

Submitter: Rachel Freed

On Behalf Of:

Committee: Senate Committee On Energy and Environment

Measure, Appointment or Topic: SB688

I am writing to express my opposition to Senate Bill 688, which directs the Public Utility Commission to adopt a framework for performance-based regulation of electric utilities by January 2, 2027. While I appreciate the intention behind this bill to enhance utility performance and accountability, I believe that the proposed approach poses significant risks and may ultimately harm consumers and the integrity of our energy system.

First and foremost, performance-based regulation, while promising improved outcomes, often relies on metrics that may not adequately reflect the complexities of our utility systems. The emphasis on specific performance targets can lead to unintended consequences, such as utilities prioritizing short-term gains over long-term sustainability and reliability. Consumers may suffer from a lack of investment in crucial infrastructure, as utilities focus on meeting regulatory benchmarks rather than addressing pressing needs.

Furthermore, the establishment of a performance-based regulatory framework requires a comprehensive understanding of the diverse needs of our communities. The one-size-fits-all approach proposed in SB 688 overlooks the unique challenges faced by different regions and demographics. Rural areas, low-income households, and underserved communities may find themselves disproportionately affected, lacking access to reliable service and fair pricing as utilities chase performance metrics that do not account for their specific realities.

Additionally, the timeline set forth in the bill is concerning. By mandating implementation by January 2, 2027, there is a risk that the Public Utility Commission may rush the development of this framework without thorough stakeholder engagement and input. A hasty process could lead to poorly designed regulations that do not serve the best interests of consumers or the environment.

I urge you to reconsider support for SB 688 and instead advocate for a more balanced approach that prioritizes consumer protection, environmental sustainability, and equitable access to reliable electric service. It is essential to ensure that any regulatory framework developed is inclusive, comprehensive, and considers the long-term implications for all stakeholders involved.

Thank you for your attention to this critical matter. I hope you will take my concerns into account as you evaluate the impact of SB 688.