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December 8, 2022

Via Federal Express

Louisiana Public Service Commission
Attention: Records Division
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, LA 70821-9154

Re: In Re: Rulemaking to Research and Evaluate Customer-Centered Options for All
Electric Customer Classes as well as Other Regulatory Environment
Docket No. R-35462

Dear Sir/Madam:

Enclosed for filing are an original and two copies of the slide deck of the Competitive Energy Suppliers, consisting of the Retail Energy Supply Association, Constellation NewEnergy, Calpine Corporation, Vistra Corp. and NRG Energy. Dan Allegretti and Richard Spilky plan to use this material to make a presentation on behalf of the Competitive Energy Suppliers at the Technical Conference on December 15, 2022.

Copies are being served per the Certificate of Service. If anything further is needed, please contact me. Thank you for your attention to this matter.

Karen O. Moury, Esq.

KOM/lww

Enclosure

cc: Donnie Marks w/enc. (via email to donnie.marks@la.gov)
Lauren Evans w/enc. (via email to lauren.evans@la.gov)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Slides upon the parties of record by email.

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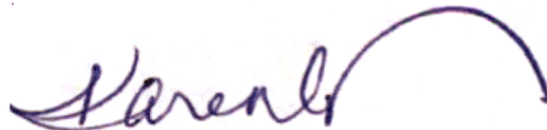
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Dated: December 8, 2022



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COMPETITIVE POWER MARKET SOLUTIONS

DAN ALLEGRETTI & RICHARD SPILKY

ON BEHALF OF THE "COMPETITIVE ENERGY SUPPLIERS"

**THE RETAIL ENERGY SUPPLY ASSOCIATION,
CONSTELLATION NEW ENERGY, CALPINE CORPORATION,
VISTRA CORP. AND NRG ENERGY**

Docket No. R-35462, LPSC Hearing RE:

**Rulemaking to Research and Evaluate Customer-Centered
Options for All Electric Customer Classes**

December 15, 2022



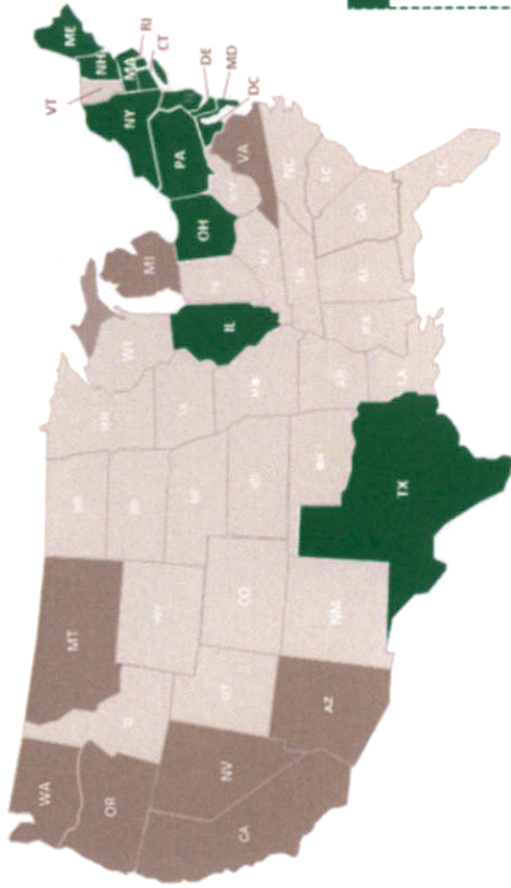
ABOUT THE ORGANIZATION

RESA is a group of retail energy suppliers who have a common vision that competitive retail energy markets deliver a more efficient, customer-oriented outcome than a regulated utility structure.

