

Testimony of William B. Upholt before the Energy and Technology Committee  
In Support of SB570, An Act Concerning Electric Savings and Fixed Bill Fees,  
and related bills capping the fixed charge for customers of electric distribution companies

Submitted by:

William B. Upholt, Hartford resident, Professor Emeritus, University of Connecticut Health Center, member of City of Hartford Advisory Commission on the Environment, and former Board Member of the Interreligious Eco-Justice Network

February 21, 2015

Senator Paul Doyle, Representative Lonnie Reed, and distinguished members of the committee:

I am writing to support passage of SB570 or other legislation that would lower and cap the fixed charge for electric service for residential customers at \$10 per month and for small business customers at \$25 per month. Connecticut's residential customers now pay the highest (\$19.25/month; Eversource) and second highest (\$17.25/month; UI) monthly fixed charge for any major electric utility in the region. Eversource's Connecticut small business customers have seen fixed charges jump nearly 80% since 2007 (increasing from about \$25/month to \$44.50/month).

Lowering and capping fixed charges for residents and small businesses will not harm the utilities: A cap on fixed charges could be revenue neutral for the electric distribution companies in Connecticut, if designed appropriately. Regulators could simply set a higher volumetric, or per kilowatt hour, rate for distribution costs, but overall electricity costs would not increase.

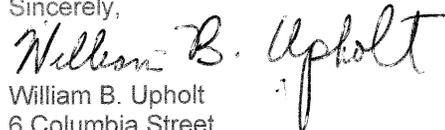
Higher fixed charges work against the state's commitment to energy efficiency and solar programs, slow the growth of a green jobs economy.

High fixed charges for electricity are unfair and regressive and hit hardest those who can least afford to pay. By increasing the portion of the distribution bill that is fixed, or set, these charges penalize customers that consume less electricity – because they're efficient, or on a fixed income, or have chosen to generate their own electricity. That is the wrong way to design electricity prices, and it is not in line with an affordable, clean energy future.

High fixed charges interfere with energy efficiency and clean energy goals: The modern power grid should enable consumers to make beneficial energy decisions. This can mean many things: installing rooftop solar; participating in demand response; weatherizing and investing in high-efficiency appliances; comparing apartments based on energy cost data; or, choosing to make no changes at all. A key feature of the modern power grid is full consumer control over energy generation, consumption, and costs. High fixed charges interfere with this objective by increasing the amount that must be paid regardless of energy use. By lowering and capping fixed charges right now, we will give all consumers, including the most vulnerable, a real chance to benefit fully from the rapid advances in technology and planning that are already modernizing and decarbonizing the power grid.

Thank you for your consideration.

Sincerely,



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