

Energy and Technology Committee JOINT FAVORABLE REPORT

Bill No.: HB-6526

Title: AN ACT CONCERNING ELECTRIC SUPPLIERS.

Vote Date: 3/11/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/4/2021

File No.:

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SPONSORS OF BILL:

[Rep. Stephen R Meskers, 150th Dist.](#)

REASONS FOR BILL:

This bill would give the Public Utility Regulatory Authority ratemaking authority and would offer protections to residential supplier customers, including the prohibition of cancellations or termination fees.

RESPONSE FROM ADMINISTRATION/AGENCY:

Commissioner Katie Dykes of the Department of Energy & Environmental Protection

supports HB 6526 because it offers protections to residential electric supplier customers, including the prohibition of cancellation or termination fees, automatic renewals, the assignment or transfer of customers without approval. DEEP supports providing these additional protections to consumers in order to increase bill transparency and affordability.

Marissa P. Gillett, Chairman (PURA) supports HB 6526 because it eliminates the early termination fee for residential customers, seeks to eliminate variable rates and automatic renewal provisions of third-party supplier contracts. The notification provision would also require suppliers to notify a customer any time the rate increases more than 25% of the original or first price in a contract.

Attorney General William Tong of the State of Connecticut is in support of specific provisions of HB 6526:

- The elimination of the early termination fee of fifty dollars for residential customers
- The clarification in Section 2 that any third-party who contracts with or is compensated by a third-party marketer of an electric supplier to sell electric generation services for the electric supplier shall be a legal agent of the electric supplier

- Section 4 which contains the important consumer protection that an electric supplier shall not automatically renew fixed price term contracts for residential customers
- We also support the amendment reflected in Section 6 which expressly permits PURA to regulate electric supplier customer assignments and transfers.
- Finally, we support the provisions in Section 7 allowing PURA to regulate electric suppliers, so their products are not overpriced or harmful to customers

NATURE AND SOURCES OF SUPPORT:

Marilyn Diaz, member of the AARP Connecticut Executive Council supports HB 6526 because it will go a long way towards addressing many of the concerns and difficulties that people experience with the current configuration of the third-party electric supplier market

John Erlingheuser, AARP Connecticut supports HB 6526 as written, particularly the following two provisions:

- One is the provision of this bill that would end the practice of auto renewing third party supplier contracts, including the 25,000 legacy variable rate contracts.
- This legislation would also eliminate cancellation fees for all third-party electric contract

Richard E. Sobolewski, Acting Consumer Counsel and head of the Office of Consumer Counsel supports HB 6526.

- First, the bill would eliminate all early termination fees for those customers who elect to end their contract with a third-party supplier prior to the actual expiration of the contract
- Second, the bill amends General Statutes § 16-245o(m) to afford PURA a greater panoply of remedies regarding hardship designated customers who wish to participate in the deregulated market
- Third, the bill eliminates auto-renewals of contracts between customers and third-party suppliers
- Fourth, the bill increases the regulatory requirements for a third-party supplier who wishes to exit the Connecticut market and assign its customers to a different company for the remainder of their contract terms.
- Finally, the bill would provide PURA with greater discretion over the third-party supply market, as it would allow PURA to regulate access to the market depending on the quality and beneficence of a particular third-party supplier's product

Tom Swan-Executive Director, Connecticut Citizen Action Group supports HB 6526 because it would end the automatic auto renewals on third-party supplier contracts

Brenda Watson, Executive Director of Operation Fuel supports HB 6526 because of the provision that requires that these contracts expire instead of automatically renewing at higher rates (Lines 49-64) is especially important. This bill also appropriately designates authority to PURA to implement safeguards that take stakeholder input into account, and protect consumers from bad actors in the energy markets

The following people are in support of HB 6526:

- Aly Armstrong
- John Coates
- Judy Colligan
- Marilyn Diaz
- Elizabeth Eckert
- Bert Goff
- Ella Johnson
- Emily Johnson
- Patricia Lang
- Philip Levine
- Gerry Mulholland
- Barbara Munck
- Edward Oconnor
- Karen Kissling
- Randy Payson
- Deborah Petro
- Oliver Phippen
- Sonja Priest
- Stephen Raczka
- Mary Schenzer
- Robert Schondelmeier
- Lisa Shea
- Elma Smith
- Lloyd Stableford
- Elaine Werner
- Linda Wright
- Hong Young

NATURE AND SOURCES OF OPPOSITION:

Daniel Allegretti, consultant with Sigma Consultants on behalf of the Retail Energy Supply Association is in opposition to HB 6526 because it represents a sweeping abrogation of energy policy from the legislature to the Public Utility Regulatory Authority that will grant PURA blanket ratemaking authority over competitive residential sales with no meaningful standards, the bill will also grant PURA the ability to re-write reasonable and lawful contract provisions that are freely entered into between businesses and consumers without the consent of either one of them

Frank Lacey-President of Electric Advisors Consulting is in opposition to HB 6526 because we believe that the legislature is approaching these issues in a manner which may cause more harm to customers than good. In particular, I will be focusing on the changes in Section 7 (a):

The proposed changes to Section 7 will give the Public Utilities Regulatory Authority (“PURA”) unbridled flexibility in determining whether a supplier’s rates are inappropriate and condition the supplier’s license on this arbitrary judgement. While NRG does not accept the direct comparison of competitive supplier prices to utility standard offer prices for any

meaningful purposes, due to the wide variance of product types¹ , many others wholly endorse that comparison as valid. As a result, we believe this language is very harmful to customers and to the competitive energy markets in Connecticut.

VISTRA Energy Corp. opposes HB 6526 for the following reasons:

- Vistra disagrees that autorenewal should no longer be an option for choice customers
- Vistra also believes the existing statutory and regulatory requirements on the provision of autorenewal services to electric consumers strikes the right balance between customer protection, customer responsibilities and business needs. Regardless of the reason a customer chooses to continue with a provider, Vistra believes that choice should firmly remain in the hands of the consumer and that as long as the customer is notified and provided with clear and transparent information on renewal / rollover products. The provisions in Raised Bill 6526 regarding auto-renewals are unnecessary and would lead to less than ideal customer experiences.
- While the elimination of termination fees is something that seems consumer friendly it fails to strike the proper balance between customer responsibility and customer protections

Reported by: Jason Snukis

Date: March 29, 2021