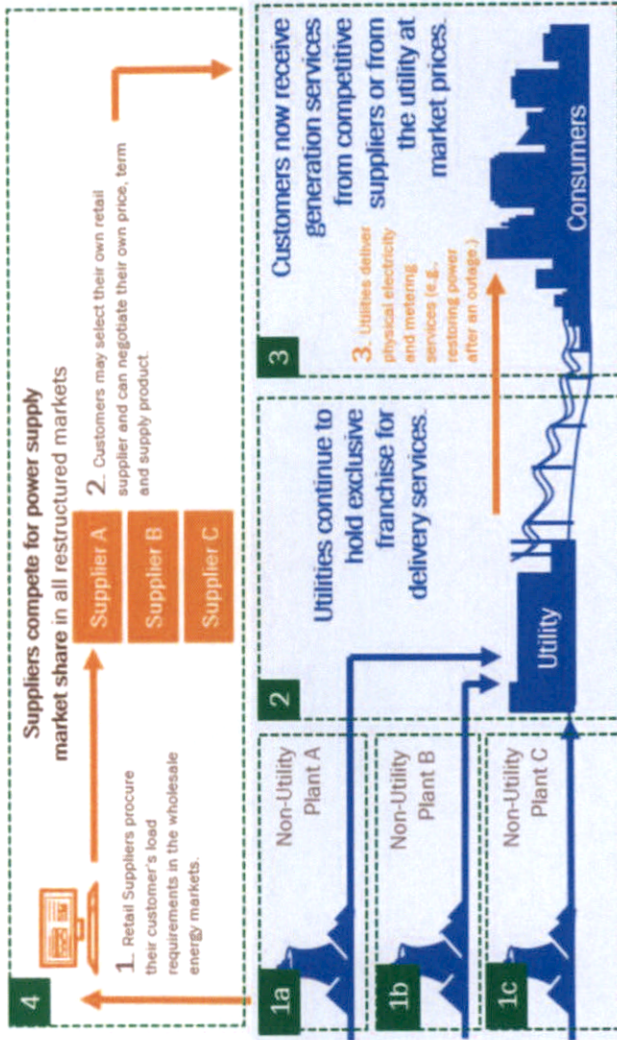
RESA is devoted to working with all stakeholders to promote vibrant and sustainable competitive retail energy markets for residential, commercial and industrial consumers.



WHAT IS RETAIL POWER COMPETITION?



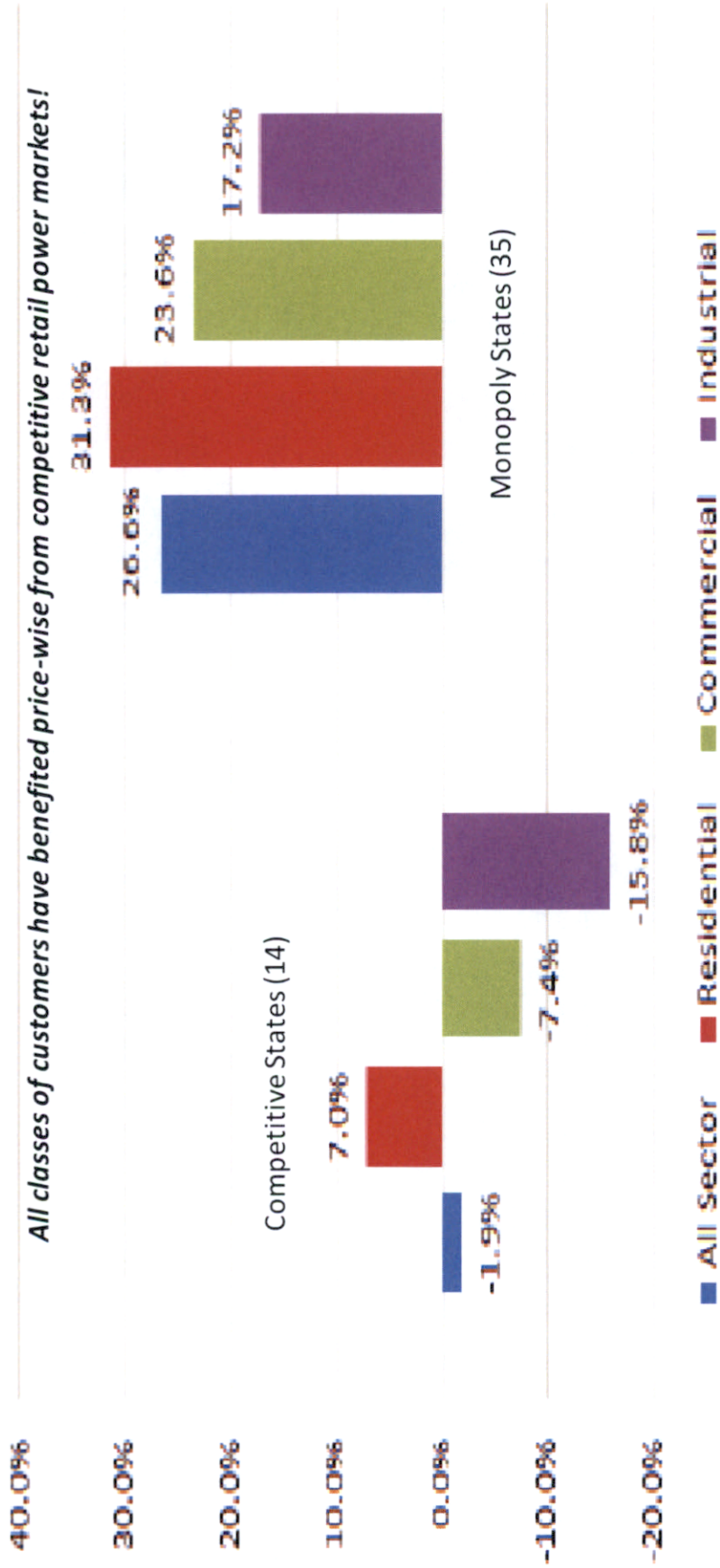
About 1/3 of all power consumed in the continental US is done so under a competitive retail model.



