

Testimony
of
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NRG Retail
NRG Energy, Inc.
on
Proposed Senate Bill 573
An Act Concerning Variable Electric Rates
before the
Committee on Energy & Technology
February 24, 2015

The NRG Retail companies welcome the opportunity to contribute their collective experience of more than 25 years marketing retail energy products and providing customer service, as well as electric restructuring public policy expertise to the Committee on Energy and Technology in its deliberations on Proposed Senate Bill 573.

NRG Retail encourages the General Assembly to empower customers to knowledgeably and securely choose energy products and services to meet their individual needs and preferences, rather than limit their options.

Retail electric choice in Connecticut should be about *choices*. The electric competition policy of the State of Connecticut should allow customers to shop freely for electric supply service options they cannot otherwise obtain from the local distribution companies. Electricity suppliers should be incented to win customers by offering innovative, consumer-oriented products and services. The General Assembly should allow competition and well-informed consumer choice to determine winners and losers, that is, which products succeed and which fail. Likewise, the General Assembly should not decide for consumers which products and services will be available to them and which they should choose.

The General Assembly does not legislate how many channels cable customers may subscribe to, or what hours or days of the week smartphone customers can use their data plans. Likewise electric customers should not be limited as to the pricing plans from which they can choose.

Customers are not required or forced to shop in the retail electric market, or to purchase a particular pricing plan. Connecticut customers can remain with the local distribution utility, switch from retail supplier to retail supplier, or return to the local distribution company. If the customer is not satisfied, they have the ability to cancel a plan or fire their supplier. In essence, the General Assembly does not need to pass a bill prohibiting variable price offers. Customers are capable of “banning” any

price plan by exercising their right to choose who supplies their electric supply service and how it is priced.

NRG Retail respects the General Assembly's interest in protecting consumers in the retail electric marketplace. NRG Retail firmly believes that the best protection is a well-informed customer. In recent months, the General Assembly and the Public Utilities Regulatory Authority (PURA) have significantly improved the information available to consumers.

Last year, during the 2014 Session, the General Assembly passed SB 2 (PA 14-75) providing additional protections for electric customers and other measures to aid them in making informed decisions about their electricity supply service. Many of the provisions of the law regulate variable price plans, including advance notice for variable price increases of 25 percent or more, on-bill disclosures, multiple forms of written notice, a contract summary form, historic high/low variable price reporting, as well as a cap on cancellation fees and accelerated switching. In the wake of SB 2, PURA adopted requirements for retail electric suppliers, some of which supplement the statute.

Additionally PURA has embarked on a project to enhance the EnergizeCT.com website (also referred to as the "Rate Board") to make it a more useful shopping tool for electric customers.

Never before have Connecticut consumers had so much timely information to aid them in making choices about electricity suppliers and their products and services. The most powerful force in any competitive market is a well-informed consumer. The General Assembly and PURA have achieved that for Connecticut electricity consumers. Now, let's let the consumers decide.

NRG Retail respectfully recommends that the 2014 statute as well as PURA's recently adopted rules be provided ample time to prove effective before putting additional laws on the books that trim the electric service options available to customers.

Thank you for considering our testimony and market improvement recommendations. NRG Retail would be happy to assist Committee members in their consideration of retail electric market legislation.

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