

Senate Finance Committee
February 23, 2021

Vistra respectfully submits this testimony in **opposition to SB 595 – Residential Electricity and Gas Supply Billing Information - Reports.**

Vistra is a premier, integrated, Fortune 275 energy company with operations in Maryland that focus on delivering an innovative, customer-centric approach to retail electricity.¹

Vistra opposes SB 595 and would like to respectfully request this Committee to provide an unfavorable report on this legislation. While Vistra supports the general intent of the legislation, which is price transparency to consumers, the methodology SB 595 uses to achieve this goal and the comparison to the default rate is fundamentally flawed.

Currently, Maryland does not support supplier consolidated billing; therefore, it appears that competitive electricity suppliers would not be subject to the legislation.² As such, the legislation would compare an average annual rate charged by the utility against the specific Standard Offer Service rate at the time. A questionable data comparison at best. It should be further noted that regulated Standard Offer Service rate, which is procured according to a regulation, approved by the PSC - **fundamentally different than any other product available in the competitive market**. Notably, electricity supply for 25% of non-shopping residential load is procured by the regulated utilities under two-year contracts twice annually, and 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.

Furthermore, if competitive retail electric suppliers were to be subject to the reporting rules put forth in SB 595, many suppliers have multiple rates for different customer segments providing different value propositions. SB 595 “batters” over those different value propositions to one average annual rate that is likely not representative of what any specific customer of that supplier

¹ The company brings its products and services to market in 20 states and the District of Columbia, including six of the seven competitive wholesale markets in the U.S. and markets in Canada and Japan, as well. Serving nearly 5 million residential, commercial, and industrial retail customers with electricity and natural gas, Vistra is the largest competitive residential electricity provider in the country and offers over 50 renewable energy plans. The company is also the largest competitive power generator in the U.S. with a capacity of approximately 39,000 megawatts powered by a diverse portfolio, including natural gas, nuclear, solar, and battery energy storage facilities. In addition, the company is a large purchaser of wind power. The company is currently constructing a 400-MW/1,600-MWh battery energy storage system in Moss Landing, California, which will be the largest of its kind in the world when it comes online.

² See (B)(1)(III)

is actually paying. SB 595 seems to further suggest that low-income customers would be subject to this “average” annual rate, which does not necessarily follow from the data requested. The data analysis would furthermore be subject to a fundamentally flawed analysis in the comparison of average annual data to a specific Standard Offer Service rate.

SB 595’s analysis of retail electric rates and comparison to the Standard Offer Service rate is the equivalent of averaging the private and public university tuition rates in Maryland, dividing into low-income and non-low-income student categories and then comparing to the 2021 Spring Semester In-State tuition for the University of Maryland – College Park and then making judgements on overall tuition affordability for all low-income Maryland college students off that comparison. Does that make sense? Of course not, but that is what SB 595 is attempting to do for retail electric service rates.

Maryland lawmakers seeking additional information and/or data may find that Maryland’s utilities can provide data they are seeking. Additional work has been done to provide data online on the Public Service Commission websites. Additionally, the Federal Energy Information Agency has much of this information available publicly. These clarifications are important as we continue to work for affordable rates and exciting products and services for the energy offers in the state.

Vistra would like to assure the members of the Senate Finance Committee that Maryland’s energy supply market is competitive and through competition saves all Marylanders money through lower rates.³ It is also important to note that shopping customers in Maryland select products, services, and pricing plans from competitive retail suppliers based on a variety of factors, not just price. Marylanders shop for renewable energy, low-risk fixed price contracts, and lower-cost value offers - among other reasons.

While Vistra respects and shares the sponsor’s advocacy for consumers, this legislation would likely lead to flawed policy decisions based on fundamental flaws inherent in the legislation’s methodology.

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

³ RESA Maryland Market Savings Report