COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

Inquiry by the Department of Public Utilities on its Own	)	
Motion into the Design and Implementation of	)	D.P.U. 26-62
Time-Varying Rates		

COMMENTS AND RESPONSES OF THE NRG RETAIL COMPANIES

I. Introduction

Direct Energy Business, LLC, Direct Energy Services, LLC, Energy Plus Holdings, LLC, Green Mountain Energy Company, Inc., NRG Home f/k/a Reliant Energy Northeast LLC and XOOM Energy Massachusetts, LLC (together the "NRG Retail Companies") thank the Department of Public Utilities ("DPU" or "Department") for opening this proceeding and for the opportunity to provide comments. The NRG Retail Companies also appreciate the effort and diligence of the Massachusetts Department of Energy Resources ("DOER") throughout the "Electric Rates Task Force" ("ERTF") and for the work that culminated in DOER's Petition to the Department in this docket, filed on April 8, 2026.[1] DOER's convening of expert presentations and a series of stakeholder discussions have contributed to a fulsome proposal that justifies the Department implementing the recommendations in the DOER Petition.

The NRG Retail Companies provide competitive electric generation supply as well as other energy-related products and services to residential and non-residential customers in the Massachusetts competitive retail market. One of the NRG Retail Companies, Direct Energy Services, LLC, also currently provides electric generation supply to 52 communities in Massachusetts, including the City of Boston, through municipal aggregation programs. Across North America, NRG serves 8 million energy and energy services customers, including through its smart-home company, Vivint, which has a technology-development office in Boston.

Today, customers in the Commonwealth have minimal control over their bills. Our vision is for every customer in the Commonwealth to have near-full control over their electric bill. The deployment of AMI is a foundational step toward empowering customers with that control. Implementing Time-Varying Rates ("TVR") builds on that foundation and has meaningful potential to promote affordability in Massachusetts. The NRG Retail Companies are broadly supportive of the DOER Petition, including but not limited to the request to transition to default TVR, as it sends more accurate price signals to customers and better aligns cost allocation with cost causation.

[1] Petition of the Massachusetts Department of Energy Resources Requesting the Department of Public Utilities Open an Investigation into Time-Varying Rates, D.P.U. 26-62 (Apr. 8, 2026) ("DOER Petition").

With customers having greater control over their bills, and by deploying Virtual Power Plants ("VPPs"), the NRG Retail Companies can provide customers with the products, services, and insights to reduce their energy bills and system costs.

However, to realize the promise of AMI, TVR, and VPPs, the Department must act on outstanding issues of data access and load settlement in D.P.U. 26-44. The NRG Retail Companies therefore strongly support DOER's recommendation that "[T]he Department should expeditiously conduct its investigation into load settlement as it is an integral part of suppliers' success with time-varying supply products."[2] The NRG Retail Companies, in collaboration with Vistra, Mission:data, and the Base Power Company, filed comments in D.P.U. 26-44 on April 23, 2026, and stand ready to assist the Department in bringing that proceeding to a swift resolution. The NRG Retail Companies expand on the importance of data access and load settlement in response to Question 3 below.

Before answering the Department's questions, the NRG Retail Companies note their strong support for the following recommendations from DOER:

1. **Recommendation:** Design a single, consolidated TOU peak period across supply, distribution, and transmission.[3]

2. **Recommendation:** Differentiate TOU rates by season.[4]

3. **Recommendation:** TOU rate design should adapt to system conditions.[5]

4. **Recommendation:** Automatically enroll customers on default TOU rates.[6]

5. **Recommendation:** Allow all customers to opt out of default TOU rates and provide additional bill protections — including shadow billing for all customers during their first year of enrollment and a bill-stabilization analysis for qualified low-income customers.[7]

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[2] DOER Petition, Exhibit A at 36 ("The Department should expeditiously conduct its investigation into load settlement as it is an integral part of suppliers' success with time-varying supply products").

[3] DOER Petition, Exhibit A at 3, 24 ("The Department should adopt a single, consolidated peak period across supply, distribution, and transmission.").

[4] DOER Petition, Exhibit A at 22-23 (discussing seasonality of long- and short-run marginal costs); 39-40 (recommending seasonal TOU transmission rates with higher pricing from June through September).

[5] DOER Petition, Exhibit A at 3, 23 ("The Department should require the EDCs to jointly prepare an annual report, filed no later than March 1, that reviews and amends, if necessary, the peak period to align with changes in energy prices and usage trends.").

