



SENATE EEE COMMITTEE
SB 905
SUPPORT WITH AMENDMENTS

Senate EEE Committee

March 14, 2023

Vistra respectfully submits this testimony in **support with amendments to SB 905 Electric Companies, Gas Companies, and the Department of Housing and Community Development – Energy Efficiency and Conservation Plans.**

Vistra is a leading Fortune 500 integrated retail electricity and power generation company with operations in Maryland that focuses on delivering an innovative, customer-centric approach to retail electricity and over 7,500 MW of electric generation in the PJM market.¹

Vistra supports the goal of SB 905 to make more energy efficiency (EE), conservation and greenhouse gas (GHG) reduction programs available to Maryland consumers. Indeed, Vistra retail brands have long brought the benefits of EE and conservation to residential and commercial customer classes through competitive retail offerings.

For example, in 2008², before NEST and Ecobee were in the popular consciousness, our TXU Energy brand partnered with a local distribution utility and technology companies to provide our [iThermostat™](#) product for residential customers. The program provided TXU Energy retail customers a free smart web-enabled thermostat that could be cycled during periods of peak strain on the electric grid, essentially a residential demand response program. Customers however retained complete control of their comfort and could opt-out during cycling times with a simple touch of a button.

In 2023, Vistra expanded this successful program by introducing the TXU Energy Connected ConservationSM and TriEagle Energy Connected SavingsSM programs. These programs have multiplied the impact of conservation by allowing any customer with a compatible thermostat already in their home to collectively participate in reducing demand on the grid. Like the iThermostat™ program, thermostats are cycled during periods of peak demand. Customers get the benefit of an enrollment incentive, reduced HVAC consumption while still maintaining complete control of their comfort.

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. Serving nearly 4.3 million residential, commercial, and industrial retail customers with electricity and natural gas, Vistra is one of the largest competitive electricity providers 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 37,000 megawatts powered by a diverse portfolio, including natural gas, nuclear, solar, and battery energy storage facilities. In addition, Vistra is a large purchaser of wind power. The company owns and operates the 750-MW/1,600-MWh battery energy storage system in Moss Landing, California, the largest of its kind in the world.

² At the time TXU Energy was owned by Energy Future Holdings and was a Texas only company.

Helping our residential customers conserve energy goes beyond the thermostat. For the past 5 years, Vistra has partnered with national HVAC service companies to provide our customers complementary HVAC tune-ups prior to the summer cooling season to help increase energy efficiency. A tune-up in a high HVAC usage state can reduce energy consumption by up to 30% during the summer and winter months.

To meet customer needs for additional HVAC energy efficiency services, Vistra has created unique rate plans that provide customers ongoing HVAC maintenance at no additional cost. Customers get two HVAC tune-ups per year plus service, repair and replacement discounts to help get their system back in top form to ensure maximum efficiency.

Vistra's retail providers also provide EE and conservation incentives to our commercial customers.³ For example, our TXU GreenBackSM program provides eligible customers rebates for making EE improvements to their facilities that yield long term savings. In markets where available, our retail arm also can work with customers to participate in demand response services where they will receive a payment for reducing electric consumption during periods of peak demand. Like the residential program above, these programs are either totally in the control of the customer to determine the best way and times to participate or can be managed within flexibility of the customer's operations.

Given this experience in competitive markets, Vistra believes that EE, conservation and GHG programs work best when regulated utilities, competitive providers and other market stakeholders work together to deliver solutions to consumers. With this in mind, Vistra recommends the following amendments to SB 905:

In 7-220 (e) on page 3, line 9, insert "OR A COMPETITIVE SUPPLIER" after "MEANS A PROGRAM ESTABLISHED BY AN ELECTRIC COMPANY"

In 7-222 (A) on page 5, line 3, include ", IN PARTNERSHIP WITH COMPETITIVE SUPPLIERS," after "EACH ELECTRIC COMPANY AND GAS COMPANY".

In 7-222 (C)(3) on page 5 lines 28-30 striking the existing text and replacing with "ENSURING PROGRAMS ARE MADE AVAILABLE TO CUSTOMERS WHO HAVE CHOSEN A COMPETITIVE PROVIDER UNDER SUBTITLE 5 OR SUBTITLE 6 OF THIS TITLE IN PARTNERSHIP WITH THEIR SELECTED COMPETITIVE PROVIDER."

³ Vistra's 2021 Sustainability Report provides additional statistics on various programs that commercial customers have participated in with Vistra including, Demand Response, GridBeyond Partnership, and Electrification Solutions: <https://vistracorp.com/wp-content/uploads/2022/05/VST-sustainability-report-2021.pdf> -

As Vistra has shown in other competitively structured markets, providing these kinds of programs through the utility that promote partnerships with competitive suppliers and other third parties acts as a force multiplier helping to ensure that the goals for EE, conservation and GHG reduction are met. To ensure these benefits, it is also critically important that competitive suppliers and other third parties, with customer permission, have access to critical customer information needed to provide these services from the utility and that the information is accurate, timely and provided at low to no cost to the provider.

Vistra also believes that these programs benefit from oversight and transparency and applaud Chair Feldman for including oversight and reporting requirements. In addition to those requirements already proposed, Vistra would recommend that the following language be included in the legislation:

Article – Public Utilities

Section 5–302

Annotated Code of Maryland

(2020 Replacement Volume and 2022 Supplement)

Article – Public Utilities: 5–302.

