

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|                                               |   |                           |
|-----------------------------------------------|---|---------------------------|
| Pennsylvania Public Utility Commission,       | : |                           |
|                                               | : |                           |
| v.                                            | : | Docket No. R-2022-3032167 |
|                                               | : |                           |
| Columbia Gas of Pennsylvania, Inc.            | : |                           |
| Supplement No. 343 Proposed Tariff            | : |                           |
| Modifications for Inclusion of the Green Path | : |                           |
| Rider                                         | : |                           |
|                                               | : |                           |
| The Retail Energy Supply Association,         | : |                           |
| Shipley Choice, LLC d/b/a Shipley Energy,     | : |                           |
| and NRG Energy, Inc.                          | : |                           |
|                                               | : |                           |
| v.                                            | : | Docket No. C-2022-3032550 |
|                                               | : |                           |
| Columbia Gas of Pennsylvania, Inc.            | : |                           |
| Supplement No. 343 Proposed Tariff            | : |                           |
| Modifications for Inclusion of the Green Path | : |                           |
| Rider                                         | : |                           |

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**DIRECT TESTIMONY  
OF JOHN F. HOLTZ  
ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION,  
SHIPLEY CHOICE, LLC AND NRG ENERGY, INC.**

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1   **Q.     Please state your name and business address for the record.**

2   A.     John F. Holtz, 183 Comanche Trail, Medford Lakes, NJ 08055.

3

4   **Q.     By whom are you employed and in what capacity?**

5   A.     I am employed by NRG Energy, Inc. as Senior Director – Market Development and  
6           Regulatory Affairs. I started my career in retail energy competition and renewable  
7           energy products with NRG's subsidiary Green Mountain Energy Company in its first  
8           year of operation in 1998. Green Mountain Energy was acquired by NRG in 2010.  
9           Over the span of 24 years with Green Mountain Energy and NRG I have had multiple  
10          roles. A copy of my resume is attached as **Appendix A**.

11

12   **Q.     For whom are you appearing in this proceeding?**

13   A.     I am appearing on behalf of NRG Energy, Inc., Shipley Choice, LLC and the Retail Energy  
14          Supply Association, known as RESA.

15

16   **Q.     Briefly describe your educational experience and relevant qualifications.**

17   A.     I have a bachelor's degree from Thomas A Edison State College. I have worked for the  
18          for the Energy and Environment Committee of the New Jersey General Assembly, the State  
19          of New Jersey, the American Petroleum Institute, New Jersey American Water Company  
20          and since 1998, Green Mountain and NRG.

21

22

23

1   **Q.     What is the purpose of your testimony in this matter?**

2   A.     To address the proposal by Columbia Gas of Pennsylvania, Inc. to implement a tariffed  
3           “pilot program” of selling carbon offsets and renewable natural gas attributes to non-  
4           shopping customers.

5  
6   **I.     BACKGROUND**

7   **Q.     Can you please summarize Columbia’s proposal?**

8   A.     Certainly. The Green Path Rider is a proposed new rider to Columbia’s tariff that would  
9           authorize Columbia to sell a new, non-commodity, value-added product to its non-  
10          shopping, non-CAP, non-flex customers<sup>1</sup> in rate classes RSS, SGSS, LGSS or MLSS,  
11          whose annual usage is less than 540,000 therms<sup>2</sup> per year. Columbia is proposing this  
12          program as a five-year pilot. The non-commodity product is a combination of Renewable  
13          Natural Gas “environmental attributes” (“RNGA”) and Carbon Offsets (“COFF”) in  
14          quantities that would be matched with a customer’s natural gas consumption in a manner  
15          that would allow a qualified customer to offset the emissions caused by the customer  
16          burning gas, at a 50% or 100% offset level. Customers are charged on a per therm basis,  
17          \$0.15 per therm for 50% offset or \$0.30 per therm for 100% offset.

18

<sup>1</sup> Non-shopping customers are those who take default service from the utility; CAP customers are those who participate in Columbia’s Customer Assistance Program; and flex rate customers are large C&I customers’ whose rates are discounted for competitive reasons, so non-flex customers are all other customers.

<sup>2</sup> A therm is equal to 100,000 Btu and is approximately equal to 100 cubic feet of natural gas. Therefore, a dekatherm, which is 10 therms, is roughly equal to 1000 cubic feet of gas, or 1 mcf.

1   **Q.     Can you explain what RNGA is?**

2   A.     RNG is renewable natural gas, which is not being sold as part of this program. Rather, the  
3           environmental attributes, which is what will be sold, typically encompass the right to claim  
4           that a certain quantity of carbon emissions was avoided, i.e., offset. Any other benefits of  
5           carbon reduction, or reductions of other emissions associated with the specific quantity of  
6           environmental attributes purchased are included. These attributes, like carbon offsets, are  
7           tracked and accounted for by third party organizations that ensure that they are not double  
8           counted, i.e., retired only once. These same organizations can also act to certify that the  
9           underlying attributes are indeed derived from appropriately produced RNG. Certification  
10          is critical to the credibility of any attributes program, to ensure that the environmental  
11          benefits that are being sold are accurately portrayed. Suppliers have been involved with  
12          the attributes market in the electricity industry for many years and have experience with  
13          these processes, while Columbia appears to have researched this issue only recently. Like  
14          COFFs the ability to claim these attributes translates into an ability to report for entities  
15          with ESG (Environmental, Social and Governance) or other similar reporting requirements  
16          or goals. RNG EA however, are not the same as physical RNG. RNG is gas produced from  
17          organic waste streams such as landfills, animal, human, and other organic waste. RNG is  
18          primarily methane, but because RNG captures gas that otherwise would have dissipated  
19          into the atmosphere, it is nonetheless considered to be an environmentally beneficial  
20          product. While Columbia's tariff does provide suppliers and Columbia the ability to  
21          transport RNG through Columbia's distribution system, Columbia does not offer RNG to  
22          its customers. Unlike Columbia, at least one Pennsylvania NGDC does provide RNG to

customers. UGI includes RNG produced at a facility connected to its distribution system as part of its default service supply portfolio at no explicit extra charge to customers.

