



## State of Connecticut

HOUSE REPUBLICAN OFFICE

STATE CAPITOL

HARTFORD, CONN. 06106

Chairs Fonfara and Nardello, and Ranking Members Witkos and Hoydick, and members of the Energy and Technology committee, the House Republican Caucus would like to thank you for raising HB 5474 *AAC the Autonomy of the Public Utilities Regulatory Authority*. We will be restricting our comments to the sections of the bill that return the Public Utilities Regulatory Authority (PURA) into an independent state agency.

Last session, we came together in a bipartisan manner to create the Department of Energy and Environmental Protection (DEEP) with a Bureau of Energy within it. We believed the intention was to combine the many small divisions within various state agencies that were handling energy policy into one division, so our state would have one agency that spearheads the state's energy policy. While embracing the creation of DEEP, we were fearful and expressed concerns with combining the former regulatory body known as Department Public of Utility Control (DPUC) into an agency where DPUC's regulatory actions would lend themselves to approval or control by the Commissioner of DEEP.

Our fears were only exacerbated this past fall regarding the issues and events surrounding the "Smart Meter" decision or perhaps better stated, the lack of a final decision due to perceived action by DEEP and the Commissioner of DEEP. In this case, PURA issued a draft decision rejecting an electric utility's (CL&P) \$863 million proposal to drastically expand the use of smart meters in their service area. The draft decision was going to reject the request, arguing the benefit did not justify the cost. Before the decision could be voted on and issued, DEEP Commissioner Daniel Esty wrote to the newly created PURA, advising them he wanted the decision to be suspended based on his authority to set energy policy that in turn PURA is supposed to implement.

The Office of Consumer Council expressed concern that the Commissioner Esty had overstepped his authority, but the Attorney General ruled that the Commissioner acted as an independent party and was not exerting and direct oversight over the PURA decision. We do not agree and believe it is an example that shows PURA, as a regulatory authority, should be independent and on its own free from any influence in its decision-making. Whether Commissioner Esty was correct in his opinion or not, the perception is that he and the DEEP insinuated themselves in the middle of a regulatory contested case where they perhaps had no business interfering in at that point in the legal, administrative process.

We believe that as long as PURA is under the umbrella of DEEP, their decisions could potentially be affected by DEEP and/or Commissioner's interference. Removing PURA from DEEP is the only way to ensure that there is not a chilling effect on their regulatory

decisions. We understand and support DEEP and Commissioner Esty's right to create policy but we believe that neither the agency nor the Commissioner should have a hand in the regulatory implementation of that policy once it is set by DEEP and the legislature.

House Republicans would like to thank the committee for raising a bill on this issue and urge the committee to favorably report the portions of HB 5474 that restore the autonomy of the PURA. Although this bill leaves PURA within DEEP for administrative purposes rather than restoring it as an independent agency, we hope to work with you to pass a bill that ensures the integrity of our public utility regulatory body.