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Before the Connecticut General Assembly Energy and Technology Committee

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Testimony in Support of SB1, "An Act Concerning Connecticut's Energy Future"

Senator Fonfara, Representative Nardello, Members of the Committee,

Thank you for the opportunity to offer testimony with respect to S.B. 1, An Act Concerning Connecticut's Energy Future. Clearly, Connecticut's current system of disjointed energy policy planning, anemic efficiency efforts, high monthly bills, confusing billing and misleading marketing is not working for consumers. We need a system that can plan for, establish and execute an affordable, efficient energy future, and thank the committee for raising this bill as a key priority this year.

ConnPIRG's Consumer Energy Campaign has three simple principles: We will fight to save consumers money on their energy bills, to ensure that those bills make sense and support our local economy and jobs by promoting locally-generated, clean, renewable energy.

Broadly, to put money back in the pockets of families and businesses, we must be more efficient, from broad based planning to simple steps like encouraging Energy Star appliances. Connecticut is one of the last states in the nation yet to have a dedicated energy planning office, instead relying on a host of agencies to run our energy system. This hinders our ability to have a comprehensive plan for the future. Rethinking the way we approach our energy system starts with an agency whose mission is to create policy, taking into account not only reliability and safety, but cost to consumers and our economy as well.

With a cohesive strategy to achieve an affordable, efficient energy future, we can save money monthly by using less energy. From better weatherization and building standards, to appliances and programs that help families use less electricity, efficiency makes it cheaper to heat and light our homes and businesses so we can put more money back in ratepayers' pockets. We support investments in efficiency statewide, to help consumers use less and save more.

We also believe in consumers having the freedom to choose where and how they get their electricity, but within a system that protects ratepayers from misleading or abusive marketing tactics, and confusing billing and contracts. Ratepayers should be able to open their monthly bill, easily understand who they are buying energy from and what they are paying for, to protect against rip-offs and scams.

Finally, for the best system in the long-run, consumers benefit when we invest in locally-generated, clean, renewable energy to help our local economy and ratepayers by creating jobs and infrastructure, and by moving our state to a more stable, reliable electricity system. Promoting home-grown, renewable energy, like solar and wind power, creates high paying green jobs that support our state and local economy, and having these power sources in state lowers the pressure

on transmitting electricity. Over the long-term, investing in renewable sources protects Connecticut from volatile fossil fuel prices that have continued to rise, giving us a more stable, affordable system for the future. For all these reasons, we support a strong commitment to local, clean, renewable energy now, as an investment in our current economy and our long-term future.

S.B. 1 addresses each of our key principles, and we offer the following comments regarding specific sections of the bill.

**Section 1: With respect to creating the Department of Energy and Environmental Protection:**

As we have seen that families and businesses are continuing to struggle under the burden of high energy costs, the elevation of this consideration to the forefront of the DEEP's energy policy mission is a strong and encouraging signal that a reorganized system will work for consumers. Linking the cost to consumers, safety and reliability of service, and the importance of clean, renewable energy sources that also help the local economy, is critical in building the forward-looking, comprehensive planning system Connecticut lacks.

While the details of the arrangement of the new Department must be expanded, in general, bringing together the various agencies' energy-related functions makes more comprehensive, efficient and effective policy and we support a move towards a cohesive, dedicated system. The proposed changes are an opportunity to create the protection for ratepayers that has been lacking in the current environment, and therefore we support the DEEP's goals as outlined in the general mission.

**Section 31 & 32: With respect to the jurisdiction of the DEEP and its Commissioner**

As highlighted above, charging the DEEP and its new commissioner with the "equitable distribution and conservation of energy, the regulation of public utilities and the development and administration of a state-wide energy policy" [lines 1903 - 1905] is significant and important in shifting away from a fragmented, loosely organized system lacking comprehensive planning. More specifically, giving the Commissioner the authority and mandate to increase conservation efforts, develop renewable energy sources, assist citizens and businesses in energy-reduction efforts, and provide for the highest standards of regulation and consumer protection, is a more robust indication of the will to transform the energy system into an efficient, affordable future. Again, a change in the stated mission provides the opportunity and authority to reconfigure our current system, and to that extent, we support these alterations.

**Section 45: With respect to adding electronic products to the appliance efficiency standards**

We support the inclusion of products such as televisions, monitors, audio and disk players in the appliance efficiency standards, as promoting products that help families and businesses use less electricity saves them more on their monthly bills. Furthermore, to help Connecticut keep up-to-date with such standards and learn from best-practices in other states, we particularly support the trigger mechanism outlined in lines 2893-2901. Requiring new efficiency standards be adopted within six months of a cooperative state doing so for a particular product encourages continued efficiency improvements and ultimately assists ratepayers in reducing electricity consumption and the cost of their monthly bills.

