



Connecticut General Assembly Energy and Technology Committee

Listening Session – September 8, 2020

Vistra Corp. (“Vistra”) submits this written testimony on LCO No. 3920 - An Act Concerning Emergency Response by Electric Distribution Companies and Revising the Regulation of Other Public Utilities.

Vistra is a premier, integrated, Fortune 275 company with a significant retail electric and power generation business. Through an innovative, customer-centric approach, Vistra brings its products and services to market in 20 states, including the state of Connecticut and the District of Columbia. Vistra is the largest competitive residential electricity provider in the country and serves approximately 5 million residential, commercial, and industrial retail customers with electricity and natural gas. 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, which operate in six of the seven competitive wholesale markets in the U.S.

Vistra firmly believes in the power of competitive markets and that strong customer protections and enforcement are vital to competition. Vistra believes that customers should be protected against bad actors and supports the policy goals of LCO no. 3920 in this regard. Consumer protection regulations should provide relief to customers who have been harmed by these bad actors and work to prevent bad actors from entering or remaining in the market. However, customer protections should be structured in a way that does not inhibit innovation, prevent fair business practices, or punish retail suppliers operating in good faith.

Recently, the CT Public Utility Regulatory Authority (PURA) approved a significant number of changes to the marketing requirements and sales practices of electric suppliers. These new requirements have strengthened customer protections, improved transparency, and ensure bad actors are held accountable. We believe these changes by PURA adequately address the concerns raised in LCO no. 3920. Retail suppliers only recently completed the implementation of these new marketing requirements and sales practices approved by PURA. While laudable in its intent, LCO no. 3920 duplication of these efforts could complicate PURA’s ability to monitor the progress and success of these newly implemented statutory requirements.

Additionally, LCO no. 3920 includes language that requires retail suppliers to track and disclose the electric distribution company’s (EDC) advertised price and its expiration. Vistra understands that contract and billing transparency are critical to the customer experience and help to ensure customers are educated on their electricity choices. Therefore, we suggest

suppliers be allowed to provide customers a link that directs them to the EDC's most recent charges on the EDC's website. These prices and utility charges change frequently, and a link directing customers to the EDC's site would ensure they are receiving the most accurate and real-time information.

Vistra believes energy assistance programs are vital to a functioning competitive market and is encouraged that LCO no. 3920 allows a portion of any fines levied to be paid to a nonprofit agency engaged in providing energy assistance programs. Though it operates in markets outside of Connecticut, Vistra's TXU Energy retail brand provides one of the largest privately funded customer energy assistance programs in the nation. For over 35 years, customers of TXU Energy have been able to take advantage of one-time bill payment assistance through the TXU Energy AidSM program. This assistance is in addition to any aid customers can receive through state, federal, and other programs. Vistra contributes \$4 million annually into the program and these contributions are supplied by Vistra without any rate-based recovery. Vistra also serves as a catalyst for additional monies resulting in approximately \$600,000 from other sources, including customer donations, charitable giving, and other donations/gifts. Vistra is exploring ways to expand our energy aid program to other states, including Connecticut, as a means to provide further assistance to those customers in need.

Through the Lake Road and Milford CCGT power plants, Vistra supplies over 1,400 MW of competitive wholesale generation to the state of Connecticut. Vistra and other competitive generators want to be energy partners with Connecticut and help the state achieve its energy goals. Therefore, we believe that wholesale markets, like their retail counterparts, should be allowed to function freely with minimal government intervention using sound economic principles. Vistra does not support policies that subsidize preferred generation sources. We believe that wholesale market competition drives efficiencies and places risk on the appropriate party — the investor, not the rate payer. As seen with the recent electricity rate increases, codifying procurement requirements in legislation shifts risk away from private investment and onto the citizens of Connecticut. Vistra fully supports the competitive wholesale market structure in Connecticut and believes that this structure will allow the state to meet its long-term goal and stimulate innovation from generators with minimal out-of-market influences.

Thank you for the opportunity to share our perspective on LCO No. 3920.