

Testimony by Tim Phelan, President, Connecticut Retail Merchants Association
Energy and Technology Committee
September 8, 2020

Members of the Energy Committee, thank you very much for the opportunity to testify today regarding LCO No. 3920. AAC EMERGENCY RESPONSE BY ELECTRIC DISTRIBUTION COMPANIES AND REVISING THE REGULATION OF OTHER PUBLIC UTILITIES, focusing our concerns on the section dealing with the state's Energy Efficiency Programs. My name is Tim Phelan, and I am president of the Connecticut Retail Merchants Association, representing retail businesses all across our state. I appreciate your interest in a strong, vibrant and thriving retail community – it is an interest that we share, along with the people of our great state.

Retail businesses in Connecticut support hundreds of thousands of jobs, contribute more than \$30 billion to the state's economy, and produce approximately 14 percent of Connecticut's total GDP. Retail businesses large and small provide good jobs for Connecticut families, and more than 98 percent of all retail companies are small businesses, employing fewer than 50 people.

Our businesses, like all of us, depend on electric power. We have had the opportunity to work closely with our state's utilities through the years, and those open lines of communication have been helpful to us, and to our customers.

As you know, Connecticut's Public Utilities Regulatory Authority (PURA) is responsible for regulating the rates and services of Connecticut's two investor-owned electric distribution companies, or EDC's, Eversource and United Illuminating.

PURA's regulation of the EDCs includes the provision of safe, adequate and reliable service, emergency performance and incident response procedures, distribution rates, and customer education and outreach, to name just a few areas of oversight.

In the aftermath of the tropical storm that quickly tore through Connecticut a month ago, PURA opened Docket No. 20-08-03, An Investigation into Electric Distribution Companies' Preparation For and Response to Tropical Storm Isaias. That investigation is ongoing, and is a reflection of PURA doing precisely what it was designed to do – regulate Connecticut's electric distribution companies, investigate as necessary, and take appropriate action based on a thorough review of the facts.

Like all of you, we are paying close attention to that review, and we're more than interested in PURA's analysis and determination of what would be in the best interest of Connecticut's residential and business customers.

We live here, work here, and operate businesses here. Keeping the power on is important to us for all of those reasons. So we too have an interest in the outcome of this investigation, in any steps that can be taken to improve readiness and response.

It has been a frustrating, heart-breaking, and difficult year for retail businesses, as it has for residents and families all across our state. We depend on our utilities, as do our neighbors and communities, particularly as we work diligently to maintain appropriate safeguards as our customers return after many months enduring prolonged shutdowns and mandated limitations in our operations.

Although all of that is true, the best answer to what we have experienced in the aftermath of last month's storm may not be a rush to judgement. This is a complex industry, as you know, and accurately predicting and preparing for specific storm outcomes is just one aspect of it. PURA is well-suited to consider multiple factors, and to weigh the potential advantages and disadvantages of any change of direction or imposition of new requirements.

It seems to us that acting before all the facts are in, changing policies, procedures, or potentially restructuring an industry as pivotal as the electric power industry, risks making matters worse in an effort to make them better. If Connecticut is to make changes, it makes sense to first see how the investigation plays out – to find out what could have been done better and then fix it, to find out what worked smoothly and make sure we don't inadvertently change that.

That is particularly true as it relates to the state's Energy Efficiency Programs that have generally been operating effectively for many years. We've seen first-hand the advantages of having professionals at the Utilities manage these programs, with oversight by the state's 15-member Energy Efficiency Board. As you probably know, that Board is made up of a cross-section of business and consumer interests, and our members pay a monthly surcharge on their utility bills to sustain the fund.

The legislation you are considering would make dramatic changes in how those programs are administered. Our concern is that this may merely be change for the sake of change, without a thorough examination of what will result. We would hope that this section of the bill – especially since it really does not relate to storm preparedness - is looked at in greater detail during a regular session, before any abrupt changes are made.

Overall, there may indeed be some work to do, but it may be worth remembering the old adage - haste makes waste. We urge the committee not to rush to judgement, not to risk compounding the damage, but to judge what's best for Connecticut after – not before - the results are in.

Thank you for the opportunity to share our perspective, and for your continuing commitment, throughout this most challenging year, to public service and your constituents throughout your districts and our state.