

Testimony

of

[INSERT NAME]

[INSERT TITLE]

Verde Energy USA

on

Proposed Senate Bill 573

An Act Concerning Variable Electric Rates

before the

Committee on Energy & Technology

February 25, 2015

Verde Energy USA (Verde) welcomes the opportunity to share its experience providing retail energy products and outstanding customer service to the Committee on Energy and Technology in its deliberations on Proposed Senate Bill 573.

Verde, which is headquartered in Norwalk, Connecticut, services 300,000 customers in eight states. Verde has been serving Connecticut customers since 2009. Verde provides a variety of innovative and competitively priced products and services in the marketplace that promote customer choice, which was the intent of the original deregulation legislation adopted by Connecticut in 1998. Proposed Senate Bill 573 would reduce customer choice in Connecticut and represent a reversal of Connecticut policy since 1998.

Retail electric choice in Connecticut has been an important policy since restructuring legislation went into effect in 1998, and it is important for the state's consumers that the choices they have come to appreciate and rely on remain available. Connecticut customers should continue to be able to shop and choose freely among a variety of options for electric supply service that local distribution companies do not provide. The General Assembly should continue to permit an open market which will lead to innovative products and services that help Connecticut consumers.

The General Assembly has declined to legislate in certain areas, such as prices for home heating oil, cable channels that customers may subscribe to, or the data plans of smartphones, and for good reason. This reflects its reasonable determination that consumers can inform themselves and choose among the products and services offered to them. As part of electric restructuring, consumers have been offered the same freedom of choice and information surrounding electricity, and the General Assembly should continue to allow customers to choose between local distribution companies and a variety of electric suppliers to meet their needs.

Consumers in the State of Connecticut will benefit from the choices available to them, as they do in any open marketplace, while electric suppliers innovate and develop new products and services. This innovation and development will benefit Connecticut consumers and lead to new options for pricing, delivery, and use of electricity in the state, all of which will help customers reduce costs. It is of vital importance that electric suppliers be permitted to continue to develop as they have in recent years.

Connecticut's energy policy should provide energy consumers with increased opportunities and choice, allowing the market to shift towards customers. This creates incentives for utilities and electric suppliers, and creates competition around customers, which in turn encourages innovation. Making data widely available to consumers will allow for better and more efficient performance-based revenue models.

In its 2014 session, the General Assembly, in connection with the debates and discussions surrounding Public Act No. 14-75, discussed many of the same issues that arise in connection with Proposed Senate Bill 573. The resulting PA 14-75 provided for significant and strong consumer protections related to electric suppliers' provision of services to Connecticut electricity customers. Many of these measures specifically address concerns related to variable rates.

These protections are still in the process of being implemented and therefore their ability to protect Connecticut customers has not yet been fully demonstrated. Before entirely eliminating some of the choices customers have through electric suppliers, the strength of the new consumer protection measures should be fully reviewed. These measures will have significant effects on the electric supplier marketplace in Connecticut without the need for the total elimination of a class of retail electricity products.

Connecticut consumers are currently in the unique position, as compared to years past, of having more timely information to help them make decisions about their electricity uses and sources than ever before. In any competitive and open market, such well-informed consumers are the most powerful force, and are able to make the best decisions possible. Through last year's legislation and new rules, the General Assembly and the Public Utility Regulatory Authority (PURA) have given consumers this power, which they should be able to use.

Verde respectfully recommends that PA 14-75 and the Connecticut PURA's new rules be given sufficient time to prove effective at protecting consumers before additional new laws are added to reduce the options available to customers.

We appreciate the opportunity to present this testimony and would be happy to assist further in the Committee's consideration of any retail electric market legislation.

[INSERT NAME, TITLE, ADDRESS, PHONE AND EMAIL]