

**TESTIMONY OF
UNITED STATES SENATOR RICHARD BLUMENTHAL
BEFORE THE
ENERGY AND TECHNOLOGY COMMITTEE
SEPTEMBER 8, 2020**

I appreciate the opportunity to support the goals of LCO 3920, An Act Concerning Emergency Response by Electric Distribution Companies and Revising the Regulation of Other Public Utilities to hold accountable Eversource and United Illuminating for their performance during storm response and to limit expenses that are charged to ratepayers.

The legislature has a huge, historic opportunity, which it should meet with bold, historic action. Like you, I have heard unprecedented outrage and frustration as I've traveled our state—a galvanizing grassroots demand for reform, now cresting. A public utility like Eversource should be truly public—putting people before profits, downsized and managed to be really responsive, and even owned by the people of Connecticut.

I urge the committee to move quickly to link rates to the performance of the utility. I also urge the committee to consider breaking up Eversource to establish a Connecticut based utility either publicly owned or investor-owned subject to performance based rates.

For too long, Connecticut electricity consumers have overpaid for underperformance. The guaranteed rate of return for utilities has ensured that utilities have little to no risk of losing money while consumers pay for substandard responses to power outages.

Bold aggressive action at both the state and federal level is necessary.

The delivery of electricity from the power plant to the home or business is practically performed by a monopoly of one or a series of entities. It has been clear that this is not an area where competing private businesses can easily operate. As such, for the past hundred years, a company or governmental agency has been designated – at the federal level by the Federal Energy Regulatory Commission (FERC) or at the state level by the Connecticut General Assembly -- as the 'public utility' to move electricity over transmission and local distribution lines.

This private or public monopoly needs strict oversight – something that has become much more difficult as we have let these monopolies grow into multi-state, mega-dollar behemoths.

Now is time for a reset at both the federal and state level.

I commend the Energy and Technology Committee for working in a bi-partisan manner to draft LCO 3920. This bill would link rates to performance, require reimbursement for damages to consumers for delayed storm responses and limit the types of expenses such as appearing at PURA hearings and executive compensation that are charged to ratepayers.

I urge the Committee to consider breaking up Eversource. The General Assembly established the forebears of Avangrid and Eversource and what the legislature giveth, the legislature can taketh away.

The process would be difficult but not impossible. For example, the Committee could consider a series of incentives and disincentives for Eversource and Avangrid to spin off their Connecticut utilities -- Connecticut Light and Power and United Illuminating -- into independent companies or as publicly owned entities.

The Committee should also ensure that if we maintain an investor-owned company as our utility that PURA has the resources and expertise to properly oversee such operations and that similar adequate resources are provided for a consumer counsel office to effectively present the consumers' interest to PURA, countering the millions of dollars that these utilities bring to bear on the legislature and PURA to advance their own private interests.

I am supporting a similar initiative at FERC where the consumers' voice does not have a federal agency on its side.

I also support the review required by LCO 3920 of the performance of the wholesale electricity markets currently governed by ISO-New England. ISO-NE has not worked in Connecticut consumers' or environmental interests. ISO-NE is established by FERC and I have repeatedly asked FERC to provide better oversight and regulation of ISO-NE's decision-making process. FERC has failed to do so. Therefore it is long overdue for a thorough analysis of whether ISO-NE is the best option for Connecticut ratepayers.

There is a lot of work to be done at both the federal and state level to make our electric utilities responsive to ratepayers. I commend the Energy and Technology Committee's initiative at the state level and hope that Connecticut's experience can persuade consumer oriented action at the federal oversight level as well, which I will continue to advocate.

Thank you.