payment;

(D) Conditions under which a credit agency is contacted;

(E) Deposit requirements and interest on deposits;

(F) Limits on warranty and damages;

(G) Any and all charges, fees, and penalties;

(H) Information on consumer rights pertaining to estimated bills, third-party billing, deferred payments, and rescission of supplier switch within three days of receipt of confirmation;

(I) A toll-free number for service complaints;

(J) Low-income rate eligibility;

(K) Provisions for Default Service;

(L) Applicable provisions of state utility laws; and

(M) Method whereby Customer will be notified of changes to items in the terms of service.

V. Distribution of disclosure label and terms of service. The label and the Terms of Service shall be distributed in accordance with this section as follows:

(A) Prior to initiation of service. Following a Customer's initial choice of a Competitive Supplier or initiation of Default Service, the Load-serving Entity shall provide the Customer with the disclosure label prepared pursuant to Rule XXX.01(2) and with the statements of the Terms of Service prepared pursuant to Rule XXX.01(3).

(B) Notice. Load-serving Entities shall provide the label to retail Customers on a quarterly basis, at a minimum.

(C) Upon request. The label and the Terms of Service shall be available to any person upon request.

VI. Information disclosure in advertising. A Competitive Supplier shall state the availability of the disclosure label prepared pursuant to Rule XXX.01(2) in a prominent position in all written marketing materials describing generation service, including newspaper, magazine, and other written advertisements, and in all electronically-published advertising including Internet materials. For direct mail materials and similar marketing materials, the label shall be provided with the materials. Where Electricity Service is marketed in non-print media, the marketing materials shall indicate that the Customer may obtain the disclosure label upon request. Prior to the initiation of service, a Customer must have received the Competitive Supplier's disclosure label.

VII. Enforcement. Dissemination of inaccurate information, or failure to comply with the Commission's regulations on information disclosure, may result in suspension, revocation, or non-renewal of a Competitive Supplier's license.

Model Label

ELECTRICITY FACTS																																	
ABC Company																																	
Generation Price Average price per kWh at different levels of use. Prices do not include regulated charges for customer services and delivery.	Average Use per Month	250 kWh	500 kWh	1000 kWh	2000 kWh																												
	Average Price per kWh	4.5 cents	4.5 cents	4.5 cents	5 cents																												
	Your average generation price will vary according to when and how much electricity you consume. See your most recent bill for your monthly use and your Terms of Service for the actual prices.																																
Contract	Minimum Length: 3 Years (30-day notice required for termination. Penalties may apply.)		Contract Terms: Fixed price over contract period.																														
Power Sources Demand for this electricity in the preceding 12 months was assigned generation from the following sources.	<table border="1"> <thead> <tr> <th>Power Sources</th> <th>%</th> <th>Power Sources</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Biomass</td> <td>8</td> <td>Coal</td> <td>10</td> </tr> <tr> <td>Hydro: Large</td> <td>16</td> <td>Hydro: Small</td> <td>2</td> </tr> <tr> <td>Imported Power</td> <td>5</td> <td>Municipal Trash</td> <td>15</td> </tr> <tr> <td>Natural Gas</td> <td>5</td> <td>Nuclear</td> <td>4</td> </tr> <tr> <td>Oil</td> <td>24</td> <td>Other Renewable</td> <td>4</td> </tr> <tr> <td>Solar</td> <td>5</td> <td>Wind</td> <td>2</td> </tr> </tbody> </table>					Power Sources	%	Power Sources	%	Biomass	8	Coal	10	Hydro: Large	16	Hydro: Small	2	Imported Power	5	Municipal Trash	15	Natural Gas	5	Nuclear	4	Oil	24	Other Renewable	4	Solar	5	Wind	2
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Air Emissions Carbon dioxide (CO ₂), nitrogen oxide (NO _x), and sulfur dioxide (SO ₂) emission rates from these sources, relative to the regional average.	<p style="text-align: center;">Regional Average</p> <table border="1"> <caption>Air Emissions Comparison</caption> <thead> <tr> <th>Gas</th> <th>ABC Company Emissions</th> <th>Regional Average</th> </tr> </thead> <tbody> <tr> <td>CO₂</td> <td>High</td> <td>Medium</td> </tr> <tr> <td>NO₂</td> <td>Low</td> <td>Medium</td> </tr> <tr> <td>SO₂</td> <td>Medium</td> <td>Medium</td> </tr> </tbody> </table> <p style="text-align: center;">Lower Emissions Higher Emissions</p>					Gas	ABC Company Emissions	Regional Average	CO ₂	High	Medium	NO ₂	Low	Medium	SO ₂	Medium	Medium																
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Notes <ol style="list-style-type: none"> Electricity customers in New England are served by an integrated power grid, not particular generating units. The above information is on all generating units assigned to this electricity product. To obtain information on all generating units owned by, or under contract to, ABC Company, call 1-800-123-4567. See reverse side and your contract terms and conditions for further information on this label. You may also call ABC Company at 1-800-123-4567, or the AAAA Utility Commission at 1-800-987-6543. 																																	