[6] DOER Petition, Exhibit A at 4, 44 ("The Department should direct the EDCs to implement default TOU rates for customers while allowing all customers to opt-out."). The NRG Retail Companies note that DOER's default, opt-out recommendation applies to all customer classes, not residential customers alone.

[7] DOER Petition, Exhibit A at 44 ("The Department should direct the EDCs to implement default TOU rates for customers while allowing all customers to opt-out."); 47-49 (Bill Impacts and Customer Protections). DOER recommends shadow billing for all customers for a one-year period following enrollment, and recommends the EDCs separately analyze bill stabilization specifically for qualified low-income customers.

II. NRG Retail Companies' Responses to DPU Questions

The NRG Retail Companies provide responses below to a number of questions set out in the Department's June 30, 2026, Vote and Order Opening Inquiry and the Department's July 21, 2026, Notice of Inquiry and Request for Comments.

Question 1: Please identify and describe any consumer protections necessary for a successful design and implementation of TVR in Massachusetts.

The NRG Retail Companies support DOER's proposed consumer protections, as they provide a useful phase-in, and "shadow billing"[8] will also help customers see the benefits of default TVR relative to a standard volumetric rate. These consumer protections also allow low-income customers to realize the benefits of TVR while taking steps to avoid any negative bill impacts.

Question 2: Please describe implementable strategies for guiding customer behavior to avoid creating a new system (or grid pocket) peak immediately following the end of a peak rate period.

The NRG Retail Companies support monitoring whether customer behavior creates new system peaks immediately following the end of a peak rate period. Here, the NRG Retail Companies recommend that the EDCs and Department avoid any changes until there is data to observe and analyze. If the data demonstrates that new peaks are being set, the NRG Retail Companies recommend leveraging demand response and "managed charging" programs and adjusting dispatch hours as needed to meet system needs. The NRG Retail Companies believe this approach aligns with DOER's Petition.[9]

Question 3: Please identify any additional changes to AMI functionalities, billing systems, or other operational functions required by the EDCs to enable TVR supply rates for non-demand customers who receive supply from competitive suppliers or municipal aggregation providers.

As highlighted in the introduction to these comments and in the NRG Retail Companies joint comments (along with Vistra, Mission:data, and Base Power) filed in D.P.U. 26-44, the most significant changes are that the EDCs must develop the systems necessary to report hourly supplier load to ISO-NE using AMI interval data and calculate ICAP tags using actual metered interval data. Reporting hourly supplier load is necessary for ISO-NE to accurately bill suppliers for the total hourly consumption of the suppliers' customers. Without the EDCs providing this data to ISO-NE, ISO-NE would bill suppliers based on an estimated load profile for those customers, rather than their actual load. Because the amount ISO-NE bills suppliers and the

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[8] DOER Petition, Exhibit A at 49 (Opt-Out, Shadow Billing, and Bill Stabilization).

[9] DOER Petition, Exhibit A at 56-57 (discussing "rebound peaks" and recommending that future load management programs be designed to mitigate this effect, informed by the EDCs' operational experience with EV managed charging programs).

amount suppliers bill customers must align, suppliers would then need to bill customers based on the same estimated load profile, rather than actual hourly usage. Customers who deployed VPPs and/or responded to TVR would see no benefit in their supply charges associated with their actual behavior and would inevitably stop responding.

This gap affects all customers — those on basic service, those served by competitive suppliers, and those enrolled in municipal aggregations.

While the NRG Retail Companies recognize that the Department presently is addressing many key issues, including energy affordability, the NRG Retail Companies also note that suppliers and aggregators raised the important issue of ISO-NE settlement before the Department in Summer 2025 in technical sessions and comments filed in D.P.U. 21-80/21-81/21-82. Moreover, at those sessions and in those comments, as well as in joint comments filed in D.P.U. 26-44, the NRG Retail Companies – along with Vistra Corp., Mission:data and Base Power – reminded the Department that representatives of each EDC testified in in *April 2022* that they intended to transition from load profiles to actual metered hourly data for ISO-NE settlement as AMI deployment proceeded. D.P.U. 21-80/21-81/21-82, Tr. 5, at 811, at 1012-13. Where the EDCs have not made efforts to transition from load profiles to actual metered hourly data, and resolving ISO-NE settlement issues remains a linchpin to unlocking the meaningful benefits of TVR and VPPs and addressing affordability issues, it is essential for the Department to expeditiously resolve ISO-NE settlement issues.