(a) Except as provided in subsection (b) of this section, a public service company shall file with the Commission:

- (1) an annual report for the preceding calendar year; [and]
- (2) special reports, information, contracts, records, and copies as required by the Commission; AND
- (3) BEGINNING OCTOBER 1, 2024, AN ANNUAL REPORT THAT INCLUDES:

(I) INFORMATION ON THE ACCURACY OF THE BILLS SENT TO CUSTOMERS;

(II) THE TOTAL AMOUNT COLLECTED FROM CUSTOMERS TO SUPPORT UTILITY ASSISTANCE PROGRAMS AND PROGRAMS INCLUDED IN §§ 7-223 AND §§ 7-224, INCLUDING THOSE OFFERED BY THE PUBLIC SERVICE COMPANY, THE OFFICE OF HOME ENERGY PROGRAMS, OR THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT;

(III) THE TOTAL NUMBER OF CUSTOMERS AND THE TOTAL AMOUNT ALLOCATED TO CUSTOMERS RECEIVING UTILITY ASSISTANCE, INCLUDING THOSE OFFERED BY THE PUBLIC SERVICE COMPANY, THE OFFICE OF HOME ENERGY PROGRAMS, OR THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT;

(IV) AN EXPLANATION OF CUSTOMER COMPLAINTS RECEIVED FOR BILLING ISSUES, SERVICE OUTAGES, PROGRAMS INCLUDED IN "§§ 7-223 AND §§ 7-224 AND CUSTOMER SERVICE; INCLUDING, BUT NOT LIMITED TO:

1. INCORRECTLY BILLED CUSTOMERS;
2. NUMBER OF CUSTOMERS ASSESSED A DEPOSIT AT FOR SERVICE START;
3. AVERAGE AMOUNT OF DEPOSIT REQUIRED FOR SERVICE START;
4. TIME FROM SERVICE OUTAGE TO RESTORATION;
5. AVERAGE TIME OF RESTORATION FROM DISCONNECT FOR NON-PAY TO RESTORATION;
6. NUMBER OF PRODUCTS UTILIZING TIME OF USE RATES;
7. NUMBER OF CUSTOMERS ON TIME OF USE RATE PRODUCTS;
8. AVERAGE TIME FROM ENROLLMENT IN PROGRAMS INCLUDED IN "§§ 7-223 AND §§ 7-224 TO DELIVERY OF SERVICE;
9. DIFFICULTIES ENROLLING IN PROGRAMS INCLUDED IN "§§ 7-223 AND §§ 7-224;
10. NUMBER OF ENROLLMENTS IN PROGRAMS INCLUDED IN "§§ 7-223 AND §§ 7-224 THAT DID NOT RESULT IN ULTIMATE DELIVERY OF SERVICE TO THE CUSTOMER;
11. AVERAGE AND MEDIAN TIMES TO ANSWER CUSTOMER INQUIRIES FOR EACH COMMUNICATION CHANNEL, INCLUDING TELEPHONE, TEXT, EMAIL, OR OTHER CHANNELS;
12. NUMBER OF CUSTOMERS PROVIDED PAYMENT ASSISTANCE, INCLUDING
 - a. DEFERRED PAYMENT ARRANGEMENTS;
 - b. ANY DIRECT ASSISTANCE; AND
 - c. AVERAGE TERMS.
13. AVERAGE AND MEDIAN TIMES TO RESOLVE CUSTOMER COMPLAINT INQUIRIES; AND
14. NUMBER OF COMPLAINTS UNRESOLVED.

(V) A LIST OF:

1. VENDORS THAT PROVIDE BILLING SERVICES, CUSTOMER SERVICE, AND CUSTOMER INFORMATION MANAGEMENT; AND
2. CONTRACTS AWARDED FOR BILLING SERVICES, CUSTOMER SERVICE, CUSTOMER INFORMATION MANAGEMENT IN THE IMMEDIATELY PRECEDING YEAR;
3. PARTNERSHIPS ENTERED INTO TO DELIVER SERVICES SPECIFIED BY "§§ 7-223 AND §§ 7-224; AND
4. AMOUNTS SPENT IN PARTNERSHIPS FROM FUNDS DESIGNATED FOR SERVICES PROVIDED BY "§§ 7-223 AND §§ 7-224.

(VI) A LIST OF THE BUDGET, EXPENSES, ACTIVITIES, AND PERFORMANCE INDICATORS FOR ALL PILOT PROGRAMS ESTABLISHED UNDER THIS ARTICLE IN WHICH THE PUBLIC SERVICE COMPANY PARTICIPATES, INCLUDING THE TOTAL AMOUNT COLLECTED FROM CUSTOMERS TO SUPPORT THE PILOT PROGRAMS IN THE IMMEDIATELY PRECEDING YEAR; AND



(VII) BENCHMARKING OF CUSTOMER SATISFACTION, BILLING ACCURACY, AND RESULTS FROM PROGRAMS ESTABLISHED UNDER "§§ 7-223 AND §§ 7-224 AGAINST SIMILAR PROGRAMS IMPLEMENTED IN OTHER ENERGY MARKETS IN THE UNITED STATES AND OTHER COUNTRIES.

Vistra believes the combination of shared program implementation, program transparency and robust oversight will provide the best guarantee of achieving the goals of this legislation while providing the best cost-benefit balance for Maryland's citizens.

Thank you for the opportunity to share our perspective on SB 905 and for the above reasons, Vistra respectfully urges the Committee to provide a *favorable* report *with amendments*.