

Agenda Item Summary

To: Executive Committee

From: Matt Hart, Executive Director

CC: Pauline Yoder, Chief Operating Officer

Meeting Date: September 4, 2024

Subject: Letter of Support for Special Legislative Session re Electric Rate Increases

Background: The Town of Coventry has asked CRCOG to consider issuing a letter to the Governor and legislative leadership requesting that the Governor call a special session of the General Assembly to consider action to mitigate the recent rate increase approved by PURA for Eversource, the state's largest public electric utility.

I have attached letters issued by the towns of Stafford and Cromwell requesting the same action.

Recommendation: I recommend that the Executive Committee review this request and make a recommendation to the Policy Board for its September 18, 2024 meeting.

Attachments:

- Town of Stafford re: Special Session
- Town of Cromwell re: Special Session



Town of Cromwell

*Office of the Mayor
Nathaniel White Building
41 West Street
Cromwell, CT 06416*

Office of Governor Ned Lamont
State Capitol
210 Capitol Avenue, Hartford, CT 06106

Senator Matthew Lesser
Legislative Office Building
Room 2800
Hartford, CT 06106-1591

Representative Christie Carpino
Legislative Office Building, Room 4200
300 Capitol Avenue
Hartford 06106

Dear Governor and Legislatures,

On behalf of the Cromwell Town Council and residents of Cromwell, I write this letter to request consideration for a special legislative session to address the steep increases from Eversource for electric bills.

The underlying cause of these sudden and steep increases are well known and have been covered extensively by the media, but to summarize the majority of the increases have come from the Public Benefits charge. In 2017 the legislature voted to subsidize Millstone Nuclear power plant, which accounts for 77% of the increase of rates. The other 23% is attributable to the regrettable decision by PURA to implement a ten-month repayment for repaying the unpaid bills from the COVID-19 moratorium. Most recently, PURA has approved another rate adjustment on top of the public benefits increases that went into effect on July 1, 2024. I am hopeful with the changes to PURA's Board in the

next year, including the governor's new appointment, will enable PURA to make consumer minded decisions moving forward.

That said, residents need relief now. The facts are readily clear that Eversource, a public utility, continues to make record profits, while residents are suffering from the impact of years of inflation. Why should a public utility be permitted to have a monopoly and make record profits at the expense of the public it is supposed to serve? According to their financial disclosure documents, for the first half of 2024, Eversource Energy reported GAAP earnings of \$857.2 million, compared with earnings of \$506.6 million for the first half of 2023. Their second-quarter net income jumped to \$335.3 million. That's a massive leap from last year's \$15.4 million. Meanwhile, Eversource's CEO, Joseph Nolan, was the 9th highest paid utility CEO in 2023, making \$18,885,577. Eversource doesn't need or deserve a bailout the pockets of state residents.

At the same time, the new State budget ended with a \$1.64 billion surplus and the State has a \$4.1 billion rainy day fund balance. Additionally, this last session \$370 million dollars of federal pandemic funds (ARPA) were allocated to other priorities, but not to lowering resident's electric bills or paying down the public benefits obligation. The state has funds to help relieve the energy burden and must act.

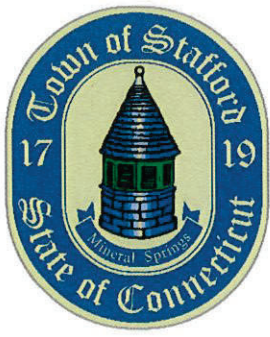
Based on the forgoing, not only does the state fiscal means to intervene, but it also has the obligation to do so. Our residents cannot afford to continue bailing out Millstone and the corporate subsidies for Eversource. Our residents should not continue to be saddled with paying this corporate welfare and bailout. It is especially egregious considering the record profits by Eversource and the record surpluses by the state.

Accordingly, the Cromwell Town Council and I respectfully and urgently request relief for our residents through a special session to address the out-of-control energy costs and to put an end to the corporate welfare being paid out by our residents.

James Demetriades

Mayor, Town of Cromwell

On Behalf of the Cromwell Town Council



Town of Stafford Connecticut

*Office of the First Selectman
1 Main Street
Stafford Springs, CT 06076
Telephone (860) 684-1777 * Fax (860) 684-1785
firstselectman@staffordct.org*

*William Morrison
First Selectman*

August 19, 2024

Dear Governor, LT Governor and Legislators,

On behalf of the Town of Stafford and the residents I serve, I write this letter to request consideration for a special legislative session to address the steep Eversource increases to our residents.

The underlying cause of these sudden and steep increases are well known and have been covered extensively by the media, but to summarize the majority of the increases have come from the Public Benefits charge. In 2017 the legislature voted to subsidize Millstone Nuclear power plant, which accounts for 77% of the increase of rates. The other 23% is attributable to the regrettable decision by PURA to implement a ten-month repayment for repaying the unpaid bills from the COVID-19 moratorium. Most recently, PURA has approved another rate adjustment on top of the public benefits increases that went into effect on July 1, 2024. I am hopeful with the changes to PURA's Board in the next year, including the governor's new appointment, will enable PURA to make consumer minded decisions moving forward.

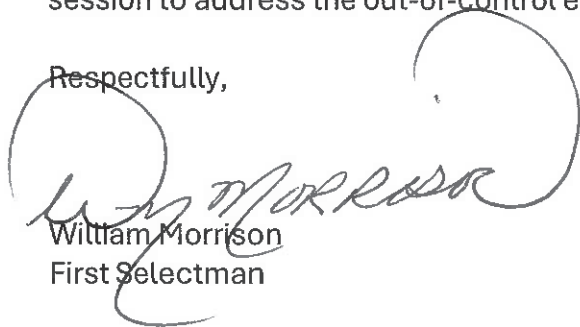
That said, residents need relief now. The facts are readily clear that Eversource, a public utility, continues to make record profits, while residents are suffering from the impact of years of inflation. Why should a public utility be permitted to have a monopoly and make record profits at the expense of the public it is supposed to serve? According to their financial disclosure documents, for the first half of 2024, Eversource Energy reported GAAP earnings of \$857.2 million, compared with earnings of \$506.6 million for the first half of 2023. Their second-quarter net income jumped to \$335.3 million. That's a massive leap from last year's \$15.4 million. Meanwhile, Eversource's CEO, Joseph Nolan, was the 9th highest paid utility CEO in 2023, making \$18,885,577. Eversource doesn't need or deserve a bailout from the pockets of state residents.

At the same time, the new State budget ended with a \$1.64 billion surplus and the State has a \$4.1 billion rainy day fund balance. Additionally, this last session \$370 million dollars of federal pandemic funds (ARPA) were allocated to other priorities, but not to lowering residents' electric bills or paying down the public benefits obligation. The state has funds to help relieve the energy burden and must act. Based on the foregoing, not only does the state have the fiscal means to intervene, but it also has the obligation to do so. Our residents cannot afford to continue bailing out Millstone and the corporate subsidies for Eversource. Our residents should not continue to be saddled with paying for this corporate

welfare and bailout. It is especially egregious considering the record profits by Eversource and the record surpluses by the State.

Accordingly, I respectfully and urgently request relief for our residents through a special session to address the out-of-control energy.

Respectfully,

A handwritten signature in black ink, appearing to read "W. Morrison". The signature is written in a cursive style with a large, looping flourish at the end that extends upwards and to the right.

William Morrison
First Selectman