The main difference between a monopoly state and a competitive one is found in generation ownership and financial risk allocation (rate payers v. investors).

NOMINAL WEIGHTED AVERAGE PERCENTAGE PRICE CHANGE BY CUSTOMER CLASS, CHOICE VS. MONOPOLY STATES, 2008-2021

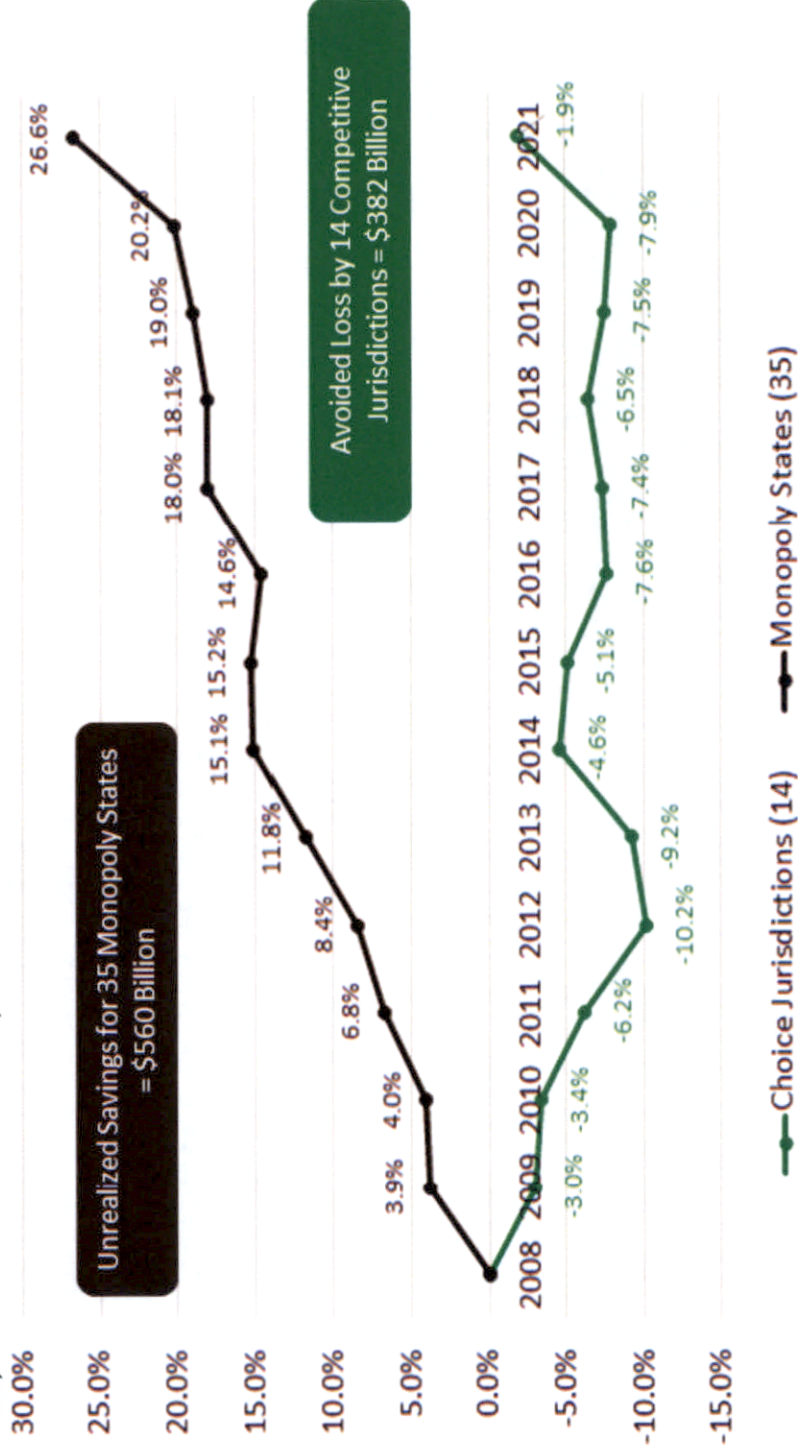
FIGURE 11 OF RESTRUCTURING RECHARGED, SOURCE: EIA-861M



The information presented in this document represent the views of RESA as an organization and may not necessarily reflect the views of any particular RESA member.