**Q. What are Carbon Offsets?**

A. Carbon offsets are certificates that represent a certain quantity of carbon emissions having been avoided or offset. The offset can include diverse sources: from sequestering carbon emissions from landfills to reforestation projects. If one is able to accurately prove and measure the quantity of emissions captured or avoided, it is possible to become certified to produce COFF certificates. The revenue produced from sales of the COFFs, in turn, provides a funding stream for the projects that produce them. There are various organizations, perhaps the best known being Green-e, that certify projects as able to issue certificates with their seal of approval. It is critical for accountability that any COFFs be certified by a reputable organization to ensure the genuineness of the certificates, to maintain accurate records to make sure there is no double counting, to ensure that certificates are appropriately retired, and to ensure that the projects are performing as advertised, among other functions.<sup>3</sup>

**Q. How does Columbia propose to provide these products?**

A. Columbia's filing describes how it will provide the Green Path product to its customers as a means of reducing carbon emissions resulting from the customer burning natural gas. The cost per month will vary based on the amount of gas a customer uses. For example, if the average residential customer (Rate RSS, which is sales service) uses 82.5 Dth per year,

<sup>3</sup> [Green-e | Powering a renewable future.](#)

1 if they were to purchase the 100% option, it would cost an additional \$25 dollars per year  
2 to offset the emissions caused by them burning that gas. For a small general service  
3 customer whose usage is average, i.e., 302.8 Dth/yr., the cost goes up to \$90 per year.<sup>4</sup>  
4 Once Columbia has calculated a customer's usage, it will retire the number of credits  
5 associated with that customer's usage.  
6

7 **Q. Does Columbia intend to earn a profit on this product?**

8 A. No. Columbia contends that the cost of the offsets includes recovery of the costs of  
9 providing them and accounting for them, and that it will not mark-up the credits to earn a  
10 profit. While it may be true that the per/therm charge recovers the costs associated with  
11 the third-party provider with whom Columbia has contracted to provide the credits and  
12 manage the program, it seems improbable that Columbia will recover all the internal  
13 overheads associated with this product, including billing and customer service, and that  
14 those expenses will end up being socialized through the bills of all Columbia customers.<sup>5</sup>  
15

16 **Q. How will Columbia bill for this product?**

17 A. Through discovery we learned that Columbia intends to bill this product as a tariffed non-  
18 basic service.<sup>6</sup> That means Columbia will not terminate a customer's natural gas service  
19 for failing to pay for the COFF/RNGA product. Columbia also responded that it would  
20 show the charges for the COFF/RNGA product as a separate line item on a customer's bill.

<sup>4</sup> Columbia Response to RESA/NGS Parties' Set 2, No. 1, attached hereto as **Exhibit JH-1**.

<sup>5</sup> Columbia Statement No. 1, pp-5-6.

<sup>6</sup> Columbia Responses to RESA/NGS Parties' Set 2, No. 2 and Set I, No. 6, Attached hereto as **Exhibits JH-2 and JH-3**, respectively.

1 In fact, Columbia expects to spend approximately \$186,000.00 to upgrade its billing system  
2 to allow it to calculate and show the Green Path charges as a separate line item.<sup>7</sup>  
3

4 **Q. What is the impetus for Columbia's filing?**

5 A. Columbia has made similar proposals in other states where it provides natural gas  
6 distribution service; specifically in Maryland, Virginia and Ohio, and I am also aware of  
7 their intention to offer it in Kentucky. I also am aware of Columbia settling the matter in  
8 Ohio by withdrawing its Green Path proposal. Nonetheless, the geographic scope of the  
9 proposals makes it appear that providing the offsets has become a corporate initiative,  
10 presumably to meet its corporate ESG goals.  
11

12 **II. RESA/NGS PARTIES' CONCERNS**

13 **Q. Does RESA/NGS have any concerns about the Green Path Rider?**

14 A. Yes. The over-arching concern is that Columbia is proposing to offer a value-added product  
15 that is the domain of the competitive retail market. Columbia's proposal will harm  
16 suppliers and competition by further inuring customers to utility provided gas supply  
17 service. Carbon offsets and RNGA, such as those to be included in the Green Path product,  
18 are competitive products that are being provided by suppliers in the market at large. These  
19 can take the form of a "green" commodity products that include a certain percentage of  
20 carbon offsets (usually 50 or 100%) combined with the commodity, sales of actual RNG  
21 or renewably generated electricity, or separate sales of COFF's or other attributes-based  
22 products. The point is that customers have access to these products in the competitive

<sup>7</sup> Columbia Response to RESA/NGS Parties Set 1, No. 7, attached hereto as **Exhibit JH-4**.

