



PAC NEWSLETTER

AUGUST 2023

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In our ever-changing and tumultuous political environment, it is essential to take an active role in representing our company and industry in the political sphere. NRG PAC is our most effective way to protect and advance the interests of NRG as one collective voice. With your support, we can educate lawmakers on the impact legislation has on our business and build relationships with elected officials who understand the effect their decisions have on the energy marketplace and consumers.

Your membership signals to lawmakers and our peers that we understand the importance of political engagement and the impact companywide advocacy efforts can have on the success of NRG. As energy issues remain at the forefront of policy discussions, your participation is essential to NRG’s future.

We are committed to providing regular updates to PAC members on our ongoing advocacy and engagement with lawmakers at every level of government. This latest edition of the NRG PAC newsletter covers legislative updates in states where the PAC operates along with an overview of recent PAC and advocacy activities.

Thank you for your ongoing participation in NRG PAC. Your support is truly valued!

Sincerely,

Eric Blackwell
 Director, Government & Political Affairs
 NRG PAC Manager

NRG PAC

Board Members

Chris Moser
NRG PAC Board Chair

Michael Bramnick

Bill Clayton

Bill Evans

Tom Hughes

Kimberly Carpenter

Keri Murschell

Rebecca Lee

Al Scerbo

NRG PAC Updates

PAC Snapshot



258
PAC Members

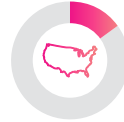


165
Director Level &
Above PAC Members



124
Inner Circle Members

PAC participation



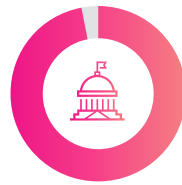
15%
National Average



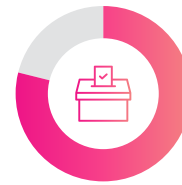
7%
NRG PAC

2023 PAC Survey

Thank you to all who participated in the February 2023, PAC survey. The responses helped identify priority areas for education and engagement and the results will be used to shape future strategy and programming.



97%
of respondents believe working with the government is important to the success of NRG



79%
of respondents believe it is important to be politically involved



Transparency in PAC decision-making is a priority for all eligible employees



Information on how NRG PAC benefits our company is essential for employee engagement

PAC Events Women's History Month

March 21, 2023

In March, NRG PAC hosted an event with legislative leaders across different levels of government in areas where NRG operates to celebrate Women's History Month. The conversation focused on women in leadership and what a record number of women in office means for our future.

nrp
NRG PAC Celebrates
Women's History Month
Tuesday, March 21
10-11am CT

Join NRG PAC as we host an event alongside Executive Vice President, NRG Home, **Elizabeth Killinger** to celebrate the success and impact women have had throughout history.

We are excited to welcome legislative leaders across different levels of government in areas where NRG operates for a discussion about women in leadership and what a record number of women in office means for our future.

FEATURING

- Pennsylvania House Democratic Leader Joanna McCantone (PA-19)
- Pennsylvania State Representative Patty Kim (PA-103)
- US Representative Lizzy Fletcher (TX-07)
- Houston City Council Member Mary Jane Huffman (District G)
- New Jersey State Assemblywoman Nancy Huhner (NJ-21)



Legislative Activities

The Texas Legislature convened in January. Republicans maintained control of all statewide offices and held the majority in the House and Senate.

The volume of legislation tracked by NRG this session was compounded by legislative leadership who campaigned on electric reliability issues like lingering fears of another Winter Storm Uri, Lt. Governor Patrick's displeasure with the PUC's proposed reforms to the wholesale electric market, and the comprehensive Sunset Advisory Commission reviews of the PUC/ERCOT and the Texas Commission on Environmental Quality.

NRG tracked 922 bills/resolutions this session - 279 bills were critical to NRG. The Government Affairs team engaged on 100+ priority bills through providing testimony, working with bill authors to amend language, and registering in either opposition or support of legislation, resulting in minimized risk for the company. Additionally, the team engaged well before the legislative session began and prevented several problematic bills from being filed, including an omnibus bill on REP customer protection rules.

A total of 1,246 bills were sent to the Governor, including two major regulatory bills (PUC Sunset and TCEQ Sunset), which he signed.

The House and Senate adjourned the regular session on May 29, 2023, but the Governor has since called the legislature back twice for failing to pass legislation on property tax relief, one of his main priorities.

