TESTIMONY OF
RICHARD A. SODERMAN
ON BEHALF OF
THE CONNECTICUT LIGHT AND POWER COMPANY and
YANKEE GAS SERVICES COMPANY

March 5, 2008

Good morning. My name is Richard Soderman and I am Director of Legislative Policy and Strategy for Northeast Utilities, here on behalf of The Connecticut Light and Power Company and Yankee Gas Services Company. We appreciate the opportunity to speak to you today about the complex energy challenges now facing Connecticut, and to provide comments on Raised Bill Nos. 5788, 572, and 5785.

1. Raised Bill H.B. 5788 (AAC Establishing a Solar Roof Program)

This bill establishes a goal of ten thousand solar roof installations by 2012.

CL&P supports the development of solar technologies and other renewables; however, it may be appropriate to set some percentage limit on the amount of the renewable trust funds that can be allocated to this program. The current draft report indicates a goal of 1,000 installations by 2010. We suggest that the Renewable Energy Investments Board, and perhaps other entities, provide input into an appropriate share of funds.

2. Raised H.B. No. 572 (AAC Carbon-free Generation)

The purpose of this bill is to establish a task force to study carbon-free and non-fossil generation plants. Clearly, there are substantial efforts underway at both the state and federal levels. In Connecticut, we are in the process of developing rules for the Regional Greenhouse Gas Initiative. Federal legislation is circulating in Congress about various climate change proposals, including that sponsored by Sen. Lieberman.

Climate change is important topic for policy decisions. What is perhaps most needed, in addition to analysis of carbon-free generation, is to identify and analyze existing and proposed emissions regulations to determine the environmental and economic impacts on Connecticut and its citizens of various proposals. Thus, it may make sense to include in the task force's responsibility to undertake such analysis.

CL&P supports efforts to find low emissions generation resources for Connecticut consumers. That is why we are taking a leading role in evaluating the potential for obtaining clean Canadian power for use by our Connecticut customers. Our analysis indicates that Connecticut and New England will likely require more clean technologies than can be harvested in our region. In fact, we think the most appropriate solution would be a portfolio of energy efficiency, development of feasible local renewable resources, and imports from Canada. Attached to my testimony is a presentation that we have given regarding our analysis of the renewable picture as it pertains the Regional Greenhouse Gas Initiative and Resource Portfolio Standards.

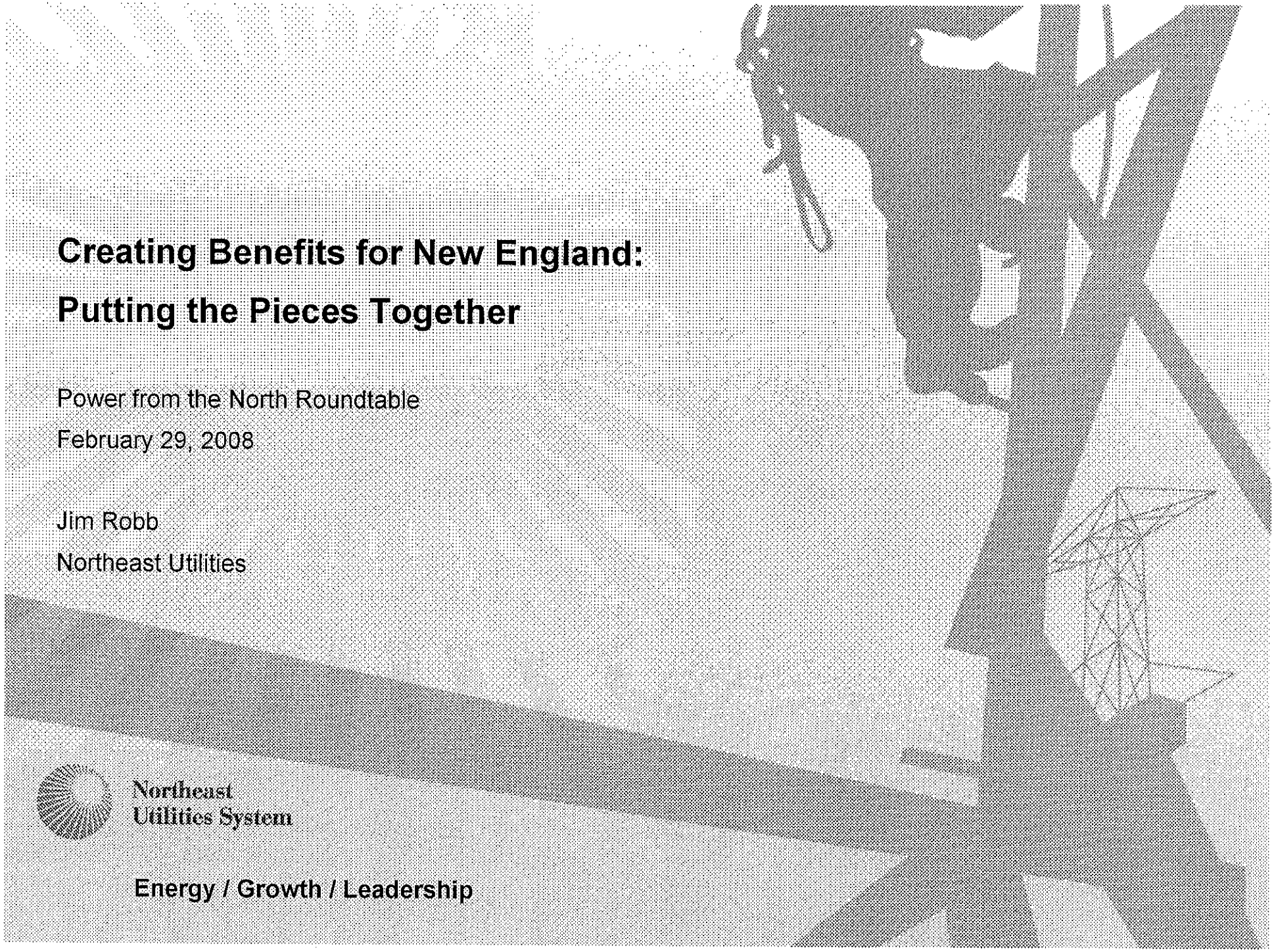
As that analysis indicates, our region is facing growing, significant gaps in meeting both of these requirements, and even if all local renewables and energy efficiency is done, the gaps remain. In the presentation, we identify the potential for obtaining clean power from Eastern Canada, and we indicate ways of getting that power here to Connecticut. We hope you find this information helpful to your deliberations, and we would be pleased to present this information in more detail at your convenience.

