

# OFFICE OF THE MAYOR

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JOHN DEStEFANO, JR.  
Mayor



*The vision of New Haven's children  
is our city's greatest resource.™*

Testimony of Mayor John DeStefano, Jr.  
City of New Haven  
In Support of Senate Bill 1075  
Energy and Technology Committee  
Public Hearing

March 3, 2009

Dear Members of the Energy and Technology Committee,

I want to first thank you for a chance to address you regarding Senate Bill 1075. I would like to extend my support for section two of the bill 'An Act Concerning Competitive Electric Suppliers' which would ask the DPUC to study municipal aggregates. Establishing a municipal aggregation program would benefit municipalities and the residents of Connecticut.

This bill addresses the development of municipal aggregation systems in Connecticut modeled after systems that have met success in other states such as Massachusetts and Ohio. Implementing an aggregation system in Connecticut would not only reduce the cost for energy for consumers, but would also allow customers to partake in energy efficient programs and allow them to utilize many renewable energy products. However, case studies in other states have clearly shown that such systems are best run on an opt-out basis rather than an opt-in basis. An opt-in program would force residents to send in acceptance of the program, putting a higher burden on the resident, which typically results in a lower participation rate.. An opt-out program, presents consumers a choice and chance to weight the economic benefits of subscribing to such a program—and higher participation rates under this program lead to more significant cost reduction.

Municipal aggregation systems allow energy companies to target larger group of consumers rather than advertise and fight for individual contracts. The cost savings and renewable energy incentives under each program, furthermore, have been significant in states that have implemented such programs. Specifically, Massachusetts's Cape Light Compact reduced prices and gave customers an opportunity to participate in various energy efficiency programs. Municipal aggregation would not only help save rate payers money and over them more stable prices, but it would also allow municipalities to increase the renewable energy resources they utilize.

It is my sincere hope that the success of these programs in other states can be replicated here in Connecticut. We need to give our residents and constituents the benefits that residents of Massachusetts and other states have reaped under the aggregations systems.

Thank you for your time.