ALL-SECTOR WEIGHTED AVERAGE PERCENTAGE PRICE CHANGE, CHOICE VS. MONOPOLY STATES, 2008-2021

% PRICE CHANGE - 28.5% SPREAD, FIGURE 2 OF THE GREAT DIVERGENCE, SOURCE: EIA-861M

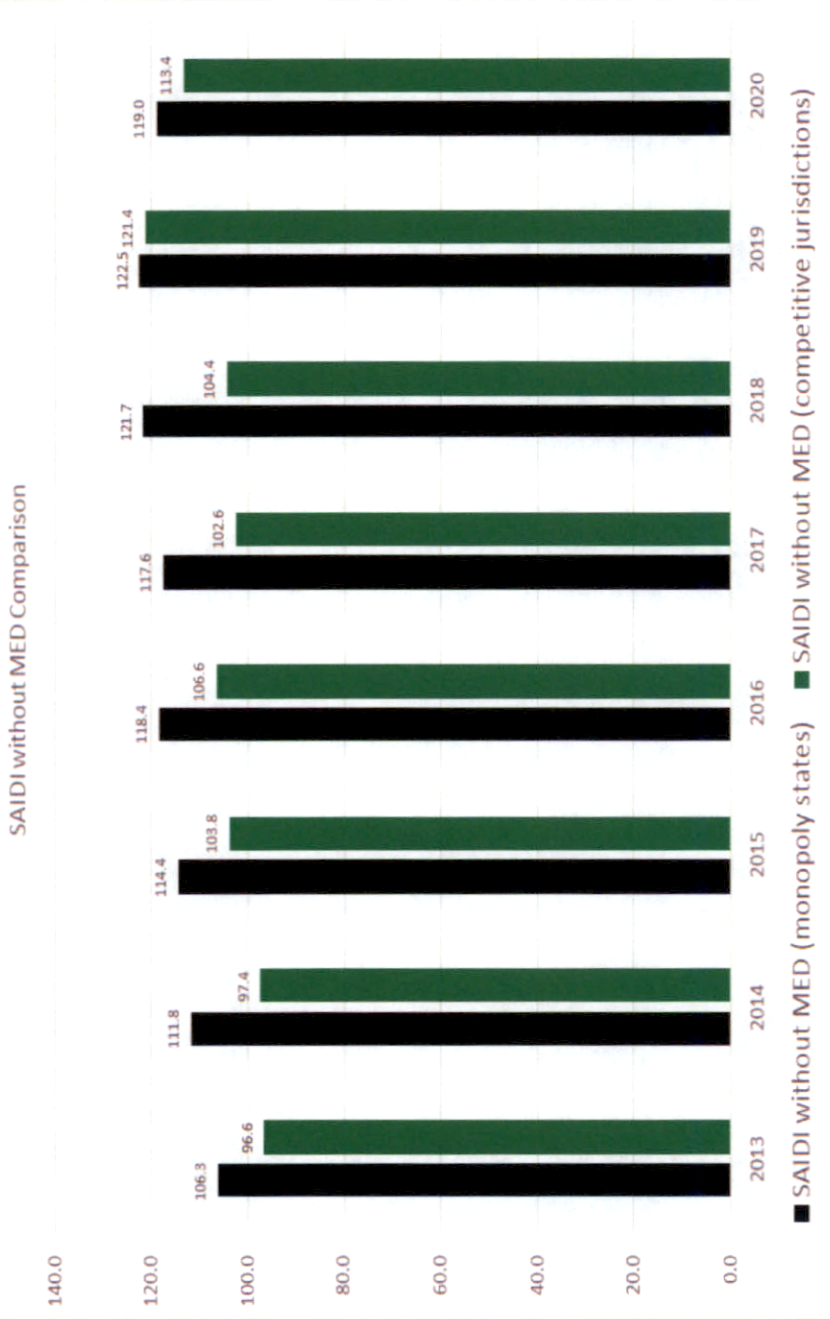


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RELIABILITY