1 market and can affirmatively choose to purchase the products that meet their individual  
2 needs and/or personal sustainability goals. Columbia has a natural monopoly when it  
3 comes to delivering – and arguably supplying (through its role as the default service  
4 provider) – natural gas. Enabling Columbia to use its monopoly position to compete in the  
5 market by offering value added products is antithetical to Pennsylvania's policies aimed at  
6 fostering retail competition. There is no market failure that would warrant the interference  
7 of the monopoly utility. Columbia's proposed product would leverage its monopoly  
8 position to sell the COFF/RNGA product to the same customers that supplier's market to,  
9 while simultaneously making it very difficult for suppliers to compete. Customer inertia  
10 is already a significant barrier to customers engaging with their energy supply options. If  
11 there is any doubt that Columbia intends to flex its monopoly muscle, one need only look  
12 at the way this non-basic product is proposed to be sold to customers – as a tariffed service  
13 – which, among other things, provides the imprimatur of utility service. By providing this  
14 service at cost, Columbia will be able to offer it below what other competitors in the market  
15 are able to charge, making what will appear to be an add-on to default service even more  
16 attractive to customers.<sup>8</sup> That is, the combined product is intended to compete with  
17 offerings made by suppliers. This is but one more example of the anti-competitive nature  
18 of this proposed offer. I should also note that while Columbia does bill for suppliers'  
19 commodity charges through its purchase of receivables ("POR") program, Columbia's  
20 tariff does not appear to allow a supplier to bill its charges for a similar product, either  
21 within the commodity charge as a basic service or as a non-basic product with a separate

<sup>8</sup> Columbia Response to RESA/NGS Parties' Set I, No. 4, attached hereto as **Exhibit JH-5**, and Set I, No. 5, attached as **Exhibit JH-6**.

line item on the bill, yet as pointed out earlier Columbia intends to bill this product as a  
tariffed non-basic service as a separate line item on its bill.

**Q. Please explain what products suppliers currently provide?**

A. Suppliers currently provide carbon offset products bundled with energy in both the electric  
and natural gas markets. Typically, these products are included to the customer as a means  
of differentiating a “green” product from a “brown” product. i.e., typical system power.

**Q. Explain what you mean when you say that setting up this service as a tariffed service  
is a problem?**

A. The product that Columbia is offering is not being offered as a bundled supply, but rather  
as a separate carbon neutral product. Columbia has proposed to bill for this product on a  
separate line item, and to not terminate a customer’s gas delivery service for non-payment.  
These are the obvious characteristics of a non-basic product.<sup>9</sup> Despite the obvious fact that  
the Green Path proposal is for a non-basic charge, it would be the only such non-basic  
product offered in Columbia’s tariff, which does not even have a definition of non-basic  
service.

Another concerning aspect of Columbia’s offering such a product through its tariff is the  
appearance of attempting to skirt the Commission’s Standards of Conduct Regulations.<sup>10</sup>

The Regulations define an “Affiliated NGS” as:

- (i) An NGS engaging in marketing activities related to natural gas supply  
services by the marketing division or marketing operation of an NGDC.

<sup>9</sup> 52 Pa. Code § 56.2, (“Non basic service - Optional recurring services which are distinctly separate and clearly not required for the physical delivery of public utility service or default service.”) See also, 52 Pa. Code §56.83(3) which prohibits termination for non-payment of non-basic charges.

<sup>10</sup> 52 Pa. Code § 62.141, *et seq.*

1 (ii) The term does not include a utility's marketing department or division  
2 to the extent that it informs existing or prospective customers of the  
3 availability and price of the regulated sales service that utility furnishes in  
4 its role as supplier of last resort.<sup>11</sup>  
5

6 It appears that Columbia is attempting to avoid application of the standards of conduct as  
7 they apply to affiliates, under the pretext that the Green Path product is being provided as  
8 a tariffed service and should therefore not be subject to the standards of conduct; despite  
9 there being no basis that I can see, to support such a claim. Application of the Standards  
10 would require, among other things, that Columbia not provide any preference for Green  
11 Path over service provided by an NGS, which Columbia clearly intends to do. The  
12 Standards of Conduct also would require Columbia to allocate "the costs or expenses for  
13 general administration or support services provided to its affiliated NGS," and would  
14 require Columbia and the Green Path product to maintain separate books and records; to  
15 provide but a few examples of the requirements.<sup>12</sup> There can be no doubt that the Green  
16 Path product is intended as a competitive offering. The sale of COFFs and RNGA in the  
17 manner proposed does not depend on the gas delivery function. Cloaking what is plainly a  
18 competitive offering as a tariffed service does not change that fact or warrant the non-  
19 application of the Standards of Conduct. Application of the Standards is a critical first step  
20 to ensuring that Columbia does not use its advantage as the natural gas distribution  
21 company to the disadvantage of those with whom it will compete.  
22  
23

<sup>11</sup> 52 Pa. Code § 62.141.

<sup>12</sup> 52 Pa. Code §§ 62.142(1), (9), and (12).

1 **Q. Are carbon offsets and renewable natural gas natural monopolies requiring a**  
2 **regulated solution to enable customer access to them?**

3 A. No. There are numerous market participants that produce, buy and sell carbon neutral  
4 products in the market, including NGSs. There is an active market where these products  
5 are traded, and prices are established. Columbia does not control the supply of these  
6 products, nor the prices established in the broader market.

7  
8 **Q. Are there any barriers to NGSs marketing and selling these products to customers in**  
9 **the CPA service territory?**

10 A. Yes. Columbia has a monopoly over access to its billing system and over the billing  
11 function generally. The General Assembly restricted the default billing function to the  
12 utility and the law does not allow suppliers to issue bills that include utility charges.<sup>13</sup>  
13 Instead, suppliers are forced to use the monopoly utility billing function for customers who  
14 want a single bill – i.e., all residential customers. Moreover, the purchase of receivables  
15 provision in Columbia's tariff prohibits suppliers from including charges for carbon neutral  
16 products in their basic charges. Simultaneously, Columbia has historically refused to bill  
17 suppliers' non-basic charges via a separate line item. The result is that if a supplier wishes  
18 to sell carbon offsets to customers in order to offset carbon emissions caused by the  
19 customer burning natural gas, the supplier can only do so by sending a separate bill to the  
20 customer, which experience shows, is a non-starter for most customers. I also should point  
21 out that only a few years ago the Commission Ordered Columbia to provide billing for  
22 non-commodity products and services on a non-discriminatory basis (Columbia was

<sup>13</sup> 66 Pa. C.S. § 2205(c)(1).

