



New Procurement Policies for Investor-Owned Electric Utilities in CT

On June 1, 2012, the Power Procurement Plan for standard service customers was filed with the Public Utilities Regulatory Authority (PURA) by the Department of Energy and Environmental Protection (DEEP).

The Office of Consumer Counsel (OCC) played a role in crafting the plan, and will be an active participant in the current proceeding (Docket No. 12-06-02, *Request for PURA Review of Power Procurement Plan*). A final decision in the adoption of the plan is expected by late summer to early fall 2012.

Background

Last year, as the state legislature passed Public Act 11-80, *An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future*, a Procurement Manager was appointed. This appointment was the next logical step in fulfilling the part of the bill which included the task of having a comprehensive procurement policy for the state of Connecticut.

The Office of Consumer Counsel (OCC) is working with the new Procurement Manager, along with the utility companies, to develop purchasing policies and approaches in order to fulfill the goal of lowering standard service price. Standard service is the cost of electricity paid by residential customers who have not chosen a competitive supplier.

Since approximately the turn of the century, Connecticut adopted a plan to restructure whereby the Connecticut Light & Power (CL&P) and United Illuminating (UI) were no longer allowed to generate electricity. Acting strictly as distribution companies, they would purchase electricity from third party suppliers.

The Procurement Manager has been tasked by the legislature to provide the lowest possible cost for electricity for the standard service customers of CL&P and UI. This is an exciting prospect for all residential consumers because all retail suppliers will have to adjust their price to remain competitive with standard service.