

House Republican Press Release

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Press Office: 860-240-8700

A VIEW FROM THE INSIDE **State Representative Ruth Fahrbach**



Energy bills under consideration **highlight differing philosophies**

Most of the ideas for energy reform currently floating around the Capitol revolve around two specific proposed pieces of legislation, namely H.B. 7098 and S.B. 1374. The two bills both attempt to provide relief for ever-increasing energy costs, but go about it in different ways.

The House bill, 7098, seeks to get back closer to how things were before deregulation was passed in 1998, with the state having more control over electricity generation, essentially hoping to establish a “reasonable” rate of return for power companies.

The bill would shift control over rates away from the free market system, and would allow utilities to own power plants in an effort to allow electric generators to provide power at the cheapest possible cost. This part of the bill would be a major change, due to the fact that the utility companies were forced to sell off their generating facilities (for billions of dollars) as part of the deregulation bill in 1998.

Taking another approach, S.B. 1374 aims to further open energy generation in Connecticut to the competitive marketplace. Some argue that the artificial price caps that were built into the deregulation bill squashed competition among prospective power generators, and therefore prevented true competition for energy customers.

By way of example, look at cellular phone companies. Because companies are able to offer services at whatever price they see fit, cell phone service has become more affordable as companies vie for consumer dollars. The theory is this would happen with power companies

if the state allowed it to happen. It's worth noting that Connecticut's energy rates were among the highest in the nation even before deregulation, as they are now.

Regardless of which plan individual legislators favor, it is clear that something, most likely a compromise, must be acted upon for the benefit of consumers. The House Republicans have come up with the A-B-C Plan. The GOP proposal calls for the legislature to pass legislation on all the various energy initiatives that both parties already agree on. Those points agreed on by both parties include expanding the green buildings program for state projects, promoting clean sources of energy and making the tax exemption for weatherization products permanent.

The plan also recognizes the areas of energy reform that are not widely agreed upon at the moment. Obviously, some compromise is called for on these issues. The House GOP plan calls for action on these "bones of contention." The third part of the plan is a combination of the areas of agreement and the bones of contention. Regardless of which aspect of the plan legislators like or dislike, the House Republican plan calls for timely compromise and action.

If you have any questions or comments regarding the energy bills before the legislature, please call my office at 240-8700.

Rep. Ruth Fahrbach represents the 61st District, including Suffield, and parts of Windsor and East Granby, in the General Assembly.