



Office of The Attorney General
State of Connecticut

*TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE ENERGY AND TECHNOLOGY COMMITTEE
MARCH 7, 2008*

I appreciate the opportunity to comment on House Bill 5819, An Act Concerning Energy Relief and Assistance.

These proposals create the Connecticut Electric Authority -- the concept I first proposed and advocated last session for a state agency to purchase electricity for residential and business customers and to create efficiency measures to lower electricity costs for Connecticut consumers. As I proposed and urged then, the CEA would buy electricity for our residential and business users -- taking advantage of bulk purchases, innovative investments and creative procurement policies.

The electricity would still be distributed to customers by UI and CL&P. These utilities would maintain distribution and transmission facilities as they currently do.

This concept should be enhanced by:

1. providing bonding authority to enable low cost financing and other incentives to the private sector for development of new generation sources. In return for those financial incentives, the Authority would have the right to purchase electricity for residential and business customers at low cost. These contracts would reduce our exposure to electricity middlemen like financial brokerage houses and flawed pricing policies of the Federal Energy Regulatory Commission that require payment of the highest prices bid for electricity.
2. requiring the Authority (CEA) to establish and coordinate all state programs that reduce electricity usage through conservation and efficiency.
3. requiring the Authority (CEA) to establish and coordinate all state programs that encourage use of renewable sources of electricity.
4. mandating that all Authority (CEA) incentives and purchases be consistent with a statewide comprehensive conservation/generation plan developed by consumers, environmental advocates, state agencies, businesses and utilities.

The Connecticut Electric Authority must have broad powers to integrate investments in generation with power purchases, and encourage conservation and efficiency. With such power, the CEA can succeed in stabilizing and lowering electricity rates.