NRG played a pivotal role in the following legislative outcomes:

- Defeat of retail market share cap that would put a limit to the number of customers a REP can serve.
- Defeat of state procurement of generation
- Prevention of unfunded mandate for REPs to achieve goals for demand response.
- Successful negotiation language to earmark dollars from TDU EE programs to demand response programs offered by REPs (SB1699)
- Preservation of the qualifications for natural gas generation in HB 5, a new economic development program for Texas
- Defeat of rollback provisions (ultimately included in HB 1500, PUC Sunset Bill) for gas weatherization
- Additional workforce Development funding
- Prevention of a bill from being filed that would mandate the amount of early termination fees charged by REPs
- Limited outage reporting requirements included in the PUC Sunset Bill
- Exemption for REPs from the comprehensive data privacy bill
- Defeat of a bill that would have negatively impacted the handling of auto-renewal contracts

Legislative Outlook

Governor Abbott called the first special session of the 88th Legislature immediately following the House and Senate adjourning from the regular session. On the agenda were property tax and border security.

On the first day of special session one, the House passed Abbott's preferred property tax and border security bills. The House bill would use \$12.3 billion of available Texas dollars to reduce property taxes, by "compression."

In the following 30 days, Lt. Governor Patrick stood firm and did not take up the House bill. Instead, the Senate stood firm and focused on passing SB 26, which would spend more than \$18 billion on the state's budget surplus focusing on three

different mechanisms aimed at lowering property tax bills. Special session one ended quietly on June 27 with no laws made and the Texas House and Senate still deadlocked on the best approach to property tax cuts.

The second special session began on June 27 and the focus is property tax. No progress has been made to date.

Short- and Long-Term Initiatives

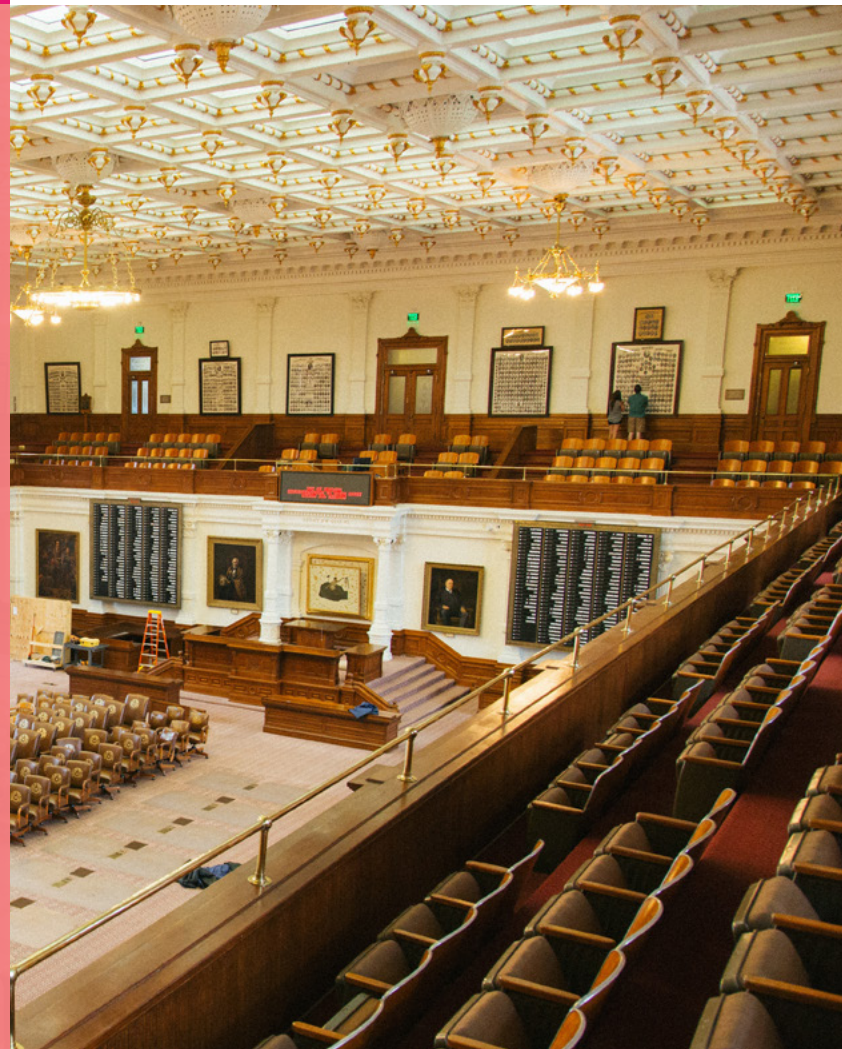
NRG has already started to lay the groundwork for the next legislation session in 2025. This includes participation in the political process via NRG PAC, engaging with key legislative leadership and caucuses, building additional alliances with third parties, and continuously educating legislators and their staff on the electric industry in Texas.



