



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

THE ENVIRONMENT COMMITTEE

**House Bill 6368: AAC ESTABLISHING THE DEPARTMENT OF ENERGY
AND ENVIRONMENTAL PROTECTION**

March 14, 2011

TESTIMONY OF CHAIRMAN KEVIN M. DELGOBBO

The Department of Public Utility Control, (Department) appreciates the opportunity to comment on House Bill No. 6368 and provides the following remarks.

My name is Kevin DelGobbo, Chairman of the Department of Public Utility Control. I am here today to encourage the Committee's adoption of the principles encompassed in HB 6386.

The development and execution of coherent energy policy is critical to Connecticut's opportunity for job growth, economic viability and environmental stewardship. This proposal represents an incredible opportunity to help achieve that vision.

As you are well aware, there does not currently exist an Executive Branch entity that is directly and fully tasked to fulfill a function that we all realize is so vital. Instead, "energy policy" responsibilities have been Balkanized among numerous state agencies and other bodies, including the DPUC. The DPUC has as a consequence inappropriately taken on or otherwise been looked to as the key executive branch agency for energy policy. In many ways this circumstance is understandable. The DPUC has been the only entity with a skill set across disciplines, full time staff and a general mandate that could even approach handling these issues, particularly given that the OPM energy unit was almost entirely eliminated over a decade ago. As DPUC Chairman I have come to realize ever more clearly that quasi judicial regulatory responsibilities and policy functions are distinctly different. In order to achieve the best results for ratepayers they must be kept as distinct as possible.

So what does this bill do to further the vision of producing energy and environmental policy that truly serves the needs of our state? I would suggest that it achieves 3 primary objectives.

1. Provides for the establishment of institutional capacity and a clear mandate in the development of policy.
2. Reconciles the disparate parts of the energy and environment policy bureaucracy in a way that will allow for the coherent and consistent execution of policy.

3. Realigns and refocuses the DPUC regulatory role and thus provide better results for ratepayers.

The establishment of an explicit energy policy function within the DEEP as this proposal suggests will bring together resources that already exist within and across state government. This would result in a functional unit of the Executive Branch that is staffed and tasked for this sole purpose. I cannot emphasize enough how vital this is for our state. The underlying issues of energy are indeed extraordinarily complex and demand that we focus the resources that are necessary to analyze, develop, and execute policy.

Secondly, this proposal will provide the clarity of purpose that is so necessary in the development of energy policy. I believe it will go a long way in helping to reconcile the tensions that exist between what we historically had viewed separately as environment and energy. I recently read one of Acting Commissioner Esty's observations that energy policy and environmental policy are two sides of the same coin. I believe this to be fundamentally true. We all know that it is not uncommon for various state agencies to execute what is purportedly the same policy objective in very different ways. We simply cannot afford for this to continue. This proposal moves us towards the goal of clearly articulating policy objectives to those within state government and just as importantly to all our stakeholder partners outside of state government.

I have already noted that the DPUC has increasingly taken on a policy role that is far beyond its statutory mandate and frankly its proper function as a regulatory body. The Department is charged by law with a variety of utility related oversight functions, such as Gas Pipeline Safety and the "Call Before You Dig" programs. However, DPUC's core responsibility under Title 16 is the regulation of the state's investor owned public utility companies. This represents purview over more than \$5 Billion in annual revenues as well ensuring the proper operation of these utilities in fulfilling their public service mandate.

This proposal will help resolve this conflict in two ways. First, it contemplates the establishment of an explicit energy policy unit within the DEEP and transferring to it all of the numerous energy policy responsibilities that the DPUC has taken on. Second, it will allow the Public Utility Control Authority within the DEEP to realign itself to a utility and regulatory climate that is vastly different than when the current DPUC structure was developed.

During my service in the legislature I was honored to work side by side with you on these difficult issues for more than a decade. My role over the past two years as Chairman of the Connecticut DPUC has been both an extraordinary privilege and an enormous responsibility. This experience has led me to the unequivocal belief that this new organizational framework is the right path for us embark on in dealing with these critical issues.

The Department thanks the Committee for this opportunity to testify and looks forward to working with the Committee on this matter.