SOURCE: EIA RELIABILITY DATA

There is no evidence that competitive states have experienced inferior reliability metrics compared to monopoly states.



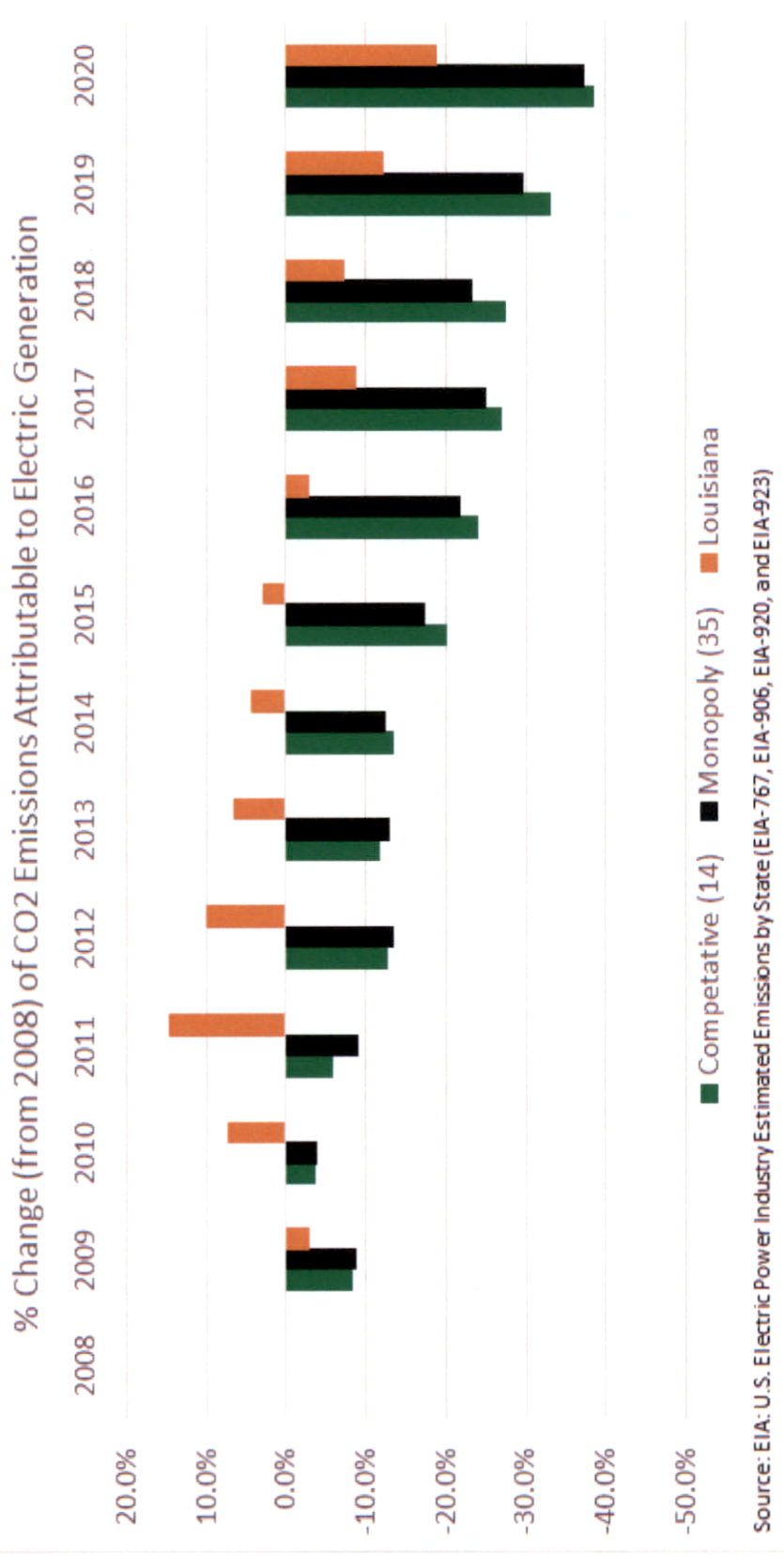
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ENVIRONMENT