Political Outlook

Post redistricting, Texas will remain a red state for the foreseeable future. There will be a handful of toss-up races during the election cycle and we will continue to watch for any hints of turnover in the statewide offices.

All eyes now are on an unprecedented situation in the office of the Attorney General where General Paxton faces a possible impeachment. This session, the Texas House approved a resolution for his impeachment on **20 counts of criminal activity**. Under the constitution, the Senate must now hold an impeachment trial. The Texas Senate has set the trial date for September 5. If Paxton is impeached and convicted, it falls on Governor Greg Abbott to decide the future of the attorney general position.



Legislative Activities

The General Assembly focused on passing Indiana's \$44 billion bi-annual budget, which included major funding increases for paying for all K-12 textbooks, pay increases for state police, and public health services.

Legislative Outlook

Like Wisconsin, only a portion of the state is deregulated due to interstate natural gas pipelines. Given the Republican majority in both Chambers, the Governor's Office, and the utility monopolies, deregulation is highly unlikely and constrained by the limited interstate natural gas pipeline infrastructure. Government Affairs continues to explore initiatives to increase our legislative relationships and increase our brand value.

Short- and Long-Term Initiatives

Government Affairs partnered with the Indiana Chamber of Commerce at their annual energy management conference and lead a successful panel discussion on the emerging natural gas-carbon offset market that will support customer sustainability goals. NRG's Bernie Kinsella and Rock Graham were joined by Senator Jean Breaux and Representative David Abbott in a robust discussion on the topic. The panel discussion successfully raised the NRG brand recognition as a forward-thinking innovative company among both potential commercial customers as well as key members of the Indiana legislature.



Political Outlook

Government Affairs looks forward to partnering with the Indiana Chamber of Commerce to leverage new sales opportunities for our commercial sales team in the future.

NRG will also continue to evaluate whether a new market can be opened in Indiana that would allow for a voluntary uniform and transparent natural gas and carbon offset market.



Legislative Activities

Democrats flipped both chambers to become the majority in both chambers for the first time in twenty years and passed partisan bills to repeal a ban on abortion and civil rights protection for LGBTQ people. Most of the legislative focus was on the budget, with the Democratic majority prioritizing funding for free school breakfast and lunch programs as well as new funds to support the Department of Environment. Democrats are working to pass the budget by July 1.

Legislative Outlook

Government Affairs is focused on tracking and participating in omnibus energy bill stakeholder discussions to advocate for policies that lift the artificial 10 percent cap on electric competition and other policies, such as community solar, that align with democratic priorities and NRG's business interests.

Detroit Resolution

Detroit City Council is scheduled to pass a resolution to remove the 10 percent cap on electric choice. Government Affairs worked closely with Council Woman Angela Whitfield Calloway's staffer to craft the policy that supports the resolution. The resolution focuses on the need to create greater social equity through expanded competitive markets that would deliver greater access to renewable energy as well as the improved public health and environmental benefits associated with clean energy while lowering energy bills. The Detroit resolution is part of a bigger legislative strategy to lift the cap on electric choice as the new democratic majority in the Michigan General Assembly considers amendments to their energy laws.



Political Outlook

The new Democratic majority plans to draft an omnibus energy bill that prioritizes renewable energy, reliability, and affordability.



Legislative Activities

NRG's focus has been on continued relationship-building with select legislators and other stakeholders to better understand priorities and interests from an energy policy perspective. With all 120 legislators up for re-election in 2023, affordability is the key campaign issue for most residents and will impact the debate around Governor Murphy's energy goals and how affordable it is to pursue the state's very aggressive clean energy goals.

NRG Impact

No particular bill has threatened NRG's business in New Jersey, and we have been successful in avoiding any talk or efforts to roll back competitive markets.

However, competitive markets are not front of mind for most legislators and NRG has been working to educate legislators and other stakeholders on how the competitive markets can help the state achieve its goals. We are working with legislative sponsors to advance our Shop With

Your Wallet legislation that makes it easier for consumers to sign up with third party suppliers as well as drafting a bill that could provide consumer incentives to purchase Goal Zero products.