3. Raised Bill H.B. 5785 (AAC Concerning Solar Panel Rebates)

This bill establishes a rebate for homeowners who install their own solar panels.

CL&P supports the development of solar technologies, and according to the CT Clean Energy Fund draft report, over 400 installations have been made to date under its rebate program. We believe that it is appropriate to require, as the draft bill does, that eligibility for any rebate be subject to certification of the installation by the Board.

Thank you for the opportunity to appear before this committee.



Creating Benefits for New England: Putting the Pieces Together

Power from the North Roundtable

February 29, 2008

Jim Robb

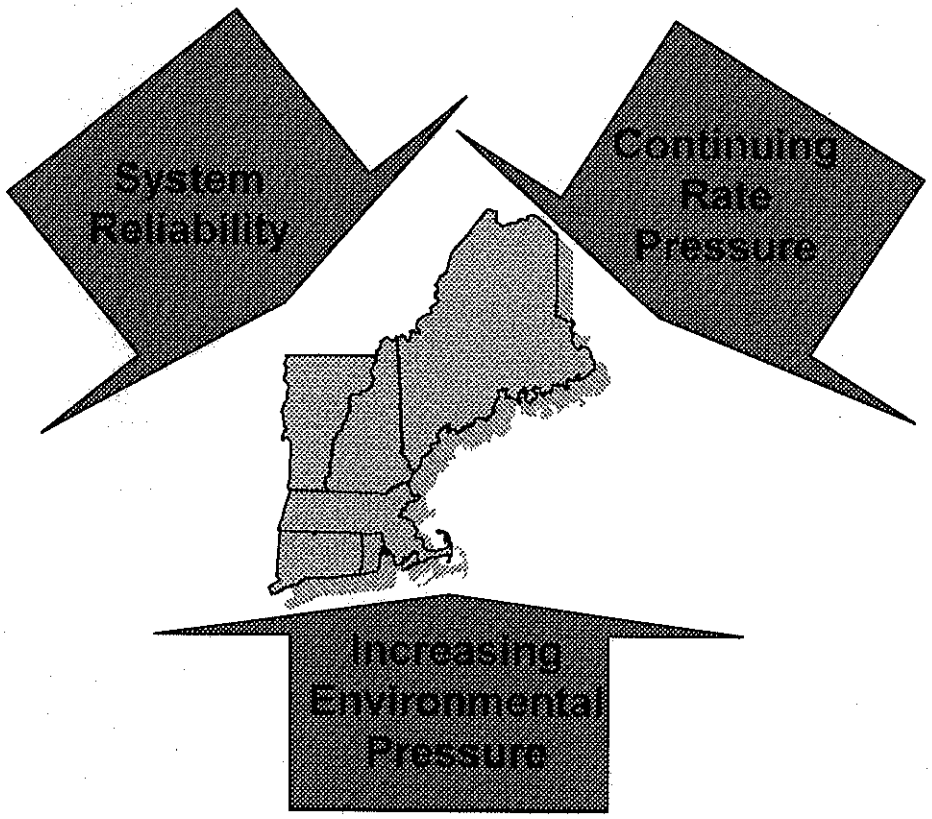
Northeast Utilities

Northeast Utilities System

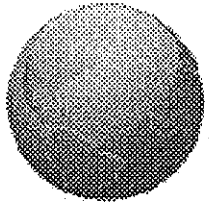
Energy / Growth / Leadership

New England is at Significant Cross Roads

- Resource Adequacy
- Fuel Diversity
- Grid Reliability
- System Operability



- Record high electric prices
- Significant infrastructure investment on horizon
- Regulator and customer frustration



- Growing consensus on climate change with policy action
  - Federal GHG legislation likely in next 2 years
  - RGGI already here in Northeast
- Renewable Portfolio Standards
- Aggressive demand side / energy efficiency aspirations

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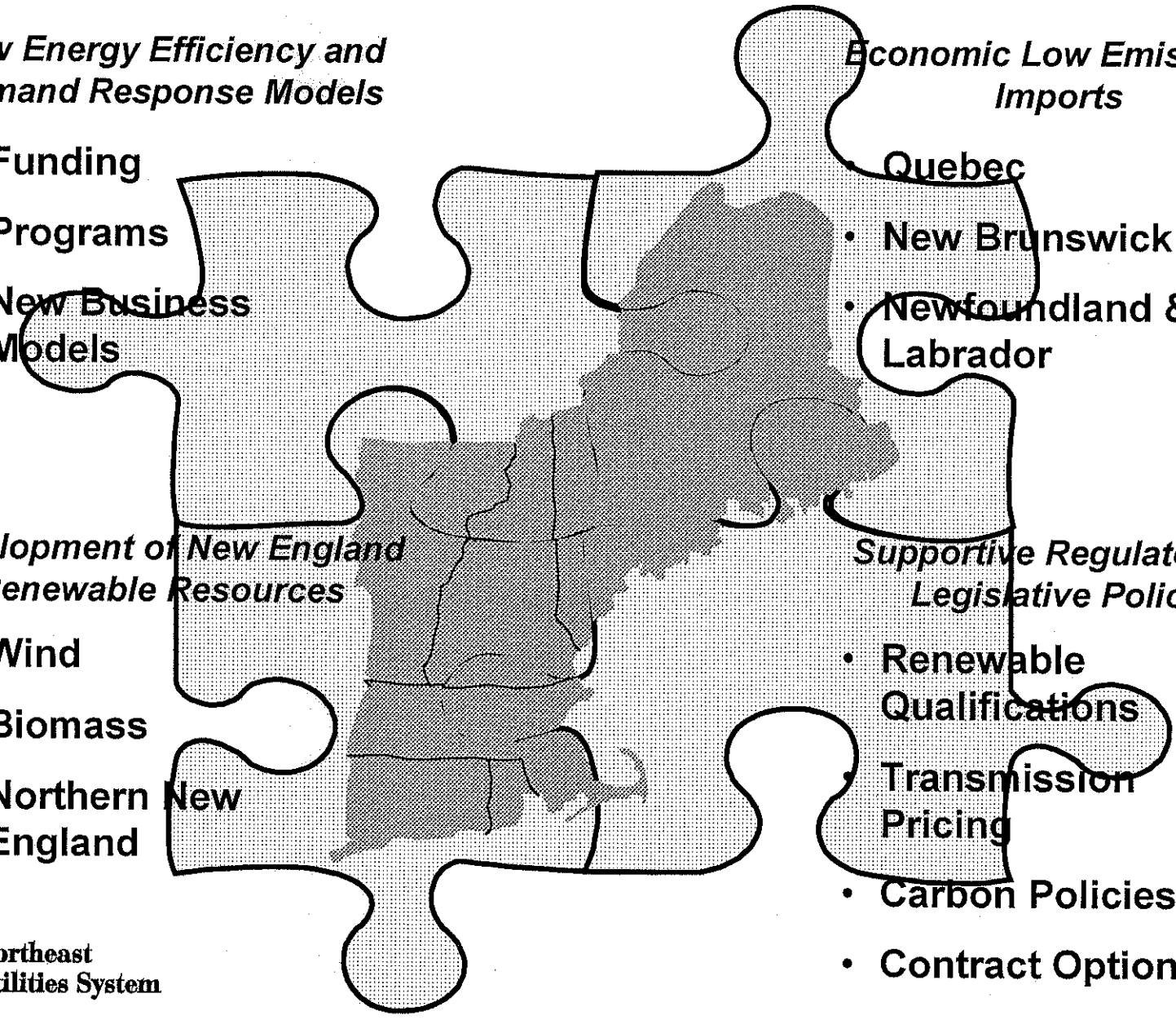
The Four Pieces of the Puzzle

