

What's Retail Choice Good For?

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Possible Benefits of Retail Choice

- Innovative financial product offerings
 - Limited ability with regulated T&D cost
- Support greener product offerings
- Competition in procurement skills
- Undermine monopsony and own-generation bias of utility retailing
 - Is wholesale competition really sustainable without retail competition?

Possible Costs of Retail Choice

- Increased consumer search/attention costs
- Taking advantage of less sophisticated customers
- Strategic high-risk retail business models
 - Little forward purchasing, bankruptcy option
- Customer churn costs
 - Contract and customer reassignment

Dynamic (In)Efficiencies of Retail Choice

- Are retail choice markets likely to be better/worse at adapting to changing business/policy challenges?
 - Renewables adoption
 - New generation technologies
 - Distributed energy resources
 - Demand response programs
 - Energy efficiency

What role for public agencies in retail choice?

- Is there an argument for taking this function out of private sector?
 - Can't private sector provide greener generation?
 - Is public sector less prone to abusive practices?
 - Is public sector more prone to mission drift or corruption?
- Public agencies for retail choice versus municipal utilities

If Retail Choice Continues, then

- How to make customer choices more informed and a more effective market discipline?
- How to make retail choice offerings more innovative?
- How important is the role of default provider and tariff?