



March 4, 2013 Public Hearing Testimony before the Connecticut General Assembly Finance Committee

Energy Auction Proposal

Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members, my name is Rhonda Evans and I serve as Deputy Director of the Connecticut Association for Community Action (CAFCA). **I am here to express our concern over the Administration's 'energy auction' proposal in the state budget.**

CAFCA is the state association for Connecticut's eleven (11) Community Action Agencies (CAAs). These are the local agencies designated by federal and state governments as partners in helping people manage during hard times. Our network serves all 169 cities and towns utilizing a Results Based Accountability (RBA) framework to report our outcomes. We collaborate across silos with state government and other nonprofit providers and businesses to help families avoid prolonged crisis. We try to empower people with information, consistent support, job training, energy assistance, child care, and other vital supports to regain their footing when there is slippage. In many instances we serve as a single point of response and triage for families. We administer a variety of programs to reach families as an early intervention strategy. We provide support, assistance and renewal for families when other sources of support have ended and in doing so we serve more than 400,000 people annually in each and every part of the state.

As you know, the Governor's budget recommends having the state oversee an 'energy auction', which would sell off the rights to provide electric service to Standard Offer customers to the highest bidder. While I understand that the proposal may bring some additional funds into the state budget, it does so by further confusing an already confusing process and does nothing to provide long term relief to energy customers, especially low-income energy users. As mentioned above, the CAAs operate the Connecticut Energy Assistance Program (CEAP) which helps to provide some heating assistance relief to low income customers. Our customers are currently paying the highest rates for energy in the country and the energy affordability gap is 70% of a users' total income. In other words, Connecticut residents are truly in a heat or eat or heat or see (electricity) situation. Additionally, 31% of our energy assistance customers are low income elderly, who are on fixed incomes and are confused by all the competing interests around utility services: this proposal does not seem to be of any long-term assistance to those customers.

While the Governor's intent may be noble in attempting to lower rates for Connecticut's citizens, there are definitely no guarantees of such an outcome. It appears that the Connecticut AARP has thoroughly researched the issues around this proposal and we are supportive of the recommendations on this made by the CT AARP.

Thank you for your time and consideration. We look forward to working with you and the Administration to even more effectively support Connecticut's residents as they continue to face economic challenges in this great state.