New Energy Efficiency and Demand Response Models

- Funding
- Programs
- New Business Models

Economic Low Emissions Imports

- Quebec
- New Brunswick
- Newfoundland & Labrador



Development of New England Renewable Resources

- Wind
- Biomass
- Northern New England

Supportive Regulatory & Legislative Policy

- Renewable Qualifications
- Transmission Pricing
- Carbon Policies
- Contract Options

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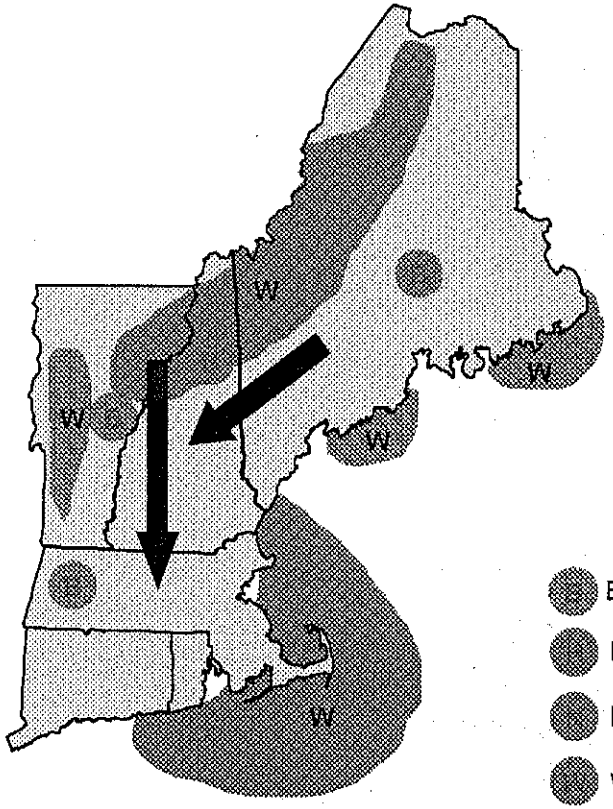
Northern New England and Eastern Canada Will Become Valuable Sources to Meet New England's Needs

New England's Most Attractive Renewable Energy Locations



Biomass
Hydro
Nuclear
Wind
General Movement Of Power

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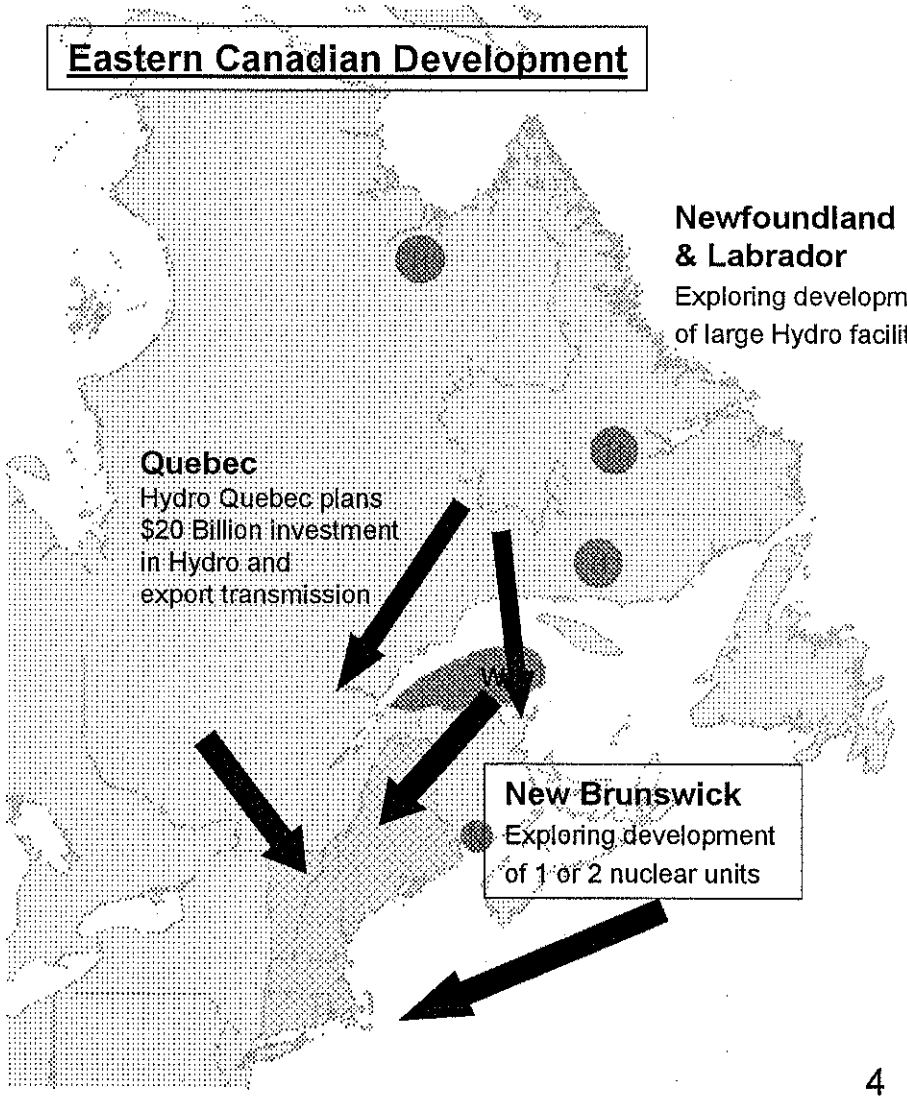
Eastern Canadian Development