1 providing the service for two former affiliates but refused to provide it for NGSs on its  
 2 system) or to not provide it at all. Columbia chose to not provide billing service for non-  
 3 basic products for any party. Now Columbia is back, seeking to provide billing for non-  
 4 commodity services without any consideration that suppliers cannot do so. The reason I  
 5 point this out is that experience shows that customers strongly desire the ability to keep the  
 6 expenses related to a utility service on a single bill. That simple fact is probably one of the  
 7 primary reasons so many suppliers continue to rely on POR today, customers don't want  
 8 to receive a bill for the commodity and a separate bill for the delivery; rather, they want to  
 9 see all of the charges on one bill. The same is true for non-commodity products that relate  
 10 to gas supply service - products as diverse as carbon offsets and service line warranties -  
 11 customers want to see those charges, and pay for them, on single bill. The catch is that  
 12 suppliers are not permitted to send a single consolidated bill that contains both utility and  
 13 supplier charges, the utility retains the legal monopoly on the single bill for natural gas and  
 14 related services.<sup>14</sup>

15  
 16 **Q. You mentioned that there are tariff issues with billing as well, what are those?**

17 A. Columbia's Tariff, Section 4.13.4.6, (Supplement No. 181 to Tariff Gas – Pa. P.U.C. No.  
 18 9, First Revised Page No. 247a) does not appear to allow suppliers to include “any charges  
 19 associated with carbon based attributes, including value added green products like carbon  
 20 attributes” in basic charges. This requirement appears to be more restrictive than the  
 21 Commission's Regulation, which requires:

22 An NGS shall only sell receivables associated with basic services and may  
 23 not sell other receivables related to products and services sold in relation to  
 24 basic services or in addition to basic services to the NGDC's POR program.

<sup>14</sup> 66 Pa. C.S. § 2205(c)(1).

1           The NGS shall certify that charges do not include receivables for other  
2           products or services.<sup>15</sup>

3  
4           I will not get into the legal argument but am advised by counsel that Carbon offsets bundled  
5           with natural gas as a single product is a basic service because it is natural gas supply  
6           product. The Regulation and Columbia's tariff provision, however, both suffer from the  
7           same defect in reasoning – the failure to recognize that the price that suppliers charge is  
8           the only vehicle they have for recovering their costs. Whether those costs are for  
9           commodity, information technology, or marketing and advertising, such as incentives  
10          (airline miles, rewards programs, etc.), those costs all are recovered in one place, the NGS's  
11          price. The Commission inherently understands this fact, because its own natural gas  
12          shopping website, [www.pagasswitch.com](http://www.pagasswitch.com), has a box that customers can check when  
13          comparing supplier offers, that is labeled, "Discounts/Incentives Available." Clearly the  
14          Commission understands that a supplier's price is all-inclusive, yet Columbia's tariff  
15          attempts to carve off some categories of incentives or marketing costs, such as COFFs  
16          included with the commodity at no additional cost to the customer, as unacceptable for  
17          POR. This position ignores the fact that customers want these products and want them  
18          included in the price and is not in step with the present market Columbia has enshrined this  
19          provision in its overly restrictive tariff. When coupled with Columbia's historic refusal to  
20          bill for non-commodity products and services as non-basic charges on the utility bill, (the  
21          same way that Columbia is proposing to charge for its carbon based attributes products in  
22          this matter), if approved, would permit Columbia a virtual monopoly on carbon neutral and  
23          similar products in its service territory.

24  
<sup>16</sup> Exhibit JH-5.

1 **Q. Do you have any concerns about CPA's Green Path cost recovery proposal?**

2 A. Columbia claims that all costs of administering the Green Path product will be recovered  
 3 in the pass-through rate charged to customers.<sup>16</sup> However, based on Columbia's responses  
 4 to discovery, their proposed charge for the Green Path product is not intended to recover  
 5 any other start up or administrative costs of the program.<sup>17</sup> There can be no doubt that  
 6 there is a cost for taking customer calls, whether they be to ask questions or sign up, a cost  
 7 for placing a separate line item on the bill (apart from the IT cost program it), and the  
 8 ongoing costs of billing and collections, whether using Columbia employees or contractors.  
 9 What is also clear is that the COFF/RNGA vendor's staff will not be performing any of  
 10 those tasks. There may be other overhead costs associated with the provision of these  
 11 value-added products as well. Since these costs are not identified for inclusion in the Green  
 12 Path Rider, one can only assume that Columbia will incur and pass on any additional costs  
 13 to all customers through distribution rates, thereby creating a cross-subsidy, where  
 14 distribution customers pay a portion of the cost for the Green Path product that is purported  
 15 to be applicable only to customers who "choose" it.<sup>18</sup> I also have concerns about how  
 16 Columbia plans to recover these costs if its sales expectations are too aggressive and it fails  
 17 to reach its revenue projections – there would appear to be a significant risk that those costs  
 18 are passed on to distribution customers. This is another reason why application of the  
 19 Standards of Conduct is critical, so those costs cannot be shifted. Otherwise, such a cross

<sup>16</sup> **Exhibit JH-5.**

<sup>17</sup> See Columbia's Response I&E Set 1-003, attached as **Exhibit JH-7**, and Columbia's response to I&E 1-005 and Attachment A, **Appendix A**, attached hereto as **Exhibit JH-8**, for the listing of corporate services in the Service Agreement between Columbia and NiSource for a description of the services NiSource provides Columbia and the manner of reimbursement for those service.

