

**Testimony  
of  
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NRG Energy, Inc.**

**SB 2  
*An Act Concerning Electric Customer Consumer Protection***

**before the  
Committee on Energy & Technology  
February 20, 2014**

NRG Retail Northeast welcomes the opportunity to contribute more than 23 years of experience with electric restructuring public policy, retail energy marketing and customer service to the Committee on Energy and Technology in its deliberations on SB 2.

The companies comprising NRG Retail Northeast - - Green Mountain Energy Company (Green Mountain), Energy Plus Holdings LLC (Energy Plus) and Reliant Energy Northeast LLC (Reliant) - - are wholly-owned subsidiaries of NRG Energy, Inc., a Fortune 500 and S&P 500 Company. NRG is one of the country's largest power generation and retail electricity businesses. NRG's power plants provide about 46,000 megawatts of generation capacity, including approximately 2,000 megawatts in Connecticut. The company's retail and thermal subsidiaries serve more than 2 million customers in 16 states.

Green Mountain, Energy Plus and Reliant are licensed by the Public Utilities Regulatory Agency (PURA) to serve customers in Connecticut. We recently launched the new NRG Residential Solutions brand to make electric service offers to customers throughout Connecticut.

NRG Retail agrees with the *Statement of Purpose* in SB 2 "to provide Connecticut customers with additional information when shopping for electric service." We support the sponsors' call for the creation of a one-stop online marketplace for comparing and selecting electric supply offers.

NRG Retail firmly believes that a well-informed customer is *the* most powerful consumer protection authority.

Accordingly, NRG Retail stands ready to assist the Department of Energy and Environmental Protection with re-developing the *EnergizeCT* electric shopping web site, as described in SB 2. Over the past dozen years NRG Retail affiliates have worked closely with public utility commissions across the country on the development of Internet electric service shopping web sites. Our digital marketing and Information Technology people have shared their expertise with the Public Utility Commission of Texas and its *Power To Choose* web site, with the Pennsylvania Public Utility Commission in the creation and subsequent enhancements to the *PA Power Switch* web site, and with the New York Public Service Commission on upgrades to its *Power To Choose* web site.

Of course, any effort to provide customers with more knowledge and better tools to shop for electric supply service should facilitate and not frustrate. While customers desire accurate and reliable information, they also want convenience and speed. We live in the *Amazon.com* age of “fast and now” when it comes to consumer purchases. Sometimes even the best intended consumer protection measures can place unintended obstacles in the way of consumers looking to easily place orders for products or services.

A better approach is to optimize existing laws, regulations and programs for the benefit of customers. This includes for example one of the purposes of SB 2 to make the *EnergizeCT* web site more useful to consumers. Last year this Legislature passed HB 6473 which provides for greater transparency in advertising of prices for electric service offers, additional notice requirements for the expiration of customer contracts or changes to prices, as well as greater substantiation of marketing claims for renewable energy products. Currently PURA is conducting a comprehensive review of retail electric marketing practices, which may result in additional consumer protection initiatives. We respectfully suggest that these recent statute changes and the present regulatory proceeding should be provided ample time to prove effective before putting additional laws on the books.

Meanwhile, the Committee may wish to consider additional market-based solutions to further protect and empower Connecticut electric customers while expanding their choices of energy products. We offer the following for the Committee’s consideration:

- **Raise standards for market participants** – It’s more effective to regulate at the front end than at the back end. We encourage the Committee to review the licensing requirements for companies to compete in Connecticut’s retail electric market. For example, only financially stable retail suppliers that meet meaningful financial fitness requirements along with possessing experience in categories such as quality assurance and commodity market risk management should be licensed to provide energy supply service.
- **Deploy smart meters with more information** – Accelerating the deployment of smart meters throughout Connecticut will make for smarter customers. This will help customers manage their energy usage and costs while also allowing retail suppliers to offer innovative products such as “free weekends” and energy conservation rewards. Giving customers “real-time” access to their consumption and cost information will enable them to make better decisions about how they use energy and when to switch to products that better meet their needs.
- **Next day switching** – Customers must be able to act quickly to switch suppliers and choose products that meet their needs. When consumers see prices changing dramatically, as can occur during extreme weather events such as we have seen this winter, they must be able to choose products that offer price protection and to effectuate that change almost immediately. The current system requires customers to wait one to two billing cycles and to continue paying higher prices for another 30 to 60 days while they await their switch. Utilities should be directed to allow off-cycle, next day switches so that customers can protect themselves from price volatility.

Thank you for considering our testimony and market advancement recommendations. NRG Retail would be happy to assist Committee members in crafting a final bill to be released to the full General Assembly for action.