Legislative Outlook

All 120 legislative members are up for re-election in November and will be in campaign mode through the General Election. Legislative activity will likely remain low until after the General Election on November 7.

Short- and Long-Term Initiatives

NRG will continue to build our reputation as a trusted partner on energy issues. Establishing our credentials with legislative leadership and committee chairs is key to that effort. Long-term, we are working on initiatives that expand consumer choice, provide opportunities for market growth, and stave off threats to NRG's natural gas business from climate change activists.



Political Outlook

While we don't know what the Legislature's makeup will be until after the General Election, very few races are considered competitive, so we don't expect significant changes in power.

However, with most New Jerseyans concerned about the state's affordability, we could see Republicans pick up one or two seats in the Assembly and Senate as residents question their long-term ability to stay in the state.

Legislative Activities

NRG government affairs is focused on advancing a bill to create a voluntary natural gas carbon offset program to increase NRG brand value within the General Assembly and possibly open a uniform and transparent market for natural gas service paired with carbon offsets.

NRG Impact

The team is tracking legislation that would require the residential natural gas and electric supply market to provide notice to the customers when their services

rollover from a fixed rate to a variable rate and would also require each competitive supplier to post a bond in the event of a default.

Legislative Outlook

NRG is working with a senate sponsor to introduce legislation that would allow competitive natural gas suppliers to offer natural gas paired with carbon offsets to customers.



Political Outlook

The Republican super-majority is pursuing a budget that would reduce personal income tax, expunge certain criminal records to increase access to employment, and expand the school's voucher program.



Pennsylvania



Legislative Activities

The Pennsylvania Legislature is at the start of a two-year legislative session that began in January 2023. The first budget cycle for Governor Josh Shapiro is underway with a focus on education funding, workforce development, and the business climate.

The Senate passed a resolution to study the issue of supplier consolidated billing on June 30 – a win for NRG. The study will be completed by the Legislative Budget and Finance Committee in 180 days, and they will send a report back to the Legislative committees of jurisdiction. It will include a review of current statutes and regulations within states that have supplier consolidated billing: Maryland, Georgia, and Texas.

The study is designed to aid in the passing of the mandated supplier consolidated billing that was introduced in the Senate but will not move prior to 2024. NRG will utilize the advocacy arm [ChooseWhoPA.com](https://www.ChooseWhoPA.com) to grow a grassroots base of support. Check out the site and follow us on social media to help.

Twitter:

[@ChooseWhoPA](https://twitter.com/ChooseWhoPA)

Facebook:

[Choose Who You Use Pennsylvania](https://www.facebook.com/ChooseWhoYouUsePennsylvania)

Budget Update

As of June 30, the Pennsylvania Legislature did not pass a budget over the policy issue of school vouchers. The Governor made a deal with the Senate Republicans that would have included \$100M for school vouchers in the lowest performing school districts. The House Democratic Caucus did not agree with the deal, which led to an impasse. Both the House and Senate have gone home for summer recess.

QUESTIONS? Please contact pac@nrg.com

NRG Impact

The main areas of focus for NRG in Pennsylvania during the budget will be the Regional Greenhouse Gas Initiative (RGGI) and community and local solar development.

Legislative Outlook

Budget negotiations will continue through the summer until a deal is met with the four Legislative Caucuses and the Governor.

Short- and Long-Term Initiatives

NRG continues to focus on the following key areas:

- Implement supplier-consolidated billing
- Creating a community solar program in Pennsylvania that works for the business and consumers
- Following legislation that would streamline the permitting process in Pennsylvania to allow for certainty for businesses
- Support pro-business legislation including Corporate Net Income Tax and increasing the cap on Net Operating Loss Deductions



Political Outlook

This is the first budget cycle in 20 years where the House Democratic Caucus has the majority. It's also first-term Governor, Josh Shapiro's first budget negotiations. The impasse has political ramifications for the Governor due to his inability to negotiate a budget deal by the June 30th deadline. While Pennsylvania enjoys some easier pathways than other states in getting Legislation passed, the dynamic is often the opposite. The team faces difficulty in passing legislation for the foreseeable future.

presidential veto – which requires a two-thirds majority in both chambers – Biden so far has successfully fended off the legislative attacks on his actions.

