



**SENATE BILL 595 – RESIDENTIAL ELECTRICITY AND GAS SUPPLY BILLING INFORMATION -
REPORTS**

UNFAVORABLE

SENATE FINANCE COMMITTEE

February 23, 2021

NRG Energy, Inc. (“NRG”) submits these comments in **opposition** to **SB 595 – Residential Electricity and Gas Supply Billing Information - Reports**.

NRG is a Fortune 500 company, delivering customer focused solutions for managing electricity, while enhancing energy choice and working towards a sustainable energy future. We put customers at the center of everything we do. We create value by generating electricity and serving more than 3 million residential and commercial customers through our portfolio of retail electricity brands – including here in Maryland, where NRG owns seven companies that are licensed by the Public Service Commission to serve retail customers.

NRG opposes SB 595 for the simple reason that it ignores the fact that the energy supply market is competitive, and customers choose products and services and pricing plans from competitive retail suppliers based on a variety of factors, including most notably, the value of the offer to the customer.

Offers available in the competitive market cannot easily be compared to the regulated standard offer service rate, which is procured according to a prescribed plan approved by the PSC and which is fundamentally different than any other product available in the competitive market. Simply put, no competitive suppliers offer customers a pricing option comparable to SOS, where electricity supply for 25% of non-shopping residential load is procured by the regulated utilities under two-year contracts twice annually, and where weighted average rates are determined for a summer period that runs from June 1 to Sept 30 and a non-summer period that runs from Oct 1 through May 31.

These “SOS” rates fail to include all of the costs incurred by the regulated utilities to provide this service at retail to customers. They do not include costs like office rent, information technology, human resources, and various other administrative costs that all competitive retail supplier prices must include. As such, any comparisons to the resulting SOS rates are inherently flawed. Making such a comparison is like comparing apples and cucumbers.

Moreover, competitive suppliers compete with each other to offer value to consumers, sometimes in the form of savings relative to the utility SOS rate, but more often in the form of some other benefit or value to the customer, be it renewable energy content, loyalty rewards – like airline miles or hotel points – energy efficiency measures aimed at reducing a customers’

overall bill – like Nest thermostats – gift cards to local merchants, or by managing the risk of market fluctuations by providing price stability through longer term fixed prices. The data being sought by SB 595 ignores this fact and seeks to force a comparison of offers from the competitive market to the utility SOS rates. Such information is highly sensitive and with some analysis could be used to decipher pricing strategies and other proprietary business practices upon which suppliers compete. The information would be shared with multiple state agencies and reported to the general assembly and publicly on the PSC’s website. It is for these reasons that NRG opposes SB 595.

Thank you for the opportunity to share our perspective on SB 595 and for the above reasons NRG urges the Committee give the bill an **unfavorable** report.

NRG Energy, Inc. Contact Information

Sarah Battisti, Director Government Affairs, NRG Energy, Inc., 804 Carnegie Center, Princeton, NJ 08540, 717-418-7290, sarah.battisti@nrg.com

Leah Gibbons, Director Regulatory Affairs, NRG Energy, Inc., 3711 Market Street, Suite 1000 Philadelphia, PA 19104, 301-509-1508, lgibbons@nrg.com

John Fiastro, Fiastro Consulting, 1500 Dellsway Road, Towson, MD 21286, 443-416-3842, john@fiastroconsulting.com

Brett Lininger, Old Line Government Affairs, 10 West Pennsylvania Ave., Suite 200, Baltimore, MD 21204, 443-527-4837, blininger@nemphosbraue.com

Joe Miedusiewski, Old Line Government Affairs, 10 West Pennsylvania Ave., Suite 200, Baltimore, MD 21204, 410-321-4580, americanjoe@oldlinelobbying.com