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Connecticut needs to make big changes in ‘who does what’ in the electric power industry

by *Peter Milman and Samuel Golding*

7-9 minutes

Marissa Gillett, Chair of the Public Utilities Regulatory Authority, delivered a blunt message to Eversource in the wake of Tropical Storm Isaias: “[Utilities are in the business of delivering reliable service](#), and the public should know that I’m not interested in their excuses.”

But part of the problem is that Eversource has been tasked with juggling two additional lines of business: procuring electricity for default electricity customers and providing them with a variety of energy products and services. We’d be better off taking those jobs away from the utility and limiting their monopoly to maintaining the poles, wires, and transformers that we all depend on.

Anti-trust lawyers call it “quarantining the monopoly.” It’s good governance and would allow regulators to focus Eversource on where it has fallen short — for years.

Let’s look at some data: specifically, [this 2018 “grid](#)

[modernization” study](#) by the National Renewable Energy Laboratory and the [Wired Group](#) (a consultancy that helps consumer advocates and regulators). They evaluated how well 102 investor-owned utilities balanced cost, reliability and customer satisfaction. Eversource’s utilities all ranked near the bottom: Connecticut Light and Power came in at 97th place, below Public Service Company of New Hampshire (85th) and slightly above Western Mass Electric Company (99th).

Perhaps that’s why State Rep. John Frey, one of our longest-serving state representatives, pointed out that “[Eversource has become a multi-state conglomerate...](#) It’s proven that it’s gotten too big to deliver reliable service” and called for a breakup of the monopoly.

Who would manage power procurement and customer services if not Eversource? Well, in nine states, representing about 25 percent of the U.S. population — including Massachusetts, New Hampshire, New York, Rhode Island, and California — locally controlled, nonprofit **community power** agencies (also known as community choice aggregations) are allowed to replace the distribution utility as the default provider of electricity and customer services. The distribution utility continues to deliver power over its poles and wires, while the nonprofit agency can offer modern energy services and products that can reduce demand and save money for customers, and any unsatisfied customers are free to choose an alternative supplier.

It’s a market-based approach that quarantines the monopoly

and allows communities to achieve their local energy policy goals. According to the [National Renewable Energy Laboratory](#), community power typically keeps prices at or below those offered by the utility, and can offer more renewable energy and innovative distributed energy programs.

You can learn more by reading the report "[Community Choice Energy: an alternative to electric monopolies enables communities to center people and planet](#)" and at the [Peoples Actions for Clean Energy website](#). Most recently, the short article [Community Leaders Join Together to Develop Community Power New Hampshire](#) shows how communities can accelerate community power by creating a statewide "joint action" agency together.

Empowering communities across Connecticut to take over these responsibilities would also remove critical barriers to decarbonizing our economy. Tropical Storm Isaias has shown everybody that Eversource has failed to maintain the reliability of the distribution grid — but what is less well known is how they've failed to invest in the infrastructure we need to support demand flexibility, renewable integration and community decarbonization efforts.

These are "behind the scenes" barriers at the level of electrical meters, business processes, databases and billing systems. It seems boring, but what community power agencies and ratepayer advocates everywhere are discovering is that Eversource and other monopoly utilities have been holding back innovation in ways we've never even thought to look at

before.

For example:

— The Consumer Advocate of New Hampshire published an article supporting community power, slamming Eversource for trying to block access to meter data, and explaining that [“this is how the utilities play the regulatory game to win.”](#) He wrote another article, [“This Means War,”](#) accusing the utility of wasting \$42 million by installing dumb meters at a time when other utilities were installing Smart Meters, and doing so strategically in order to extend its monopoly control over the market. The cliff-notes version is that Smart Meters allow customers and innovative companies to — independent of Eversource — use internet-enabled smart thermostats, electric vehicles and other distributed energy technologies in ways that save them money and carbon while strengthening the resiliency of our electric system, integrating more renewable energy overall and lowering utility investments into the local distribution grid. Eversource chose to install dumb meters so that we have no choice but to allow their monopoly to directly control those technologies.

—Similarly, the Cape Light Compact (a community power agency serving 21 towns in Massachusetts) testified in 2018 that the utility was asking for more money than it deserves by shuffling costs between its Massachusetts, Connecticut and New Hampshire utilities and that [“Eversource’s failure to upgrade its billing system has hindered the competitive markets.”](#)

–This is a nationwide trend. Over in California, where [community power agencies have rolled out dozens of innovative programs](#), Silicon Valley Clean Energy designed a comprehensive “[Decarbonization Strategy & Programs Roadmap](#)” for 13 local governments — and then told regulators four months later that their utility’s “[metering, data exchange and billing procedures](#)” are holding them back from actually innovating. Most recently, a coalition of [community power agencies that told regulators making the utility “wires-only”](#) would “support greater management focus on the safe delivery of energy” and “have significant financial benefits” as well.

The power sector is complex, and nobody learns about these critical operational barriers to decarbonization — until your community actually starts running a competitive power agency. What’s become clear is that we need to make some big changes in terms of “who does what” in the electric power industry.

Fortunately, the Connecticut Public Utility Regulatory Authority (PURA) is working on a study of community power right now, which could serve as the basis for passing enabling legislation through the Connecticut General Assembly.

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Recent problems with preparing for Tropical Storm Isaias show that Eversource has enough on its plate just planning for and maintaining the infrastructure that delivers electricity to us. Community power agencies should take over the procurement

of electricity and the delivery of modern energy services and products — and pull up a seat at the table with state regulators overseeing Eversource's grid modernization investments.

We can all do a better job by working together the right way.

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