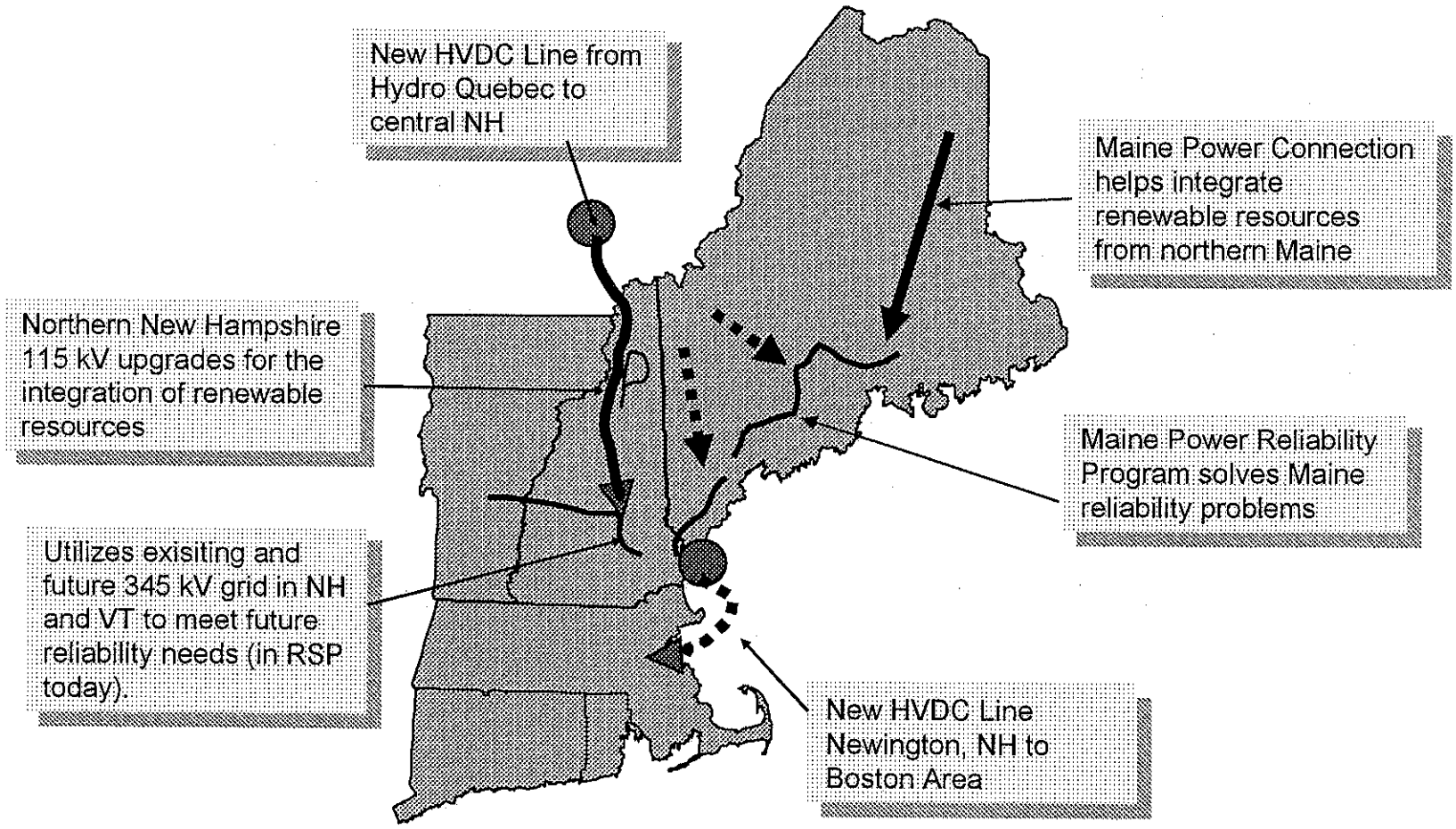


Newfoundland & Labrador
Exploring development of large Hydro facilities

Quebec
Hydro Quebec plans $20 Billion investment in Hydro and export transmission

New Brunswick
Exploring development of 1 or 2 nuclear units

Transmission Enablers for the Integration of Renewable and Low Emissions Generation Resources



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Components of a Portfolio

Component	Description	Contribution
DSM and Energy Efficiency	$5.2 B of investment through 2025 ($1.1 B more than current levels)	Reduces energy growth rate from 1.3% to 0.9% 12.8 million MWh reduction by 2025
New Renewable resources in New England	100 MW Biomass (NH – 80% capacity factor) 300 MW Wind (NH – 30% capacity factor) 1,300 MW Wind (ME – 30% capacity factor) 500 MW Wind (Queue – 30% capacity factor)	6.2 million MWh
New Tie Line with Hydro Quebec	1,500 MW (80% capacity factor)	10.5 million MWh