**Section 50: With respect to establishing a low-income discount electric rate**

We support the establishment of a low-income discount electric rate to help consumers of low-income households meet the costs of essential energy needs. We also support making programs

such as home energy audits easily accessible to low-income customers as another means by which to lower electric usage and therefore the total monthly bill.

### **Section 53: With respect to billing by competitive electric suppliers**

We support the transition towards a system in which electric suppliers are directly responsible for billing their customers. This system ensures that suppliers are paying the true cost of providing electric service, correcting the current shift of billing costs onto those customers who have not selected a competitive electric supplier. In addition, this system provides ratepayers greater transparency regarding the identity of their electric supplier and can act as a stronger protection for consumers against slamming and spoofing rip-offs. This is a significant improvement from the current system where the standard billing can be confusing for consumers.

In addition to shifting the billing responsibility back on electric suppliers, we support making these bills easy to read and understand, to make sure ratepayers know who they are paying, what they are being charged for, and how their bill compares to the standard offer and the savings they expected to see with their given supplier.

We support the proposed list of requirements for information to be included by the billing party, both for electric suppliers and electric generators as necessary, as useful consumer tools. In addition, *for all customers who have selected a competitive electric supplier*, we recommend the inclusion of a clearly visible and prominent comparison on each bill which states both the total amount due with the current supplier, and what the same total bill would be with the standard offer. Much like the easy-to-read credit card bills we now receive, this is a simple, easy to implement tool that greatly improves consumer understanding of their bill. This information also acts as a protection for consumers to ensure they are seeing the savings they intended when they chose an electric supplier: an instant comparison of the current bill and the same bill with CL&P or UI helps consumers see if they are saving money and guards against confusion of how variable rates, special offers and discounts really affect their bill. Lastly, as we continue to strive for lower electric rates, this provision would ensure that if, for example, CL&P reduced its rate, as it did in January this year, to one that became lower than that of several other suppliers, that those customers buying from a competitive supplier are not inadvertently paying more without their knowledge, thinking they are actually saving money.

By giving consumers the information they need to make informed choices about their electric supply, we can protect ratepayers against misleading scams and offers, and help get the most savings each month for families and businesses.

### **Section 54: With regards to the marketing, soliciting and renewal practices by electric suppliers**

With ratepayers falling victim to misleading and sometimes abusive sales and marketing tactics in the past, we support the requirement of a clear, written contract containing all information about rates, circumstances under which they may change, and cancellation options, to each customer initiating services.

Additionally, regarding telephone and door-to-door sales of electric suppliers' services, we support strong consumer protections outlined in this section, to guard against abusive and/or deceptive tactics. From holding third-party agents selling services on behalf of an electric supplier accountable as legal agents, requiring all solicitors to identify their affiliation to a supplier and clarify their lack of relation to a distributor, and stating the purpose of their solicitation, the

provisions added starting on line 4321 are critical to protecting vulnerable ratepayers. In particular, the specification that ratepayers not be led to believe the generation charge comprises the total bill, [lines 4362-4371] and clearly differentiating between the company soliciting and the standard electric distributor, address two major areas in which consumers are easily misled. We support the specific efforts to prevent deceptive sales, renewals and switches, and further advocate for the department to adopt strong regulations regarding enforcement of such protections, as well as consumer resources so ratepayers know their rights.

**Section 75: With regards to creating a gas heat conversion program for electric heat customers**

In principle, we support a gas heat conversion program for customers with electric heat, as a way to improve efficiency and lower the cost of heating homes and businesses. We do, however, believe this effort should be concentrated on those who have the least capacity to make this conversion, or to meet the costs of electric heat, on their own. In adopting a form of means-testing or other similar measure, this program would be directed at those consumers who need the most assistance and provide the most benefit.

**Section 77: With regards to lowering energy consumption by state agencies by 10%**

This provision not only sets an example of the State in its commitment to energy conservation and reducing energy costs, but it can lower the State's monthly energy costs immediately, as for any other ratepayer in the State. Through a combination of efficiency and conservation efforts, this program furthers the goals of this new energy system and we support its swift adoption and enactment.

**Section 86: With regards to the creation of the Office of Energy Efficient Businesses**

We support the idea of a one-stop resource for businesses interested in energy efficiency, reduction and conservation projects as a dedicated, easy-to-access resource has the highest chances of being utilized. The more tools and resources available to more businesses increases the total conservation of energy and helps relieve energy cost pressure on businesses that continue to struggle with high monthly bills. With these benefits, we would also recommend the same single-source information and resource office model for individual residents, as the principle of lowering usage and lowering monthly bills provides the same benefits.

On behalf of our members and all Connecticut's consumers, I urge you to continue to adopt these measures which bring an efficient, affordable and consumer-oriented energy system to Connecticut. I would be happy to answer any questions the Committee might have.