NRG Impact

The Biden Administration continues to implement the legislative successes it had in the last Congress, including the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the CHIPS and Science Act. The Energy Department has been particularly active in disbursing IIJA funding, while the IRS continues to write implementing guidance and regulations governing the IRA's clean energy taxes. We continue to pursue funding and grant opportunities for NRG and our customers through programs that passed in these bills. We also continue to work towards regulatory clarity on provisions surrounding the IRA's corporate alternative minimum tax as it relates to hedging energy commodity risk.

Legislative Outlook

Despite securing the first statutory changes to NEPA in more than four decades as part of the debt-ceiling agreement, the White House and top lawmakers from both parties insist they're not done on the issue. Republican

negotiators had initially floated a two-step process for permit reform, and there remains bipartisan buy-in on the concept. Discussions on the second round of transmission-focused permitting are ongoing, which was largely absent from the final debt deal. The odds for success on a new round of permit reform are difficult, but negotiators from both parties appear determined to try. We are engaged in these conversations, especially as they relate to possibly implementing a minimum transfer capability standard between regions.

The Environmental Protection Agency (EPA) continues efforts to regulate carbon dioxide from high-emitting sectors, including power plants. In May, EPA proposed new carbon pollution standards for coal and natural gas-fired power plants. Congressional Republicans are already pushing back on this proposal and have several hearings planned around grid reliability throughout the summer.

Another hot-button proposal is the Security and Exchange Commission's proposed climate disclosure rule, which would require publicly traded companies to detail the climate impacts of their operations. That proposal has already generated significant opposition from Republicans in many states and in Congress – it is currently scheduled to be finalized this fall.



Political Outlook

There are a handful of other must-pass bills that leaders are hoping to pass by the end of the year. That calculus is driven by the pending expiration of some of the measures, but also by the fact that the closer it gets to election day, the harder it becomes to legislate. These include the Federal Aviation Administration (FAA) reauthorization bill, the National Defense Authorization Act (NDAA) and the Farm Bill.



NRG grassroots program

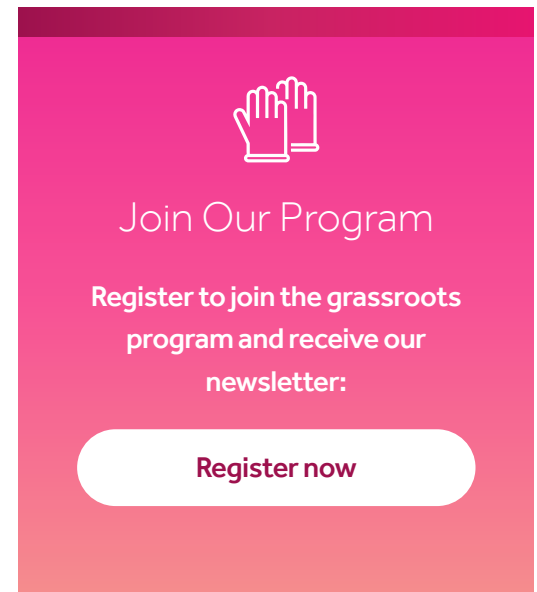
Our grassroots advocacy program is an internal coalition created to engage and empower NRG employees, vendors, and customers to speak with one voice.

Our goals:

- Advocate for choice in electric and natural gas markets
- Support a sustainable and innovative energy future
- Promote legislative action that protects the success of NRG

Key priorities and duties:

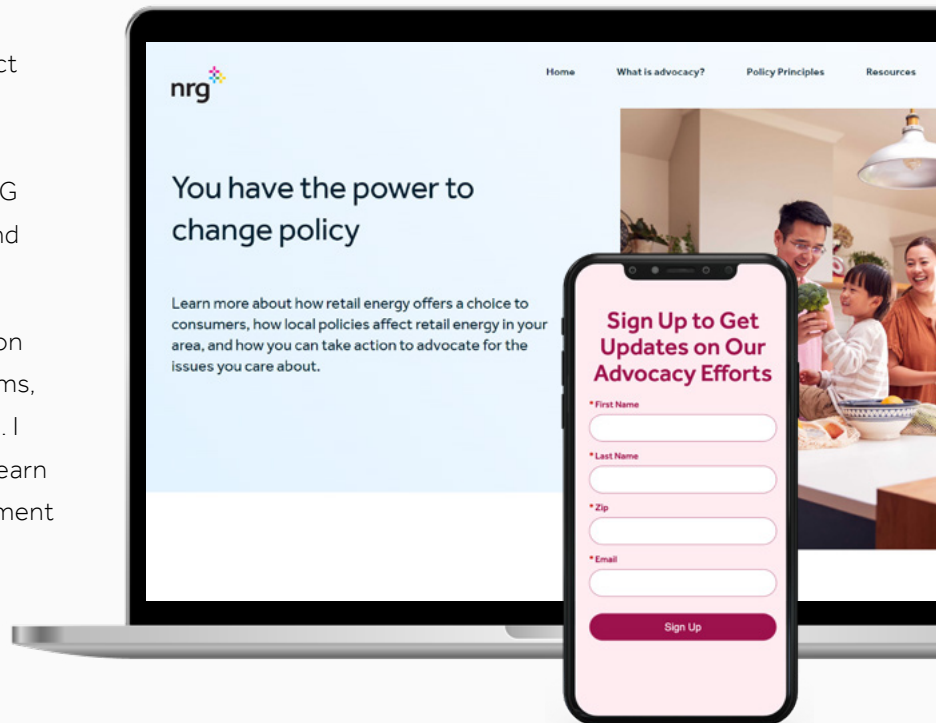
- Monitor policy changes and political trends in our markets
- Send updates about policies that impact our business
- Communicate with public officials
- Comment on state and federal regulations
- Educate our stakeholders about the value of the retail electric market
- Engage members in political action



NRG advocacy website

As part of our efforts to engage NRG employees, vendors, and customers in political action to protect consumer choice, the [NRG Advocacy website](#) will now allow us to educate these internal groups and the broader public about the core issues facing NRG and our industry – effectively growing our scope and strengthening our impact.

The site includes our policy priorities, information on our Government Affairs and Regulatory Affairs teams, and options to get involved in our advocacy efforts. I encourage you to visit today, browse the site, and learn more about our initiatives. As always, your engagement on behalf of NRG and our customers is greatly appreciated.



Choose Who You Use (CWYU)

Choose Who You Use is a non-partisan advocacy campaign established to increase awareness of the customer benefits that exist when they have freedom to choose their retail energy suppliers. In states that have taken the first step toward competition, our goal is to encourage policymakers to complete the market transition, allowing residential consumers to freely shop for their electricity.

In 2021, we launched campaigns in Pennsylvania and Maryland to educate consumers and persuade legislators and regulators to rid the market of the “default service”, which automatically enrolls consumers in the monopoly utility. We are making tremendous progress and have impressive momentum built in each state.

Campaigns like Choose Who You Use benefit from consumer support and amplification. We need your support and hope that you will join our coalition!



Maryland: [choosewhomd.com](https://www.choosewhomd.com)



Pennsylvania: [choosewhopa.com](https://www.choosewhopa.com)

Retail Energy Advancement League

In 2022, NRG became a founding member of the Retail Energy Advancement League (REAL), a national advocacy organization devoted to the modernization of retail energy markets and consumer choice. REAL is a coalition of companies that believe consumers deserve control over

their energy decisions, including how they buy, produce and consume energy, energy services, usage data, and other energy insights.

Dedicated to the preservation, expansion, and modernization of American retail electric markets and the environmental benefits of renewable energy, REAL's principles include offering their customers true choice, helping them to reduce their energy consumption, and providing consumer protection standards that include disclosures of real contract terms, renewal notices and price transparency in energy suppliers and sources.

REAL is working in state capitals across the country on behalf of consumers to make true energy choice a reality. The organization identifies states that are ready to embrace consumer choice and move to clean energy markets, and they develop specific campaigns based on what's best for consumers in each state. REAL also focuses on making sure existing retail market design is structured to be consumer friendly. That includes advocating for consumer protection policies like Supplier Consolidated Billing, default service reform, stronger consumer protections, and helping consumers achieve their energy goals.

REAL's Board of Directors is chaired by Mauricio Gutierrez, President and CEO of NRG.



To learn more about REAL, visit the coalition website:

[REALChoiceUSA.org](https://www.REALChoiceUSA.org)

Disclaimer: Contributions to NRG PAC are not deductible for Federal income tax purposes. NRG PAC is funded by voluntary contributions. You have the right to refuse to contribute without reprisal. Contributions will be used for political purposes. Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation, and name of employer of individuals whose contributions exceed \$200 in a calendar year. The recommended contribution amount is only a suggestion. You may give more or less than the suggested amount. NRG will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.

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