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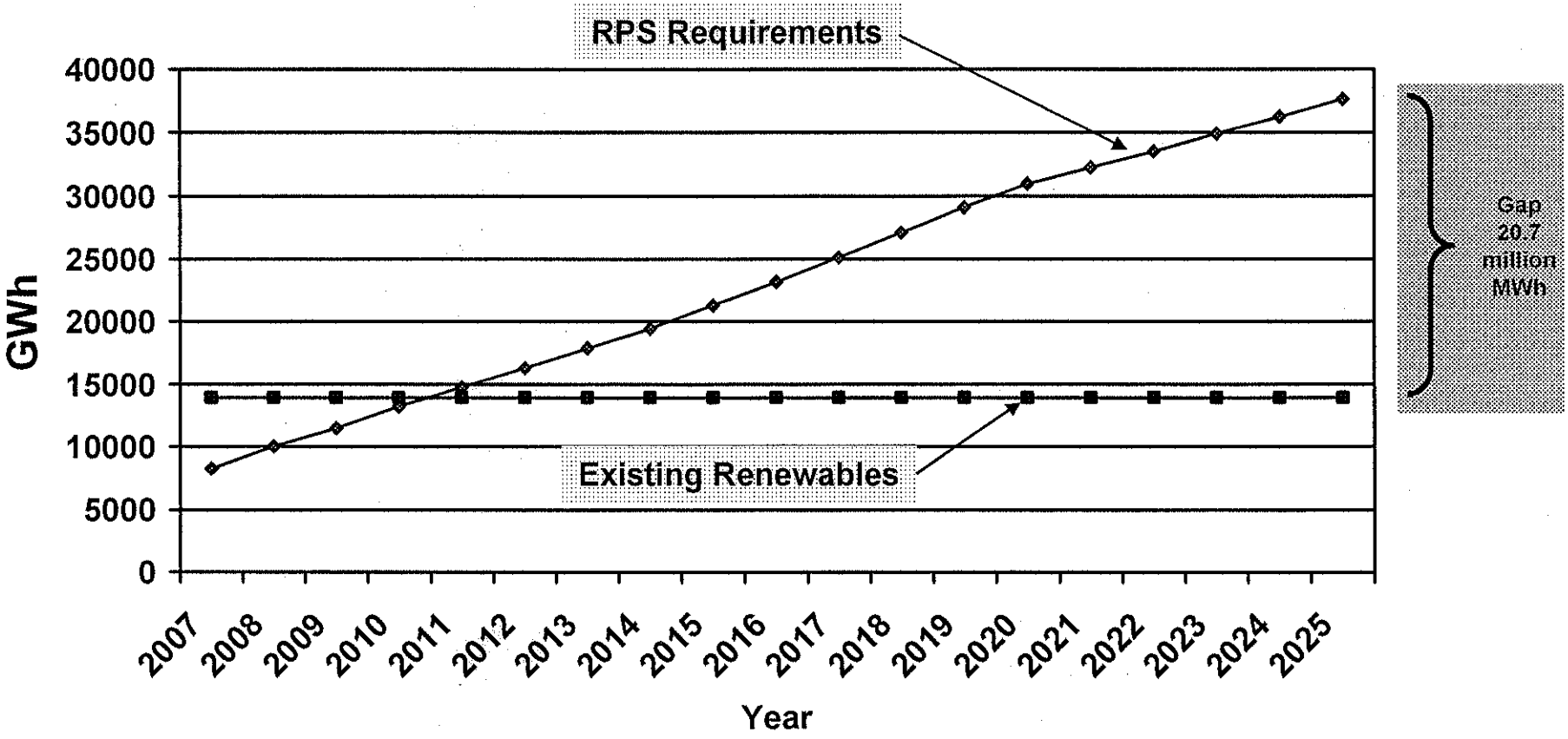
A Portfolio Approach for Renewable Portfolio Standards (RPS)



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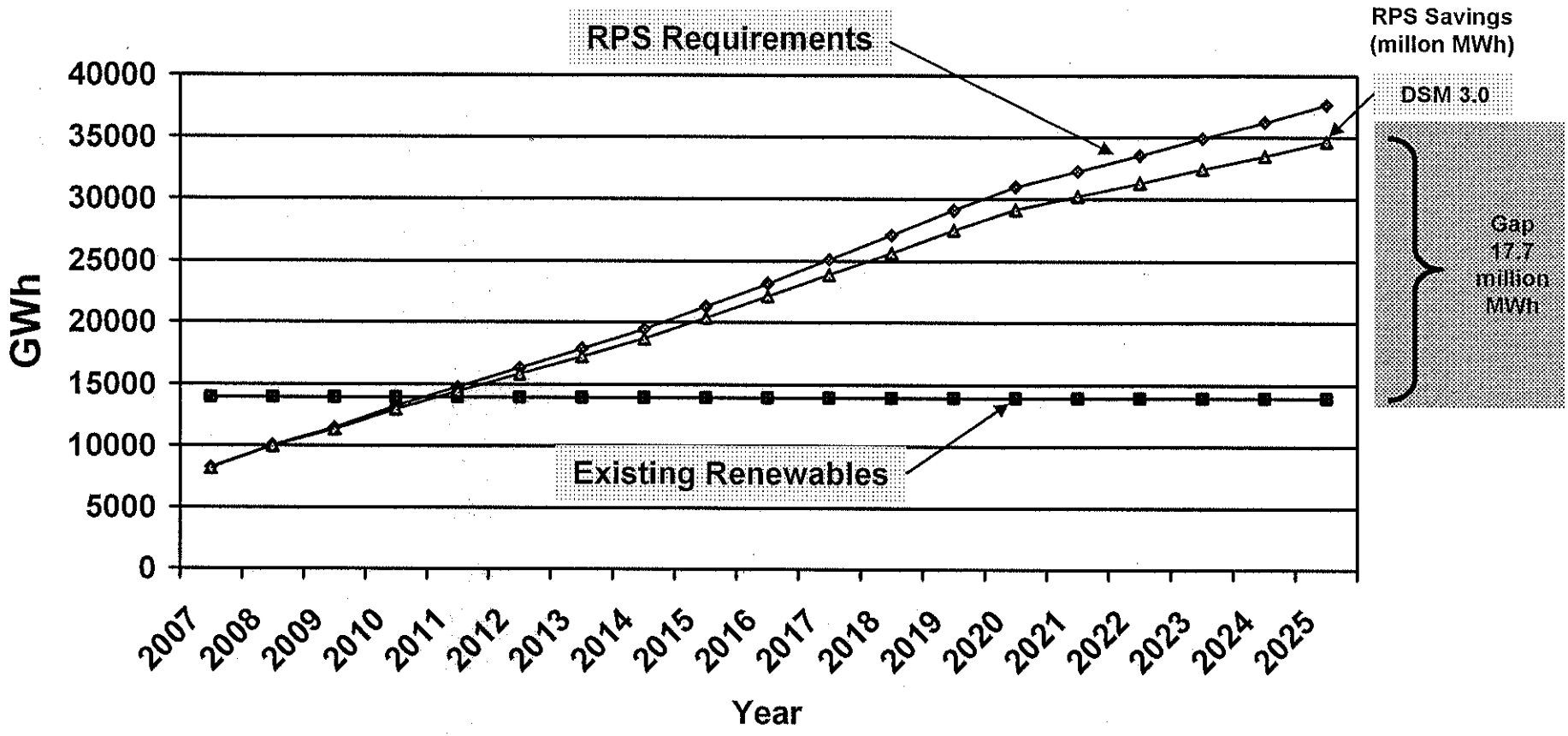