<sup>18</sup> These costs include administration and general costs such as buildings, staff and the benefits that go with them, any of the costs of developing the program, and the resources to prepare for and participate in this proceeding, should all be charged only to the customers who use the service.

1 subsidy becomes the essence of predatory pricing, i.e., pricing a value-added product below  
2 cost, and will result in Columbia being permitted to underprice the market and thus enhance  
3 its ability to gain market share, while simultaneously preventing others from fairly  
4 participating in the market at all.

5 In contrast, suppliers do not have captive ratepayers to whom they can pass on the costs of  
6 developing new products and services. If a supplier chooses to offer carbon offsets, it must  
7 fund all the research and development for the product out of its own capital and take the  
8 risk that customers will purchase the product in sufficient quantities to allow the supplier  
9 to make a return, and thereby reward its investors for risk and provide return of capital.  
10 That is how competitive markets work. It also violates the Commission's own standards  
11 of Conduct that prohibit cross-subsidies and require such services to be accounted-for  
12 separately.<sup>19</sup> It is clear to me that the Green Path product is intended as a competitive  
13 offering and so the application of the standards of conduct follows naturally. Columbia's  
14 presentation in its filing does not even mention the standards of conduct, let alone explain  
15 how it will comply.

16  
17 **Q. Will Columbia be marketing this Green Path product to customers who are**  
18 **shopping?**

19 **A.** No. While Columbia claims it will not market this product to "shopping" customers – all  
20 customers are eligible to shop at any time, and thus their claim is not entirely true. Recall  
21 that Columbia's tariff suggests that supplier may have difficulty selling carbon offsets or  
22 similar products in the Columbia service territory unless they offer a separate bill. What

<sup>19</sup> 52 Pa. Code § 62.142(9) and (12).

1 this means is that when a customer is interested in reducing the carbon footprint of their  
2 natural gas consumption, they will have but one convenient source, Columbia. The  
3 likelihood is that customers will not only be drawn to purchase the COFF/RNGA product  
4 from Columbia, but they will also be forced to buy their gas from Columbia to be eligible  
5 to do so. Whether the consequence is intentional or not, the result is the same – suppliers  
6 will lose customers who want to reduce their carbon footprint to Columbia.  
7

8 **Q. Do you have other concerns about Columbia's proposal?**

9 A. Yes. While it may seem insignificant, it is nonetheless misleading that Columbia's  
10 materials in this case, and presumably its marketing materials, use the term RNG  
11 interchangeably with RNGAs, when those two items are not the same. Consequently, I  
12 believe that Columbia's promotional efforts, as far as they have been described in this  
13 matter, are misleading to customers. Even more misleading is the fact that the product is  
14 promoted as having RNG as the primary product, when the RNG attributes will make up a  
15 scant 5% of the product, with the remainder being COFFs. The proposed tariff language  
16 never clarifies the deceptive and unclear RNG references, nor does it mention the fact that  
17 the percentages are so lopsided, leading to the very real potential for customers to believe  
18 that the product is at least a 50/50 split, or that it involves actual RNG, when that clearly is  
19 not the case. Columbia could conceivably decrease the percentages of the RNGA without  
20 running afoul of its vague tariff language.<sup>20</sup>  
21

<sup>20</sup> The Commission's Regulations require NGSs to provide accurate information to customers. 52 Pa. Code § 62.114(1).

1   **Q.    Now that you have addressed the shortcomings of Columbia's proposal, is there a way**  
2       **to correct these problems that would allow Green Path to be approved?**

3    A.    The short answer is no. There simply is no reason for a regulated utility to be permitted to  
4       engage in the sale of carbon neutral products as a tariffed service in a competitive  
5       marketplace. There is no reason for Columbia to propose that other customers bear the  
6       overhead costs for such a program, (by not conforming to the Standards of Conduct) or to  
7       seek the Commission's blessing for such an offering - other than to use its monopoly assets  
8       to mask the true costs of the program and avoid the restrictions that are supposed to prevent  
9       such results. If allowed to proceed, Columbia will necessarily rely upon its monopoly  
10      position to lure customers away from suppliers to purchase a carbon neutral product even  
11      if doing so means customers must drop their suppliers. Through an antiquated POR  
12      requirement that ignores the fact that de-carbonization is a national priority that should be  
13      encouraged, and its own refusal to bill for suppliers' non-basic service, Columbia will also  
14      prevent suppliers from competing on a fair basis. All these issues, including the pricing,  
15      the misleading promotion and tariff language add to the list of reasons why the Green Path  
16      Rider is a bad idea.

17      The best solution, if Columbia seeks only to address the salutary goal of decarbonization,  
18      would be for Columbia to provide the infrastructure that allows suppliers to easily provide  
19      and bill for such products.

20  
21   **Q.    What if Columbia insists on moving forward with the proposal?**

22    A.    My recommendations would be as follows:

23      1.     Columbia should withdraw the proposed Green Path Rider.

