



Testimony of Eric Gjede
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Before the Committee on Energy & Technology
Hartford, CT
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Testifying on
LCO 3920: AN ACT CONCERNING EMERGENCY RESPONSE BY ELECTRIC DISTRIBUTION COMPANIES AND
REVISING THE REGULATION OF OTHER PUBLIC UTILITIES

Good afternoon Senator Needleman, Representative Arconti, Senator Formica, Representative Ferraro and members of the Energy & Technology Committee. My name is Eric Gjede and I am the vice president of government affairs for CBIA, the Connecticut Business and Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses with less than 100 employees.

CBIA appreciates the opportunity to submit testimony on LCO 3920.

The energy industry is very complex as is the electric rate-setting process. While the industry is already highly-regulated, there are certainly aspects of the process that could be improved and efficiencies that could be implemented to achieve better results for electronic distributions companies, regulating entities, and most importantly, customers.

We have withstood unprecedented challenges this year, everything from pandemics to tropical storms. We have been asked to isolate ourselves from one another and accept many changes to our daily lives. While we do so knowing it is for the greater good, it does not mean we don't, from time to time, let our emotions drive our decisions.

People of our state have incurred incredible financial loss over the past seven months. The stress of this loss was only compounded by an electric rate increase unexpected by the typical consumer and a destructive storm that caused significant power outages across the state. I am sure most, if not all of you, have heard from angry constituents impacted by both events.

It would be easy to let the high emotions surrounding these events drive your decisions. However, as lawmakers, we ask you to fully and dispassionately analyze LCO 3920 and its proposed changes to the energy industry. This issue is too important to business and residential consumers to do otherwise. Processes put in place should be fair and thoughtful, and should not penalize electrical distribution companies for implementing efficiencies that have benefited customers or meteorological conditions that were beyond their control.

Reliability and affordability of our state's energy resources are paramount for the business community. We encourage the committee to take the time necessary to thoroughly evaluate LCO 3920 in order to understand the full ramifications it could have on energy costs in our state. To cite just one example, holding distribution companies to a 72-hour restoration standard regardless of the severity of a storm or other damage will likely



drive up rates as the companies employ additional resources to meet such a standard. We would all like to have our power restored as soon as possible but we have to make sure we don't unreasonably drive up monthly charges to prepare for a once-in-a-decade statewide outage.

At a minimum, the legislature should wait until a full review of rate and restoration issues is completed by the professionals at PURA. Our bottom line is that any changes to our electric energy system must benefit ratepayers, be economically feasible for the distribution companies, and not be merely punitive in nature.