SOURCE: EIA EMISSIONS DATA

Competitive states have reduced their carbon emissions faster than the monopoly states and more cost effectively.



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INNOVATION

- Looking back at the introduction of choices in telephone service the changes over time have been astounding. When telephone service choice was introduced in the 1980s the main driver for consumers was the attainment of savings on long distance calls measured in cents per minute. Over time competition in telephony has produced remarkable change, with products and services like email, texting, GPS navigation, internet search, music and video streaming and more that were beyond the imagination of early critics.
- Taking a page from the telephone experience electricity suppliers are finding new ways to offer similar innovations. Many opportunities for innovation lie ahead in integrating ways for consumers and businesses to reduce or manage their consumption (energy efficiency, time varying prices and demand response), create their own supply (rooftop solar and home energy storage) and to manage their supply from the grid (renewable content and carbon reduction).
- The rollout of these innovations requires more than just product development by suppliers. It also requires education and awareness on the part of customers. In this respect, the ability of suppliers to reach customers, establish a vendor relationship and to discuss new product offerings is essential. Relying upon a monopoly utility with no competitive incentive to innovate will leave customers without choices left behind.

VOTERS

Americans prefer to have commercial choices to make for themselves rather than have those choices made for them. Electricity is no exception. In March of 2020 RESA commissioned Ragnar research to conduct a nationwide poll on customer choice. The poll was conducted March 2 through 5, 2020. Telephone interviews were done with 1000 likely voters and Ragnar polled a diverse demographic. The group polled varied by age, gender, ethnicity, education, political affiliation and region. Polling included both choice and non-choice states and the study has a margin of error of $\pm 3\%$. Here are some of the results:

- 76% of voters find it important to have a choice when purchasing goods or services and “strongly agree” consumers should be able to shop for energy supplies like other goods.
- 61% of voters agree the cost of energy like electricity or natural gas should be able to change in response to competition from other energy suppliers in the market.
- Only 29% of voters believe the cost of energy like electricity or natural gas should be set and controlled by regulations.
- Finally, when voters were asked if they knew that allowing customers to choose their energy supplier would increase the number of low-cost, green energy products, 70% said they would they be more likely to support increasing the number of energy supplier in the market.
- What this polling tells us is that voters prefer to have choices in their energy supply, regardless of how they feel about their utility or what they are currently paying for electricity.

REGULATION AND OVERSIGHT

- The term “deregulation” is sometimes used to describe customer choice. This is a misnomer. Competition and choice within a set of rules and bounds represents a more efficient form of regulation to traditional cost-of-service accounting and oversight. It does not mean an abandonment of oversight and customer protection. In states that have gone to choice the utility regulatory commissions have adopted numerous regulations for competitive suppliers.
- Regulations begin with the requirement that each supplier obtain a license to operate. License obligations include the filing of periodic reports, the payment of assessments, the posting of a bond and the obligation to abide by standards of conduct.
- Regulations affecting suppliers also include: standards for processing customer switches , Clean Energy Portfolio Standards, and importantly, a consumer bill of rights with marketing, sales and enrollment rules for the residential market.
- To educate consumers, many commissions also hosts a wealth of consumer education materials and operate internet sites for customers to see and compare offers from competitive suppliers

WHERE DO WE GO FROM HERE?