- 1           2.     Suppliers could agree to reporting on a voluntary and anonymous basis, sales of  
2                   RNG, RNGA and COFFs in a manner that allows Columbia to make an ESG claim.  
3                   As a necessary condition of suppliers being able to provide this data, it would need  
4                   to be clear that suppliers are able to bill for carbon neutral products, ideally as a  
5                   component of natural gas sales, i.e., through POR. I view carbon offsets as akin to  
6                   Renewable Energy Credits ("RECs") and RECs have been sold bundled with  
7                   electricity for many years without issue. In today's world, where climate change is  
8                   front and center as a public policy issue, it is unconscionable that the Commission's  
9                   Regulations could be used to prevent suppliers from selling such products to natural  
10                  gas customers.

| <b>Exhibit</b> | <b>Source</b>         |
|----------------|-----------------------|
| Exhibit JH-1   | RESA NGS Set II No. 1 |
| Exhibit JH-2   | RESA NGS Set II No. 2 |
| Exhibit JH-3   | RESA NGS Set I No. 6  |
| Exhibit JH-4   | RESA NGS Set I No. 7  |
| Exhibit JH-5   | RESA NGS Set I No. 4  |
| Exhibit JH-6   | RESA NGS Set I No. 5  |
| Exhibit JH-7   | I&E Set I No. 3       |
| Exhibit JH-8   | I&E Set I No. 5       |

# **APPENDIX A**

**JOHN F. HOLTZ**  
**183 Comanche Trail**  
**Medford Lakes, NJ 08055**  
**609.280.7701 / 4holtzjohn@gmail.com**

## **EXECUTIVE SUMMARY**

Senior-level executive with four decades of experience in business, government and trade organizations, encompassing government and regulatory affairs, corporate communications, media relations, and business development.

- Extensive working knowledge of government at all levels - *- from city hall to the White House.*
- Experience working with Fortune 100 companies, investor-owned utilities, start-ups, and national trade associations.
- Consensus-builder, possessing a natural ability to lead and motivate people.
- Resourceful, creative communicator. Skilled public speaker. Excellent writer.
- Innovative, strategic and creative thinker. Results and action-oriented. Team player. Thrives in fast-paced, challenging and dynamic environment. Handles pressure situations well.
- Execution specialist, with a proven ability at managing multiple projects simultaneously from conception through implementation. Experienced at managing agencies and consultants.

## **PROFESSIONAL EXPERIENCE**

### **NRG ENERGY, INC. / GREEN MOUNTAIN ENERGY COMPANY**

**1998-Present**

**Senior Director – Market Development & Regulatory Affairs** (2019 – Present)

**Director – Government & Regulatory Affairs** (2012 – 2019)

**Director – East Region** (2006 - 2012)

**Director, External Affairs & Business Development – Eastern U.S.** (2002 – 2005)

**Public Affairs Manager** (1998 – 2001)

I joined Green Mountain Energy Company during its first full year in existence, and became part of a team of 37 people that helped grow the privately-funded start-up into the nation's largest retail provider of "cleaner" energy with annual revenues of more than \$450 million and 200 employees. I am the company's second longest tenure employee. I pioneered the use of the company's government relations and corporate communications functions as tools for opening markets in the newly deregulated electric utility industry. Responsibilities included: government and regulatory relations and business development in six states in the eastern U.S.; building and maintaining brand awareness; utilizing integrated marketing communications and value-added public relations to support the company's customer acquisition and market-share goals; Profit & Loss, market strategy and regulatory responsibility for the company's Florida (FPL), New York (National Grid) and New Jersey (PSE&G) utility partnering business units. I regularly provide advice and counsel on business development, communications and public affairs to executive management team members and the CEO. Green Mountain Energy Company was acquired by NRG Energy, Inc. in 2010,

- **New Markets Development Through Government Relations** – Combined strategic political contacts, media relations, and grassroots support to win critical amendments to the *New Jersey Energy Competition Act*, which opened a \$10 billion market to competition.
- **Project Management** – I directed the development of the largest solar electric array in Florida, with the County of Sarasota, Florida Power & Light Company, MMA Renewable Ventures and SunPower.
- **Regional Market Share Expansion Strategy** – Developed communications and government relations tactics to promote the company's evolving business strategy, which included a focus on partnering with investor-owned utilities. Efforts generated leads and opportunities encompassing markets sized at 5.7 million residential customers. Secured more than \$1 million in government grants to support marketing activities.

- **Business Growth** – During 2006-2007 I grew Florida Power & Light Company's *Sunshine Energy*® into the 3<sup>rd</sup> largest residential green power program among more than 600 utility programs nationwide, while maintaining one of the lowest acquisition costs in the industry and cutting customer churn by one third.
- **Profit & Loss Management** – Grew margins by 33% in the company's New York market through a minimal price increase, keeping customer churn to less than 1%. Strategically undercut all competitors' prices in the New York retail green power market while maintaining a 35% gross margin over cost-of-goods-sold.
- **Brand Awareness** – More than doubled brand awareness in New Jersey from 17% to 35% in just one year, and maintained brand awareness in Pennsylvania in the 50 percentile for three-plus years exclusively through earned media and public relations, with no advertising budget.
- **National Media Coverage** – Leveraged the Green Mountain Energy Wind Farm in western Pennsylvania for national, international, regional, and trade media coverage including *TIME*, *Business Week*, *The New York Times*, *The Washington Post*, CNN, BBC, Swedish Television Network, *Philadelphia Inquirer*, *San Francisco Chronicle*, *Cleveland Plain Dealer*, *The Baltimore Sun*, *The Dallas Morning News*, Associated Press, as well as network television affiliates. Assisted the Vice President of Corporate Communications in coordinating a live segment on NBC's TODAY show and company profile for *Forbes Magazine*.
- **B2B Marketing Strategy** – Developed a "share-the-spotlight" strategy to publicize large commercial accounts purchasing the company's environmentally-friendly, pollution-free electricity as a means of attracting additional major accounts, as well as promoting the brand. High-profile examples include: 196 New Jersey state government facilities accounts being touted as "the cleanest powered state government in the nation," complete with the symbolic dedication of a 200-foot tall wind power turbine via live satellite broadcast into the Governor's ceremonial office at the state capitol; packaging the Liberty Bell Pavilion account at Independence National Historical Park in Philadelphia as "the first green-powered national landmark," and featuring then-U.S. EPA Administrator Christine Whitman, "Ben Franklin," and descendants of the Signers of the Declaration of Independence; and Kinko's, Inc. as "the cleanest powered retail business in Pennsylvania," with presentation by Philadelphia Mayor John Street at a Center City news conference. In addition to generating widespread regional media coverage, successfully positioned each customer to garner national and/or regional awards recognizing their pro-environment "green" power purchases.
- **Crisis/Reputation Management** – Successfully executed an assertive regulatory and media relations strategy to restore Green Mountain's reputation in the aftermath of unfounded allegations and public criticism by a commissioner of the Florida Public Service Commission in 2008.