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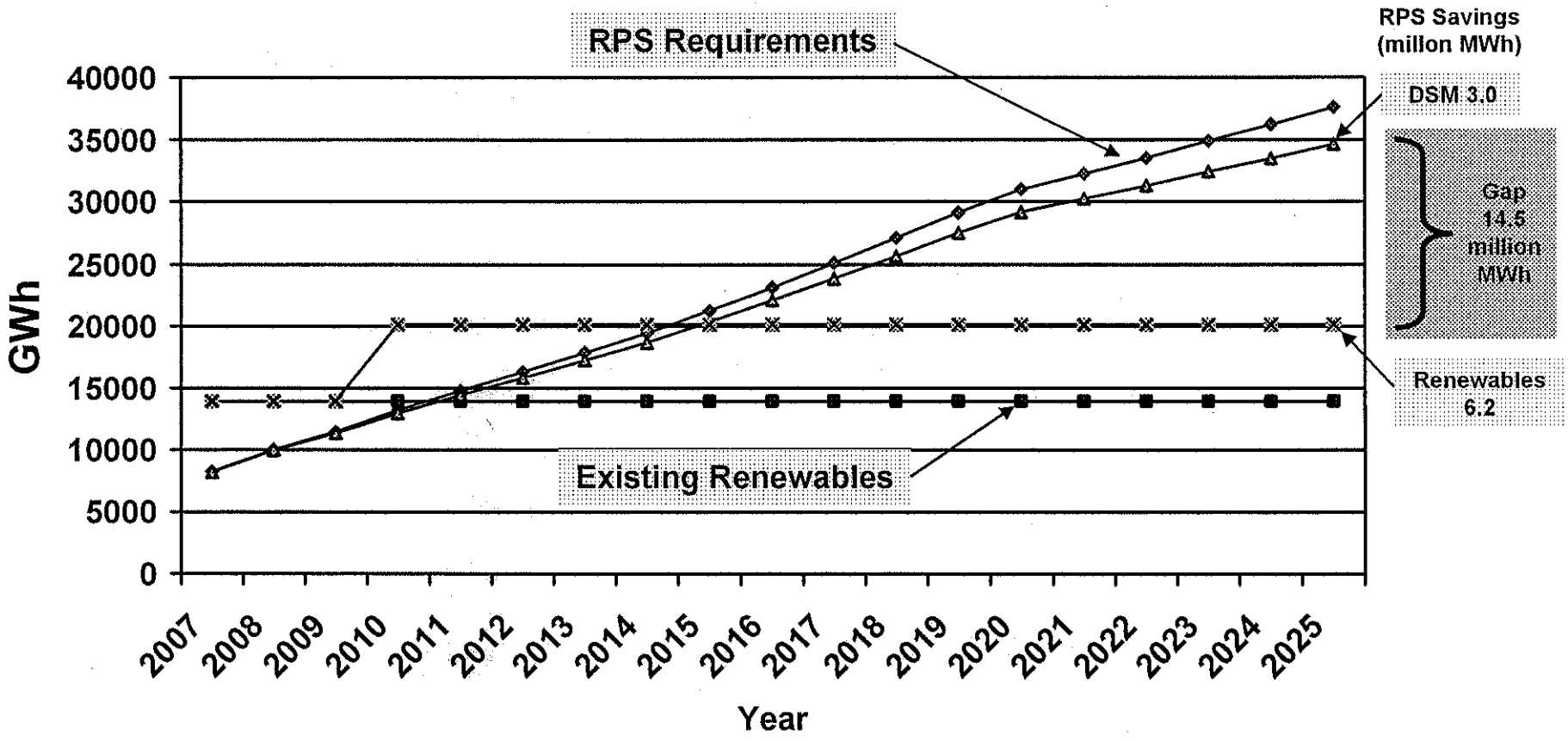

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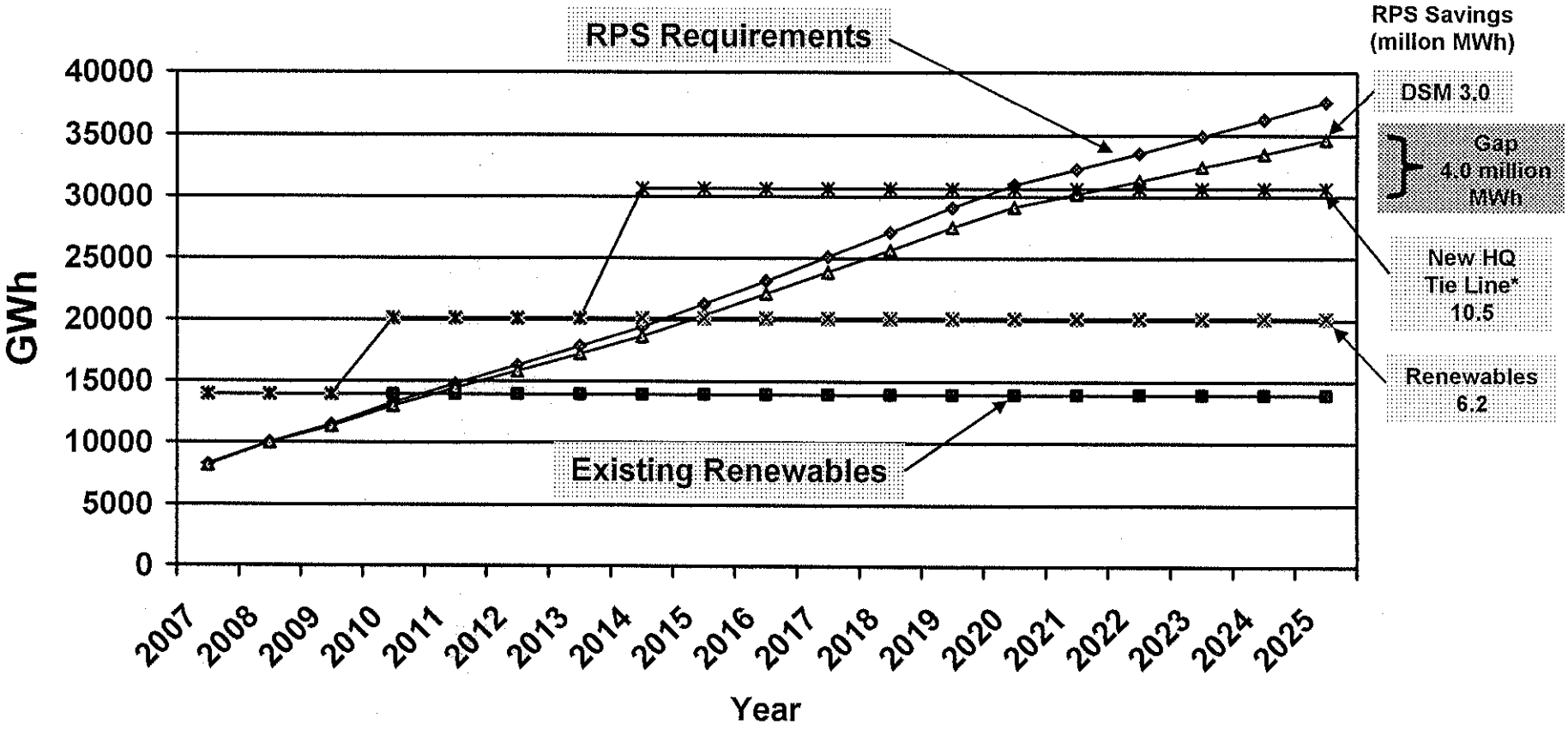

