

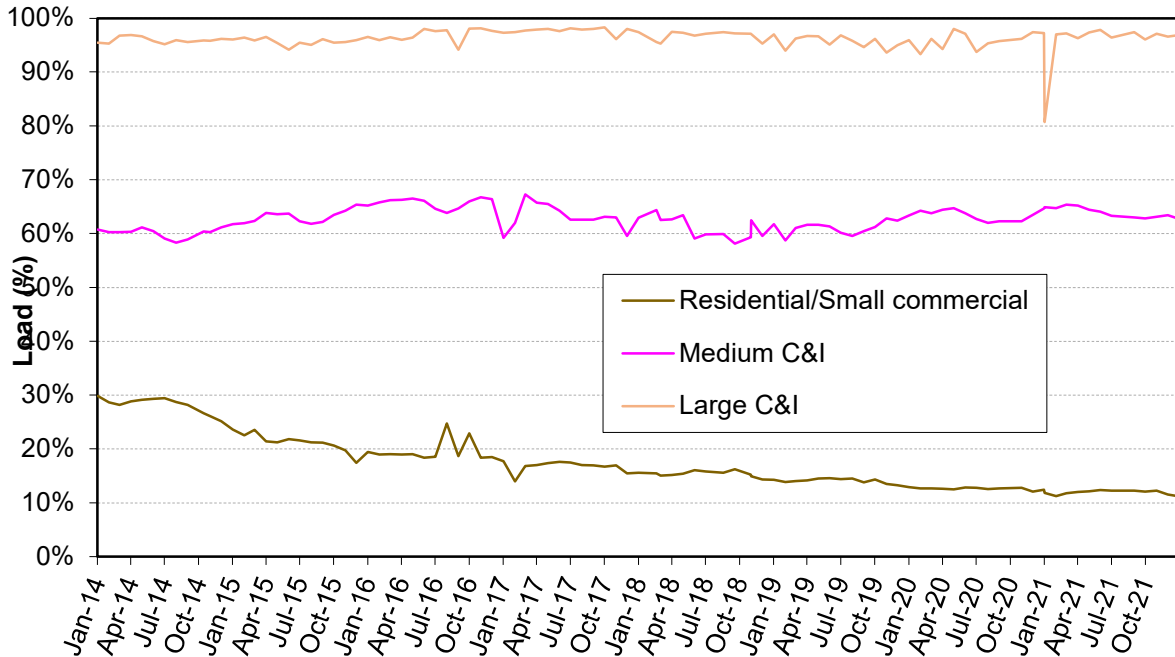
**Testimony of NRG in support of
LD 318, *An Act To Provide More Options to Maine Electric Service Customers and Support
Maine's Climate Goals*
Before the Joint Standing Committee on Energy Utilities & Technology
March 16, 2022**

Good morning, Senator Lawrence, Representative Berry, and member of the Energy, Utilities & Technology Committee. I am Travis Kavulla, Vice President of Regulatory Affairs for NRG Energy. Previously, I served as a utility commissioner in the State of Montana, and also held leadership roles nationally, including as president of the National Association of Regulatory Utility Commissioners. In my national roles, I have been engaged in the conversation about the appropriate structure of the New England power markets for almost a decade, on different sides, but I have always come back to one principle: Customers tend to want a cleaner supply of electricity, and when they are given a visible and affordable choice to do so, their own behavior can be a catalyst for an energy transition that should not just come from the top down.

My current employer, NRG, is a Fortune 500 producer and retailer of energy. Our customers' desire for a cleaner and more affordable electricity supply has led NRG to sign long-term contracts for 2,600 MWs of solar in just the last few years – just to give a comparison, that is enough renewable power to serve almost half of Maine's total electricity needs for a year. One of our companies (Xoom) offers a plan right now to Central Maine Power customers that is cost-competitive with Standard Offer Service ("SOS"), but provides customers 50% of their energy from renewable sources. We also offer a product that is lower than the SOS rate and allows customers to fix that rate for two (2) full years, insulating themselves from price shocks that could influence next year's SOS rate.

We are concerned that the current regulatory structure does not do enough to empower customers to choose alternative energy providers, which in turn creates a system where competitive supply of electricity is stagnating. This is especially true for residential customers. Virtually every megawatt-hour of energy used by industrial customers is supplied by the competitive retail market. Between 60 and 70% of the energy used by Medium Commercial and Industrial customers is supplied by the competitive market—something that has held steady for a decade. But for residential and small-business customers, shopping for energy supply has declined since the program's beginning. In 2014, about 30% of that market's energy needs were served by the competitive retail market. Today, it is a paltry 10%. At a time when more consumers than ever are proactively making choices for things like streaming services and data plans, the same thing cannot be said about Maine's residential electricity market. This study would endeavor to find out how that can change.

**Load Served by Competitive Electric Providers
Statewide Average by Class
2014 - 2021
Source: Maine PUC**



Specifically, NRG appreciates that the study will ask a number of questions. Among them are:

- Are there ways to make sure customers have more information and better visibility around their options?
- Are there ways to make sure utility investments in smart meters are being leveraged to provide customers more access to data about their energy usage?
- Should customers have a Bill of Rights when they take service from either a competitive supplier or utility Standard Offer Service?
- Is there a way for Standard Offer Service to be used to improve the customer experience, and limit billing errors, that have put Maine in the spotlight—and not in a good way—for the quality of service provided by utilities?
- Whether competitive suppliers should be able to own the billing function for their customers? (Right now, suppliers have to feed charges through the utility, which increases the risk of billing errors and lacks transparency around which supplier is providing service to customers.)
- Is there a way to leverage the retail competitive market to get customers themselves to use their buying power to make greater investments in clean energy?

Ultimately, NRG hopes to reach a system of regulation in Maine where innovation is really promoted and rewarded under state policy. We have in mind innovations like on-bill financing of smart home systems, renewable power, home power storage, and EV charging

infrastructure. In other markets, we can provide real-time information on a customer's electricity bill to-date, allowing them to better plan their usage and the opportunity to manage their costs.

The sponsor's amendment does not dictate that NRG's vision will become Maine's. It does create a process that is consumer-focused and consumer-driven to determine what vision will become a reality for Maine's electricity consumers in the near future. NRG is prepared to participate with other stakeholders in examining which future is best for Maine.

We ask that you pass LD 318 as amended by the sponsor's amendment. I would be glad to answer questions now or at the work session.