NRG Energy, Inc.
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December 1, 2025

VIA E-FILE

Andrew Johnston, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 Saint Paul Street, 16th Floor
Baltimore, MD 21202-6806

RE: ***Administrative Docket PC65***

Dear Mr. Johnston:

Pursuant to Staff Data Request No. 2025-1 to All Licensed Retail Choice Suppliers with Authority to Serve Residential Customers in Maryland dated October 28, 2025, atttached please find NRG Energy, Inc.'s response on behalf of its Maryland Public Service Commission licensed retail energy supply companies.

If you have any questions or require additional information, please feel free to contact me at 301.509.1508 or via email at lgibbons@nrg.com.

Sincerely,

Senior Director, Regulatory Affairs

Enclosures

Electronic cc:
Supplier.response@maryland.gov

Maryland Public Service Commission

Staff Data Request No. 2025-1 to All Licensed Retail Choice Suppliers with Authority to Serve Residential Customers in Maryland – October 28, 2025

Response of NRG Energy, Inc.

Section A: Current Market Position and Future Intent

1. Does your company currently offer, or does it intend to offer, retail energy products to Maryland residential customers within the next 12 months? Please explain the reasoning for your position.

Response: NRG Energy, Inc.'s (NRG's) Maryland Public Service Commission (PSC) licensed retail companies do not currently serve, nor have offers available, to Maryland residential customers.[1] We do not anticipate offering any products to Maryland residential customers in the next 12 months.

The reason for the lack of residential energy supply offers is quite simple. SB1's price caps, product term limits, prohibition on automatic contract renewal, onerous sales agent licensing requirements, and the PSC's decision to go beyond the requirements of SB1 and eliminate the only viable billing option available for residential customers, effectively ended retail choice in Maryland – a result that was foretold and in fact, well documented from the very first hearing on SB1 in January 2024.[2]

As the Commission and Staff are aware, the trailing 12-month average price cap ignores the forward-looking cost basis of the energy supply market. As the Commission and Staff are also aware, energy supply and capacity costs are rising and are anticipated to continue to do so for the foreseeable future as the market responds to growing demand for energy supply. At a time when affordability is the dominant concern for consumers and indeed, for policymakers in the entire PJM region, SB1 – and the PSC's approach to implementing it – have utterly handicapped Maryland consumers by eliminating their ability to protect themselves. The longer term, fixed price products that would have delivered price stability and offered protection from higher future prices have been outlawed. Indeed, even shorter-term fixed price products that could offer at least 12 months of price protection have been rendered inoperable, as the Commission eliminated the only viable billing option that has ever existed in Maryland – utility consolidated billing (UCB). Maryland's policy makers have taken away their constituents' primary means of finding relief from rising prices precisely when they need it most.

[1] NRG's Maryland PSC licensed residential retail energy supply companies include Energy Plus (IR-1805, IR-2216), Reliant Energy Northeast LLC d/b/a NRG Home (IR-2058, IR-3480), Green Mountain Energy Company (IR-2345, IR-3752), XOOM Energy Maryland (IR-2445, IR-2446), Stream Energy Maryland (IR-2742, IR-2072), Direct Energy Services, LLC (IR-719, IR 791), Gateway Energy Services Corporation (IR-340, IR-334).
[2] See Appendix A.

2. Please describe your company's current focus in the Maryland energy market (e.g., residential only, commercial only, both, or exiting the market).

Response: NRG's licensed retail companies are actively serving non-residential customers in Maryland.[3]

[3] NRG's Maryland PSC licensed non-residential retail energy supply companies include Direct Energy Business, LLC d/b/a NRG Business (IR-437, IR-2697), NRG Business Marketing (IR-3123, IR-3108), Reliant Energy Northeast LLC d/b/a NRG Business Solutions (IR-2058, IR-3480).

Section B: Assessment of Available Billing Models

3. Dual Billing: On a scale of 1 (Completely Unviable) to 5 (Viable for the Long Term), please rate the viability of dual billing as a permanent business model for serving your residential customers. Please identify the top three challenges your company faces with this model.

Response: Dual billing is unviable for residential customers due to 1) residential customers' long stated preference for a single, consolidated bill, and 2) SB1's restrictions on pricing and products which render investment in new billing systems infeasible.

- Non-POR Utility Consolidated Billing (UCB): On a scale of 1 (Would Not Use) to 5 (Would Definitely Use), how likely is it that your company would utilize a non-POR UCB system if it were made available?

  Response: Non-POR UCB existed in Maryland when the market first opened more than 25 years ago. Retail suppliers participated in the market at a low rate and with very few product options. POR was adopted to bring billing parity and level the playing field between the monopoly utilities and retail suppliers – treating all energy supply receivables equally. Non-POR UCB could be viable – though competition would be significantly restrained. However, the overall market structure created by SB1 that restricts the pricing and products that suppliers are permitted to offer render this billing option opportunistic at best.

- What is the maximum per-bill, per-customer fee your company would be willing to pay a utility to use such a system? Please provide a specific dollar amount (e.g., $0.75 per bill).

  Response: Retail suppliers have always paid a fee for the use of utility consolidated billing services. The monopoly utilities' supplier coordination tariffs outline the fees for this billing service. NRG's retail companies would be willing to continue paying these fees on a going forward basis were UCB to remain available.

Section C: Identifying Barriers to Market Participation

4. Please rank the following 2024's Senate Bill 1 reforms as barriers to your company's participation in the Maryland residential market, with 1 being the most significant barrier.
    - [1] The price cap based on the trailing 12-month utility average default commodity service rate.
    - [1] The 12-month contract term limit.
    - [1] The elimination of POR.
    - [1] The cost of the interim dual billing system.
    - [1] The energy salesperson and energy vendor licensing requirements.