* Assumes large hydro from Canada qualifies as a renewable resource.

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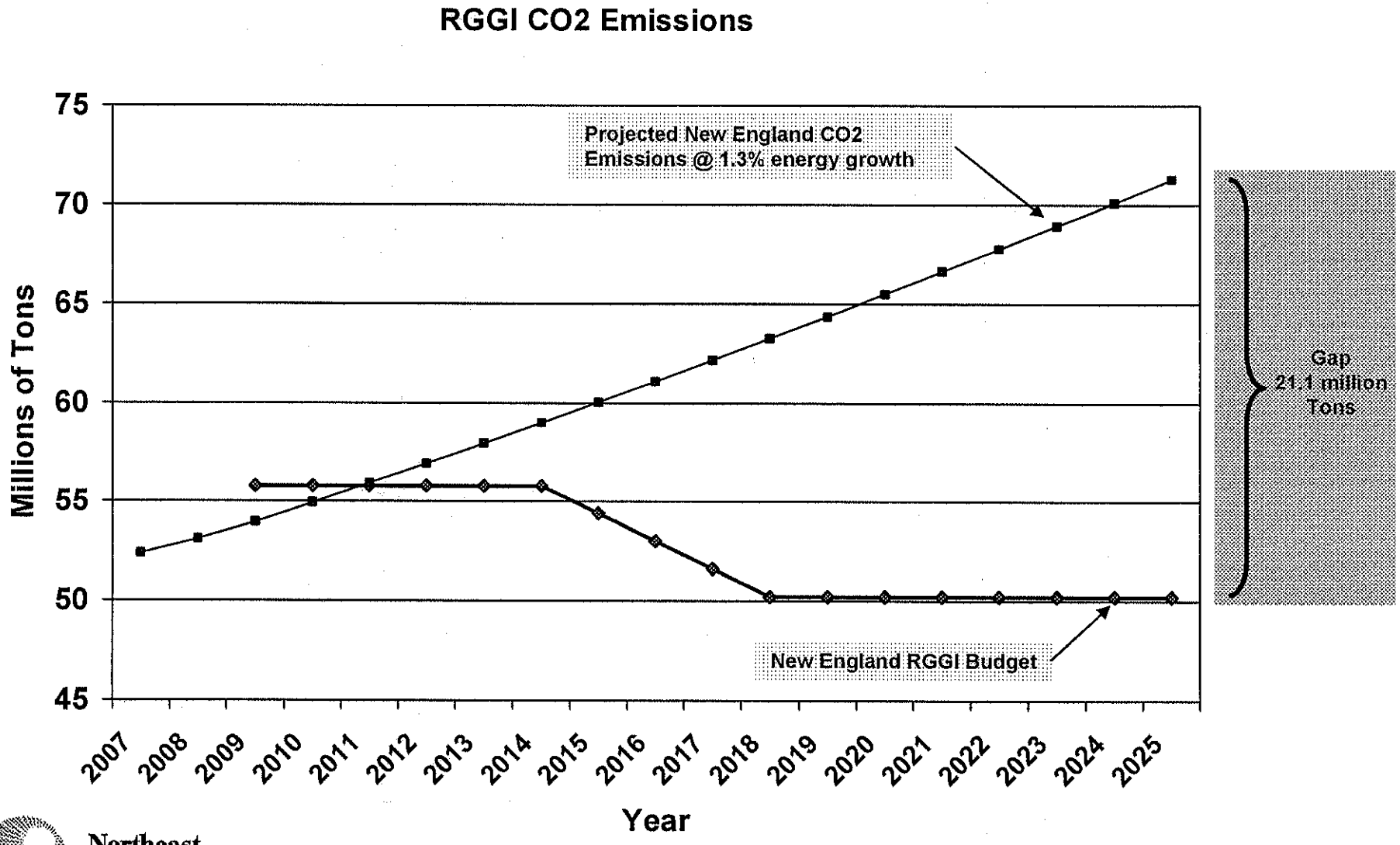
A Portfolio Approach for Regional Greenhouse Gas Initiative (RGGI) Requirements