The NRG Retail Companies strongly support DOER's recommendation that "The Department should expeditiously conduct its investigation into load settlement as it is an integral part of suppliers' success with time-varying supply products."[10]

Question 5: Please provide information and analysis on items 3, 5, and 6 in the information request to the EDCs in Section V of the Vote and Order Opening Investigation at 10-12.[11]

a. Empirical analyses and discussion of the appropriateness of a single four-hour peak window from 4:00 p.m. to 8:00 p.m. for each day (weekday, weekend, holiday) during summer, shoulder, and winter seasons, with definitions for each season.

The NRG Retail Companies support DOER's recommendation of a single four-hour peak window every day and recommend against a longer window due to customer fatigue and battery discharge duration. DOER's analysis shows that a four-hour window should capture most

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[10] DOER Petition, Exhibit A at 36.

[11] Vote and Order Opening Investigation, D.P.U. 26-62, § V at 10-12, 13.

potential savings.[12] The NRG Retail Companies also recommend revisiting the window on a regular basis to ensure that it continues to balance customers' willingness to reduce consumption and maximizing system savings. As the region transitions to a winter-peaking system, the Department may need to consider a morning and evening window in the winter.[13]

b. A discussion of the appropriateness of CPP for distribution and transmission.

The NRG Retail Companies support critical peak pricing ("CPP") for distribution and transmission on an opt-in basis for customers, as CPP would better align with cost causation.[14] Distribution and transmission peaks are largely driven by a handful of peak hours. While a 4:00 p.m. to 8:00 p.m. window every day of the year will likely overlap with the peak, it is a more muted signal than one that correlates to the handful of peak hours of the year that are most responsible for cost causation.

Moreover, for customers served by municipal aggregators and/or retail suppliers, ISO-NE should allocate transmission costs directly to those municipal aggregators and/or retail suppliers that wish to have that option, rather than to the relevant transmission owners for those customers. This is similar to how ISO-NE allocates capacity costs today and how PJM allocates both capacity and transmission costs. If municipal aggregators and retail suppliers were allocated these costs, they would be motivated to provide their customers with the products, tools, and insights that would allow customers to reduce usage during these peak hours. As a result, these customers would reduce the transmission portion of their bills, and reduce the amount of transmission that needs to be built in ISO-NE.

Under the status quo, transmission owners simply pass these costs through to customers. Municipal aggregators and retail suppliers would have additional motivation for enabling customers to manage these costs. While the NRG Retail Companies recognize that neither the Department nor DOER has jurisdiction over such a change, the NRG Retail Companies believe there is value in the Department signaling its support for this approach and collaborating with the Massachusetts Federal and Regional Energy Affairs ("FREA") office, NECPUC, NESCOE, and other stakeholders to explore what ISO-NE changes would be necessary to effectuate this recommendation.

III. Conclusion

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[12] DOER Petition, Exhibit A at 22 ("Expanding the peak period beyond four hours yields diminishing returns in capturing incremental system costs while materially reducing customers' ability to respond.").

[13] DOER Petition, Exhibit A at 23 (noting the annual peak-period report will "enable visibility into emergent peak periods (e.g., winter morning peaks from heating electrification)"); 30 (citing ISO-NE's forecast that New England will become winter-peaking in the mid-to-late 2030s, at which point "winter mornings and evenings are expected to drive capacity needs").

[14] DOER Petition, Exhibit A at 14 ("[R]eal-time pricing and critical peak pricing, which can be layered on top of TOU rates, follow system conditions to maximize cost-reflectivity, delivering additional system benefits and cost savings opportunities."); 37 (recommending CPP "on an opt-in basis").

The NRG Retail Companies reiterate their support for the concepts and proposals in the DOER Petition and Exhibit A of the DOER Petition and recommend the Department act to implement the recommendations. Further, to fulfill the promise that AMI and TVR bring to affordability, the NRG Retail Companies urge the Department to expeditiously resolve the outstanding, related load settlement investigation in D.P.U. 26-44.

The NRG Retail Companies thank the Department for its consideration of these comments.

Respectfully submitted,

John Holtz, Senior Director
Market Development and Regulatory Affairs
NRG Energy
Dated: August 31, 2026