5. Please provide a detailed narrative explanation for the factor you ranked as the #1 barrier.

Response: All the above noted barriers are problematic and render Maryland's choice market unworkable. The product and pricing restrictions severely limit what can be offered and render offers from competitive suppliers uneconomic and unviable. The elimination of POR is less than ideal and creates an unlevel playing field for competition, but as noted above, UCB without POR did exist during the early years of retail choice in Maryland and so it is feasible. However, the Commission made a policy decision to exceed SB1's requirement to eliminate POR and instead opted to eliminate utility consolidated billing (UCB) entirely. Said another way, the Commission made the decision to abolish the only viable billing option available to serve residential customers – an outcome that was acknowledged at the Commission hearing where this decision was made, when one Commissioner lamented that this would be "the nail in the coffin" of retail competition. Dual billing has always been a billing option in Maryland – one that has been used exceedingly rarely with residential customers for the simple reason that this customer segment does not want it. And suppliers will not invest in building such billing functionality in an inoperable, anticompetitive market such as the one created by SB1.

Section D: A Path Forward

6. From your perspective, what is the single most important action that Staff could recommend to the Commission in order to foster a stable, competitive, and sustainable residential retail energy market in Maryland?

Response: The only viable option for fostering a stable, competitive retail market is the repeal or significant amendment of SB1.

Appendix A

Senate Finance Committee Hearing on Senate Bill 1 – Testimony, January 24, 2024

SENATE BILL 1 – ELECTRICITY AND GAS – RETAIL SUPPLY – REGULATION AND CONSUMER PROTECTION

UNFAVORABLE

SENATE ENERGY, EDUCATION, AND THE ENVIRONMENT COMMITTEE
January 25, 2024

NRG Energy, Inc. ("NRG") submits these comments in **opposition** to **SB 1 – Electricity and Gas – Regulation and Consumer Protection.**

NRG is the leading essential home services company powered by its customer-focused strategy, strong balance sheet, and comprehensive sustainability framework. A Fortune 500 company, NRG brings the power of energy to millions of North American customers. Our family of brands help people, organizations and businesses achieve their goals by leveraging decades of market expertise to deliver tailored energy solutions. Our retail brands serve more than six million customers across North America, including here in Maryland, where NRG owns seven companies that are licensed by the Public Service Commission to serve retail customers.

Maryland de-monopolized the supply of electricity and gas two decades ago. Today, almost 600,000 electric and gas customers choose to buy their energy supply from competitive suppliers. All told, energy purchases from the competitive market amount to 41% of the state's total peak electricity demand, and slightly more than half of the natural gas used by Marylanders.

That would all change for the worse if Senate Bill 1 were adopted. Rather than provide consumer protections, SB 1 would effectively eliminate choice for most Maryland customers.

The re-monopolization of the energy sector would be a huge mistake. By shopping, a Maryland customer can green up his supply—increasing from 34.4% renewable electricity content that required by Maryland's Renewable Portfolio Standard (RPS) – to ensuring that their usage is 100% matched to renewable or emissions-free energy. That's a premium product, and it sometimes comes at a premium price. Last month, I gladly paid about 1 cent per kilowatt-hour more than the utility's "Standard Offer Service" rate for my all-green product. SB1 would outlaw that choice by capping prices.

Or consider that today, a Maryland customer can lock in a rate for 18, 24, or even 36 months—even while her utility's rate for electricity changes several times each year, and her utility's gas price changes monthly. Again, the legislation would outlaw her choice for long term budget certainty by limiting contracts to 12 months maximum, and then preventing her from automatically renewing that contract.

SB1 would even prevent customers from shopping even if their only desire was to obtain savings. The law caps the price of plans shopping customers can buy at the 12-month *historical* average of utility pricing. But that's a misleading data point. Consider the situation right now. Pepco's current Standard Offer rate is 12 cents/kwh. However, the price cap would be Pepco's historical average rate of 9.9 cents/kwh. Bizarrely, SB1 would prohibit customers from shopping for a 12-month-long contract for 10 cents/kwh, even though it would save them 17% off the current utility price—and protect them from future utility rate spikes.

These kind of complex, nonsensical restrictions of what products customers can buy are directly contrary to the point of retail choice in the first place: to allow the customer to choose without a monopoly or government playing gatekeeper.

The legislation also would make it practically impossible to run a retail energy business. SB1 would outlaw paying a commission to a salesperson for the sales she makes. It would require individual salespeople to be licensed and demonstrate to the regulator "proof of financial integrity" or, if they didn't have a big enough bank account, to post a bond.

If these were the rules of the road across the economy, there'd be no cellular plans or newspaper subscriptions, no video streaming or retail banking services. Notably, SB1 wouldn't impose these regulations on the monopoly utilities, who would be free to market their supply service.

Enacting SB1 would be a gigantic misstep, one that customers overwhelmingly oppose. In polling last month, 79% of Maryland voters supported the current customer-choice law. Taking away customers' choices runs into strong opposition across racial, geographic, and partisan lines.

Like all industries, the competitive retail energy market has some bad actors. However, it is important to recognize that complaints against competitive retailers historically have been very low, and while they did tick up slightly in early 2023, have fallen – not increased – in the last year. Importantly, the legislature has already taken steps to ensure good conduct in the marketplace. In 2020, the legislature passed a law requiring the PSC to implement a training course for energy salespeople. It also passed a law restricting the kinds of products that customers receiving energy assistance can choose, thus protecting the most financially challenged Marylanders.

SB1 would permanently end customer choice in the energy space and for that reason NRG urges the Committee to give SB 1 an **unfavorable** report.

NRG Energy, Inc. Contact Information

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