## NEW JERSEY-AMERICAN WATER COMPANY

1997–1998

### Director of Corporate Communications & Governmental Relations

I was recruited to manage the external and internal communications force for this \$2 billion investor-owned water utility. I commanded a budget of \$1 million and a team of 4 that encompassed state and local government affairs, community relations, corporate communications, media relations, investor/financial communications, employee communications, and corporate giving. I reported directly to the company president.

- **New Business Strategy** – Mapped out and executed a successful campaign integrating media, community, and government relations that resulted in approval, by a 4-to-1 margin, of a voter referendum for the acquisition of an \$850,000 municipal water system. The victory effectively blocked the expansion into the same region by a rival.
- **Corporate Image Building** – Created the "Rubber Duck Campaign" - - using a friendly and recognizable symbol as the centerpiece of an integrated advertising and public relations plan to humanize the company and mitigate its negative image with customers and franchise communities. More than 5 years later, the New Jersey-American Water Company Rubber Duck continues to appear in the company's advertising and public relations activities.
- **Financial Communications** – Re-styled the annual report to transform it from a one-dimensional financial document to a showcase of the company's marketable assets.
- **Community Relations** – Completely restructured the company's random charitable giving into a \$250,000 annual strategic corporate contributions program.

**AMERICAN PETROLEUM INSTITUTE****1985 - 1997****Senior Associate Director**

For more than a dozen years, I directed the media/public relations activities, and supported the government relations efforts for the field office of an international industrial trade association. I devised and implemented strategies to achieve the legislative, regulatory and public affairs objectives of the member oil companies. I covered a region that spanned the media markets from New York City to Philadelphia. I established the office as the leading and reliable source for news and information about the petroleum industry in the New York City/Philadelphia metropolitan area.

- **Project Management** – Coordinated the New York Harbor Facilities & Harbor Wide Review Project, an unprecedented \$1.6 million dock-to-deck oil spill prevention audit of 62 industrial facilities along the NJ/NY waterfront, involving agencies from two states and the Federal government, as well as the U.S. Coast Guard. The project was initiated in response to a series of major oil spills in the New York Harbor. The Final Report was later hailed by the Coast Guard for having significantly reduced spill events in the Harbor.
- **Negotiation and Consensus Building** – Forged an agreement with the White House to break a seven-year log jam on dredging New York Harbor, saving oil facilities as much as \$2 million a year in product handling costs.
- **Industry Spokesperson** – Managed the dissemination of accurate and timely information on petroleum supplies and prices to the news media and government officials in the New York/Philadelphia metro region during the Persian Gulf War. Professionally handled media responses on sensitive topics ranging from gasoline prices to major oil spills.

**NJ OFFICE OF ADMINISTRATIVE LAW****1983 –1985****Public & Legislative Affairs Manager**

I worked directly with the Chief Judge in all operations of a \$7 million state government agency, which included responding to the media about cases and decisions, preparation of annual budget message to the state legislature, policy development, and legislative analysis. I was chief spokesperson for the agency and liaison to the legislature, Governor's Office, state bar association, and citizen's organizations.

- **Crisis/Reputation Management** – Devised and orchestrated a successful multi-faceted news media and government relations strategy to turn around the agency's negative public image in the wake of a week-long, scandalous "page one" newspaper series, and reversed legislative attempts to dismantle the agency.
- **Internal Communications** – Inaugurated the agency's first bi-monthly newsletter as a means of boosting employee morale and stemming rumors.

**ADDITIONAL EXPERIENCE**

- |                                                                                                         |                       |
|---------------------------------------------------------------------------------------------------------|-----------------------|
| • <b>Lecturer</b> – Rutgers University, Edward J. Bloustein Graduate School of Planning & Public Policy | <b>2003 - Present</b> |
| • <b>Master Gardener</b> – Rutgers Cooperative Research & Extension Service                             | <b>Present</b>        |
| • <b>Freelance Writer &amp; Blogger</b> – Philadelphia Inquirer                                         | <b>2007 -2008</b>     |
| • <b>Gardening Columnist</b> – Burlington County Times                                                  | <b>2006 - 2007</b>    |
| • <b>Chief of Staff</b> – Assembly Environment Committee, General Assembly – NJ Legislature             | <b>1981 – 1983</b>    |
| • <b>Reporter</b> – Freehold, NJ Bureau, Asbury Park Press                                              | <b>1981</b>           |

**EDUCATION**

**Bachelor of Arts in Journalism, Minor in Political Science**  
**Thomas A. Edison State College, Trenton, NJ**  
**Class Valedictorian**  
**Arnold Fletcher Award for Academic Excellence**

**PROFESSIONAL AFFILIATIONS**

- |                                                                           |                    |
|---------------------------------------------------------------------------|--------------------|
| <b>Board Member – PECO Sustainable Development Fund, Philadelphia Pa.</b> | <b>2000 – 2004</b> |
| <b>Governor's Consumer Protection Advisory Council, Trenton NJ</b>        | <b>1990 – 1994</b> |
| <b>Member, Renewable Energy Marketers Association</b>                     | <b>2002 - 2009</b> |

# **EXHIBIT JH-1**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider

Docket Nos. R-2022-3032167

C-2022-3032404

Interrogatories of the NGS Parties

Set 2

Question No. NGS Parties 2-001:

Please provide the average annual per customer consumption for Rate classes RSS, SGSS, LGSS and MLSS?