- RESA supports the LPSC's efforts towards expanding market-based competitive solutions for customers.
- Competition is not new in Louisiana. The recently completed Coop Power Supply RFPs demonstrated that provided the opportunity, multiple companies will compete to provide energy to Louisiana consumers.
- RESA believes the best path forward is the development of a straw proposal for the implementation of choice in Louisiana. Only with a fully formed proposal in hand can the LPSC make an informed recommendation to lawmakers and the public at large whether to move forward with choice.
- The best approach to development of a comprehensive straw proposal is a collaborative and inclusive one in which stakeholders, including utilities, suppliers, large energy users consumer advocates and commission staff work together in identifying best practices and forming recommendations on each of the choice implementation issues.
- While the process may be time consuming, it will also benefit from a clear schedule with a deadline for a final report, perhaps by the end of 2023.
- RESA looks forward to working with all parties to bring its experience and expertise with choice implementation to Louisiana.

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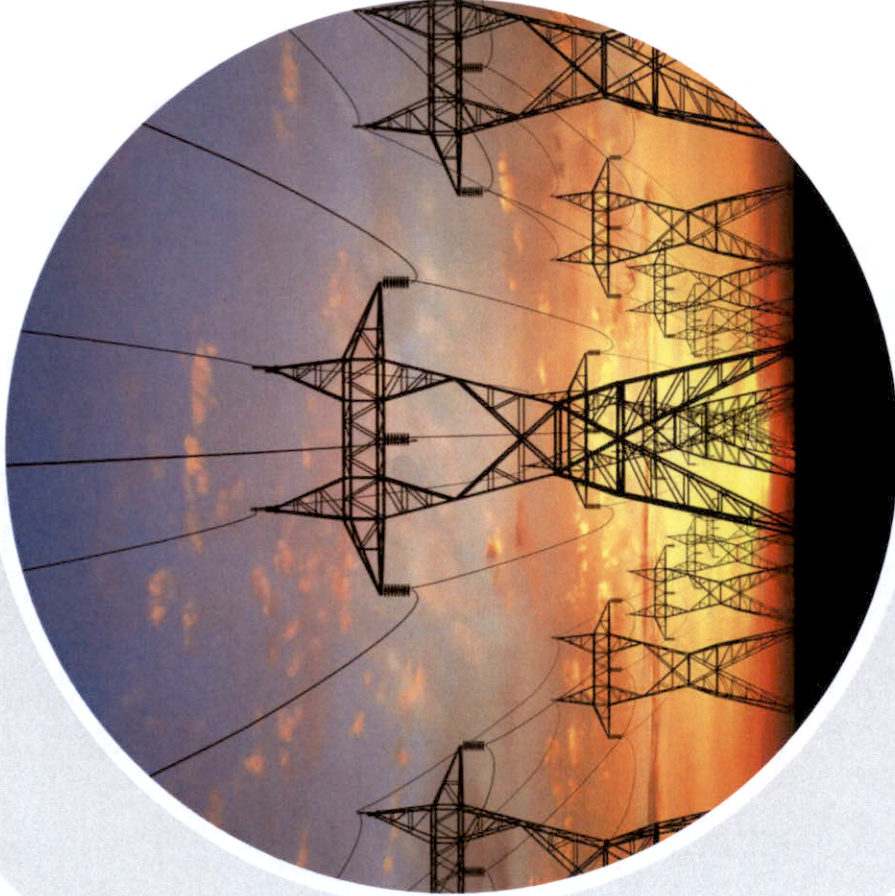


