

**Vistra Corp. Testimony for
Pennsylvania House Consumer Affairs Committee Hearing on
"State of the Electricity Market", noting the 25th anniversary of the Electricity Generation
Customer Choice and Competition Act.**

Presented by Scott Hudson, President Vistra Retail

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Good morning Chairman Marshall, Chairman Matzie and members of the committee.

My name is Scott Hudson, and I am President of Vistra's retail electricity business. I have worked in consumer services and marketing for over 25 years, with 10 of that in the competitive energy sector. I also grew up not too far from here in Baltimore, Maryland, so it is good to be here today to focus on retail competition in the mid-Atlantic.

Vistra is an integrated energy company, meaning we both generate electricity and sell it to residents and businesses. We serve more than 4 million retail customers in 19 states and have a diverse 39 thousand megawatt capacity generation portfolio of natural gas, nuclear, solar, and battery storage facilities, making us one of the largest competitive electricity providers and power generators in the country.

Specific to Pennsylvania, we serve electric and natural gas customers through our unique retail brands, which include Dynegy, Better Buy, and Brighten Energy. We also operate three natural gas-fueled power plants in the Commonwealth and have offices in Harrisburg and King of Prussia.

I appreciate the opportunity to appear before you this morning to **celebrate** the 25th anniversary of the Electric Choice Act. In the course of these proceedings, you have heard a lot of statistics about how the competitive market has benefited the Commonwealth. But statistics don't tell the whole story, as an electric supplier to millions of customers, it is important that we highlight the human element of the service we provide. Every single one of our customers isn't a statistic defined by the price they pay, they're a single mom trying to make ends meet; a recent college graduate starting out on their own for the first time; or an individual who recently lost their job and just needs a little extra time to pay their bill.

The advent of electric competition was the beginning of consumer empowerment in energy usage. Vistra summarizes the benefits of that empowerment by using

three words: **choice, convenience, and control.**

A fundamental principle of competitive markets is the ability for the customer to **choose**. That's why we aim to develop innovative products that resonate with customers. Ask any consumer what they like about competitive markets, and time and time again, they will come back to the power of choice. In fact, in a recent poll we found that 89% of Pennsylvanians agree that there should be choice in electric supply, just as in other retail markets. By choosing a supplier, they are voting for a value proposition that matters to them – whether that's based on price, the amount of renewable energy supplied, the level of service they receive, a company's reputation, or a combination of those or other factors.

Many suggest that residential customers are only interested in price savings and that comparisons should be made between competitive rates and utility default rates. These studies miss the fundamental premise that competitive retailers offer a wide range of offers – not a single default rate. Nor do these studies account for the source of supply, as many customers want renewable energy and are willing to pay more for it. A supplier's brand reputation, level of service or degree of product innovation are not captured in these basic studies.

Furthermore, if we look at the offers available on PA Power Switch, you will find numerous offers *below* the utility's price-to-compare in the PPL service territory. For example, there is a 12-month fixed-price offer with no additional fees for almost one-cent less per kWh than the default service price. Another 12-month offer includes 100% renewable energy and is, again, priced below the price-to-compare. Price may be the reason consumers enter the retail choice market, but our experience tells us it is not the reason they stay. Very simply, competition is about more than just price.

Second, consumers also want **convenience**. Meeting customers where, when, and how they want is a hallmark of competition, providing value that goes beyond the "commodity" price. Spurred by competition, competitive electricity suppliers have introduced innovations to make convenient and personalized customer experiences possible. Retail electric providers are experts in customer service, both online and through personal interactions. Exceptional customer service is at the foundation of our business, because we have to *earn* every customer every day.

This is why we support HB 548, sponsored by Representative Metzgar and co-sponsored by six other members of the committee, which will allow suppliers to

bill customers directly – also known as Supplier Consolidated Billing. SCB allows suppliers to build long-lasting relationships with their customers. This is not a new practice. Vistra has performed the billing function for over 15 years. In fact, we send over 2 million bills per month directly to customers across our brands.

We know customers prefer simplicity and getting one bill from their chosen retailer that covers the cost of the product and delivery makes the most sense. This is how every other product category works —you are billed by the company from which you buy the product, whether that be Amazon, Apple, or Walmart, not the delivery agent.

So, what do customers get when suppliers bill them directly? More innovation for one. In a more competitive market, we're able to handle the entire bill and offer innovative products like our *Solar Days+Free Nights* plan, where we provide 100% solar power to consumers during the day, supported by our solar farms, and then totally free electricity at night. Many stakeholders ask us why we don't offer products like this in Pennsylvania, and the answer is simple: we can only offer these plans if we're able to manage the billing.

This billing arrangement also provides retailers with the incentive to be a solutions provider across a customer's life cycle. Suppliers help customers mitigate up-front deposits upon acquisition, adopt unique product structures that better suit their lifestyles, and make flexible payment arrangements on their bills. But the common element underlying these solutions is the supplier's ownership of the invoice and credit relationship with the customer.

Finally, competition is really about **control**. Competition trusts consumers to know what they want and to seek out those plans and services that provide them with the best overall value. It treats each consumer as an individual, whether they are low-income or high net worth, allowing them to pick the electric service that best fits their unique need. As an example, many consumers like to see the visualization of their energy usage on our website or to pay their bill on their phones, bringing us back full circle to innovation and the power of choice.

We acknowledge there are unscrupulous actors in the market, like any retail market, and strongly support actions to protect customers through strong licensing requirements and enforcement actions. We believe that suppliers, and the consumers that choose them, benefit most from becoming a trusted brand that consumers rely upon to meet their needs. And if a supplier ever breaks that trust, the customer can use their power to choose to walk away.

In closing, let me congratulate Pennsylvania, which for two decades now has been and remains on the national forefront of electric competition. It is time for Pennsylvania to take the next step forward and implement policies that will revitalize the competitive market and enhance customer choice and additional options for residential customers.

Thank you for your time, and I look forward to answering any questions you may have.