Response:

The average annual use per customer based on the calendar year 2021 are:

RSS: 82.5 Dth

SGSS: 302.8 Dth

LGSS: 11,598.5 Dth

MLSS: 67,472.0 Dth

# **EXHIBIT JH-2**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider

Docket Nos. R-2022-3032167

C-2022-3032404

Interrogatories of the NGS Parties

Set 2

Question No. NGS Parties 2-002:

In response to RESA/NGS Parties' Set I-6, Columbia stated that customers will see charges for Green Path Rider as a separate line item on their monthly bill. Will Green Path Rider Charges be treated as a basic services charge, a non-basic services charge (as defined in 52 Pa. Code § 62.72), or something else? If something else, please explain how the charge will be treated.

Response:

No, the Green Path Rider will be treated as a Nonbasic service.

# **EXHIBIT JH-3**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider

Docket Nos. R-2022-3032167

C-2022-3032404

Interrogatories of the NGS Parties

Set 1

Question No. NGS Parties 1-006:

How will Columbia bill customers for the charges associated with the GPR – that is, will customers be charged be a single monthly charge appearing under non-basic charges, will the charges be billed as part of, or included in, the commodity charge, or some other method? Explain.

Response:

Customers will see a separate line item for the GPR charges on their monthly bill.

# **EXHIBIT JH-4**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider

Docket Nos. R-2022-3032167

C-2022-3032404

Interrogatories of the NGS Parties

Set 1

Question No. NGS Parties 1-007:

Are the one-time IT charges (\$186,000) discussed in the Statement of Reasons, page 4, needed to allow Columbia to bill the charges for the GPR? If the answer is no, explain the basis for the additional IT costs.

Response:

Yes.

# **EXHIBIT JH-5**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider  
Docket Nos. R-2022-3032167  
C-2022-3032404

Interrogatories of the NGS Parties  
Set 1

Question No. NGS Parties 1-004:

With regard to recovery of ongoing costs of operating the GPR, explain in detail how all of the costs, including indirect costs, will be recovered and from whom they will be recovered. Please identify in detail the specific indirect costs that will be recovered and the amount.

Response:

All of the operating costs for the GPR will be recovered in the rate paid by customers. Columbia's supplier will manage the program, by providing the required amount of RNG attributes and carbon offsets. They will also manage the certification and tracking of the attributes in the M-RETS system. The price Columbia will pay the supplier will include all of the operating costs.

# **EXHIBIT JH-6**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider

Docket Nos. R-2022-3032167

C-2022-3032404

Interrogatories of the NGS Parties

Set 1

Question No. NGS Parties 1-005:

Is it Columbia's intention that it will forgo including a profit margin in the sale of the GPR product to customers? If yes, explain the rationale for not seeking to earn any profit? If the response is no, and Columbia intends to earn a profit on the sale of carbon offsets and RNG attributes, what percentage of profit does Columbia expect to earn on sales?

Response:

Yes. Columbia's intention is to forgo any profit margin on the sale of the GPR product to its customers. The GPR is similar to traditional sales service in that the RNG environmental attributes and carbon offsets will be provided as pass through costs.

# **EXHIBIT JH-7**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider  
Docket Nos. R-2022-3032167  
C-2022-3032404

Interrogatories of the Bureau of Investigation and Enforcement

Set 1

Question No. I & E 1-003:

Reference Columbia's filing (pp. 3 and 5) concerning the Company's proposed recovery of the one-time capital cost of \$186,000 and annual O&M cost of \$33,500 associated with this proposal in the next base rate case. Provide a breakdown of projected capital costs and O&M expenses that would be incurred and proposed for recovery in base rates from all classes of customers.

Response:

The \$186,000 in capital costs relate to billing system modifications to allow customers to enroll in the Green Path Rider and to have the charges displayed as a separate line item on enrolled customers' bills. The \$33,500 in O&M charges relate to customer education about the rider and the benefits of RNG environmental attributes and carbon offsets.

# **EXHIBIT JH-8**

Pennsylvania Public Utility Commission

v.

Columbia Gas of Pennsylvania, Inc. Supplement No. 343 Proposed  
Tariff Modifications for Inclusion of the Green Path Rider  
Docket Nos. R-2022-3032167  
C-2022-3032404

Interrogatories of the Bureau of Investigation and Enforcement

Set 1

Question No. I & E 1-005:

Reference Columbia Statement No. 2, p. 5, which states NCSC will be the purchasing entity that will allocate the RNG environmental attributes and carbon offsets to the participating operating companies. Provide a copy of the relevant affiliated interest agreement that permits allocation of RNG environmental attributes and carbon offset costs.

Response:

The affiliate interest agreement between CPA and NCSC, which the Commission approved in Docket No. G-2014-2458547, is provided as Attachment A to this response.

## VERIFICATION

I, John F. Holtz, certify that I am the Senior Director – Market Development and Regulatory Affairs, for NRG Energy, Inc., and that, in this capacity, I am authorized to and do make this Verification, that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect RESA and the NGS Parties to be able to prove same at any hearing hereof. I understand that false statements made therein are made subject to the penalties in 18 Pa. C.S. §4904, relating to unsworn falsifications to authorities.

A handwritten signature in black ink, appearing to read "John F. Holtz", with a large circular flourish on the left and a horizontal line extending to the right.

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John F. Holtz

DATED: November 28, 2022