THANK YOU

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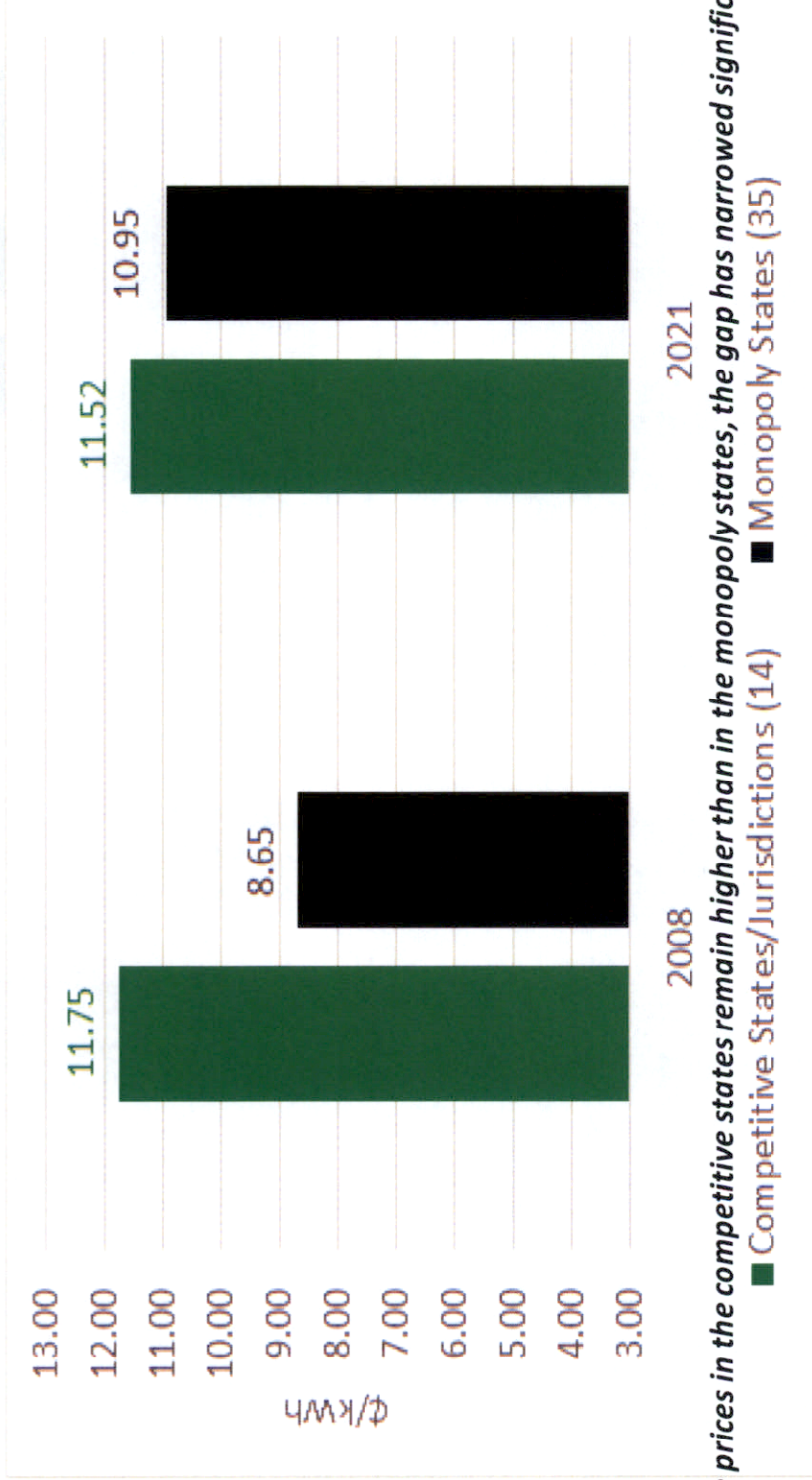


APPENDIX



NOMINAL WEIGHTED AVERAGE ALL-SECTOR PRICES, CHOICE VS. MONOPOLY STATES, 2008-2021

FIGURE 11 OF RESTRUCTURING RECHARGED, SOURCE: EIA-861M



While the prices in the competitive states remain higher than in the monopoly states, the gap has narrowed significantly!

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DEDICATED TO THE MEMORY OF DR. PHIL O'CONNOR



“If we need to keep debating whether competitive electricity markets are beneficial, let’s limit the debate to facts and experience, and avoid unsupported conjectures.”¹

ADDITIONAL RESOURCES CAN BE FOUND ON RESA'S "PHIL O'CONNOR THOUGHT LEADERSHIP" SITE



Updated as of August 2022

In 2017 and 2018 RESA published two whitepapers by the late Dr. Phil O'Connor: *Restructuring Recharged: The Superior Performance of Competitive Electricity Markets 2008-2016* (April 2017) and *The Great Divergence in Competitive and Monopoly Electricity Price Trends* (September 2018). RESA has continued to maintain the relevance of this work by periodically updating the price trend and related data that Dr. O'Connor compiled in these two whitepapers and is posting this data for all to reference on its website. The most recent data continue to support the same insights and conclusions that Dr. O'Connor presented in 2017 and 2018.

An introduction and overview of the whitepapers and updated charts based on this work was written by Dan Allegretti.

WWW.RESAUSA.ORG/PHIL-OCONNOR-THOUGHT-LEADERSHIP