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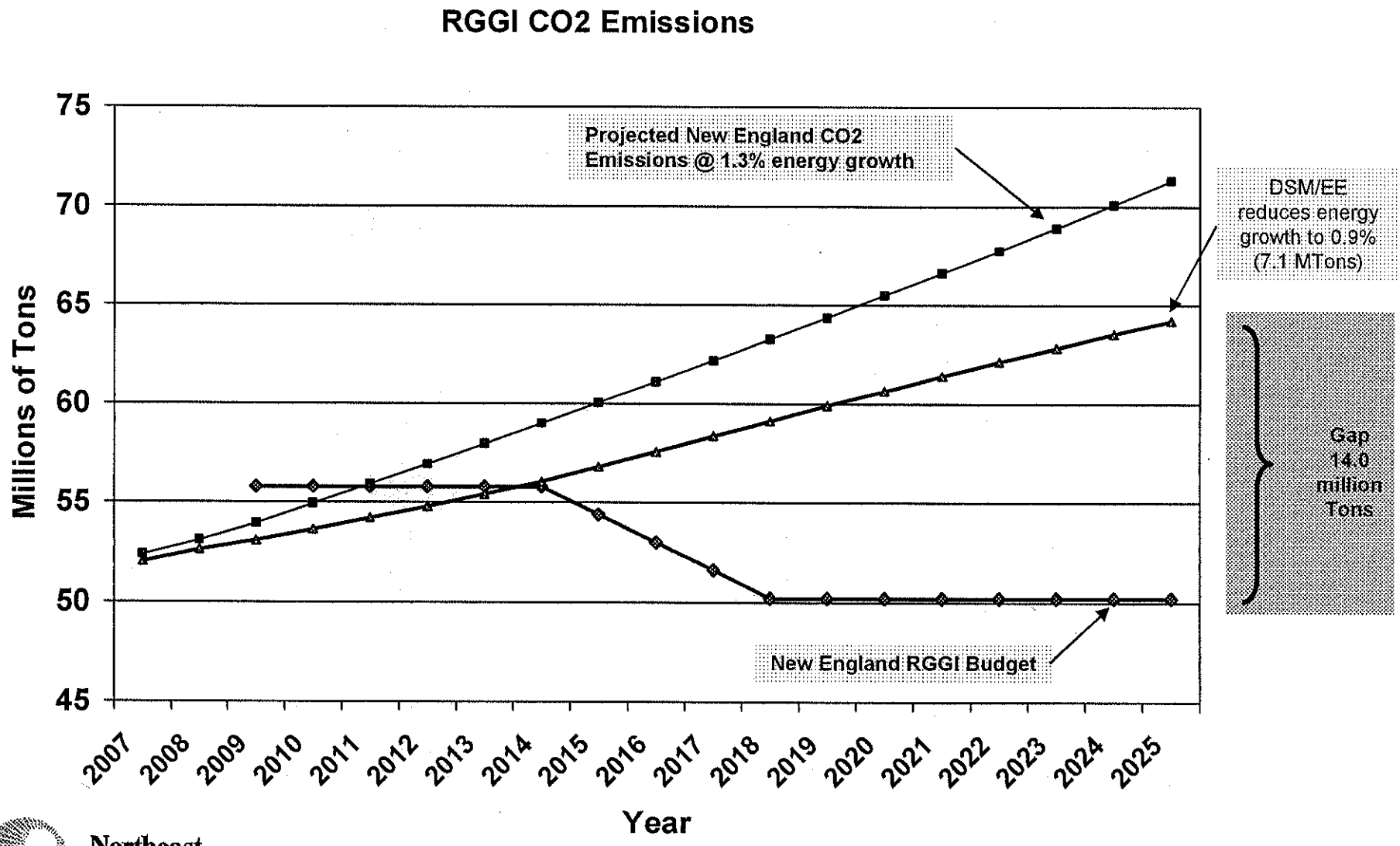

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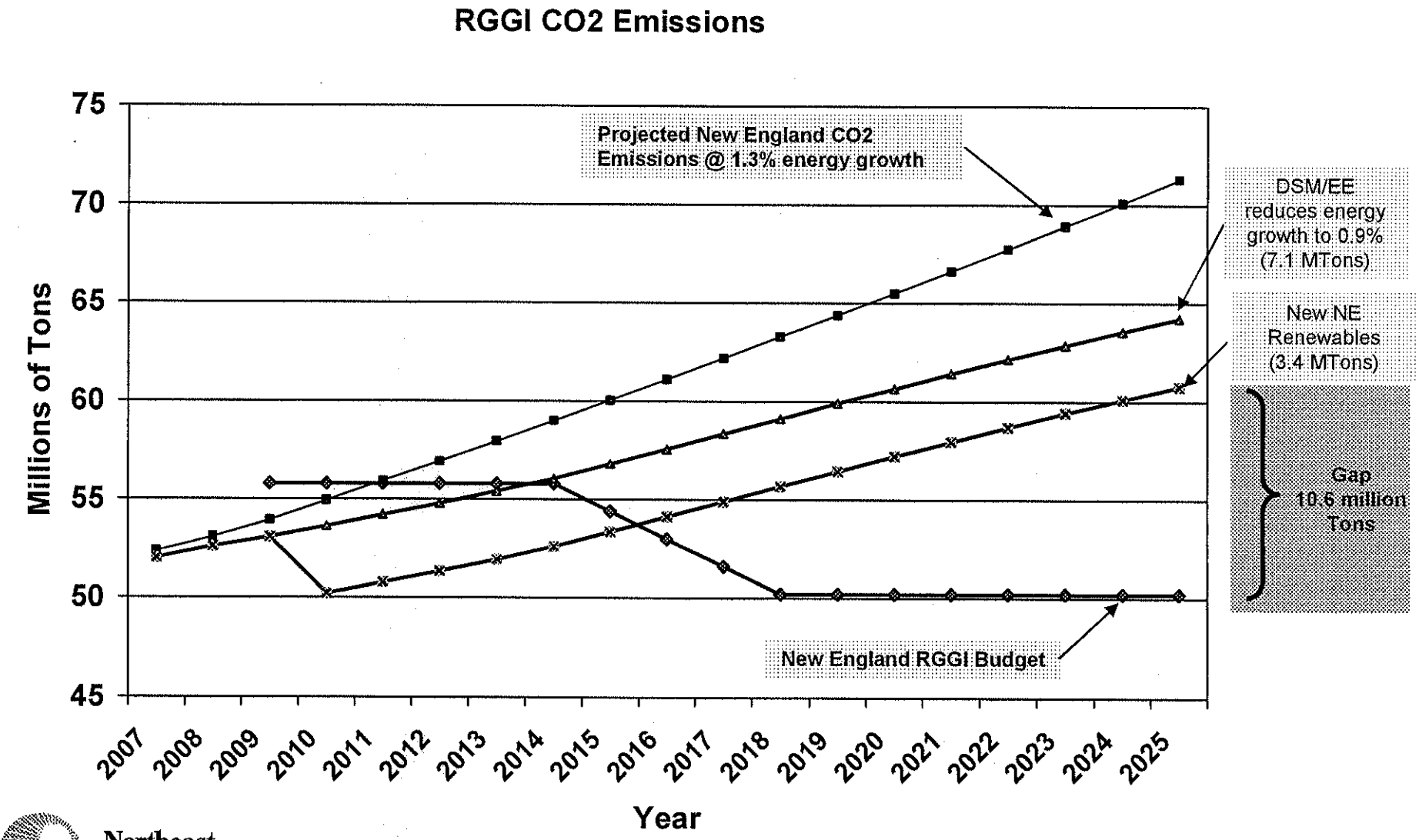

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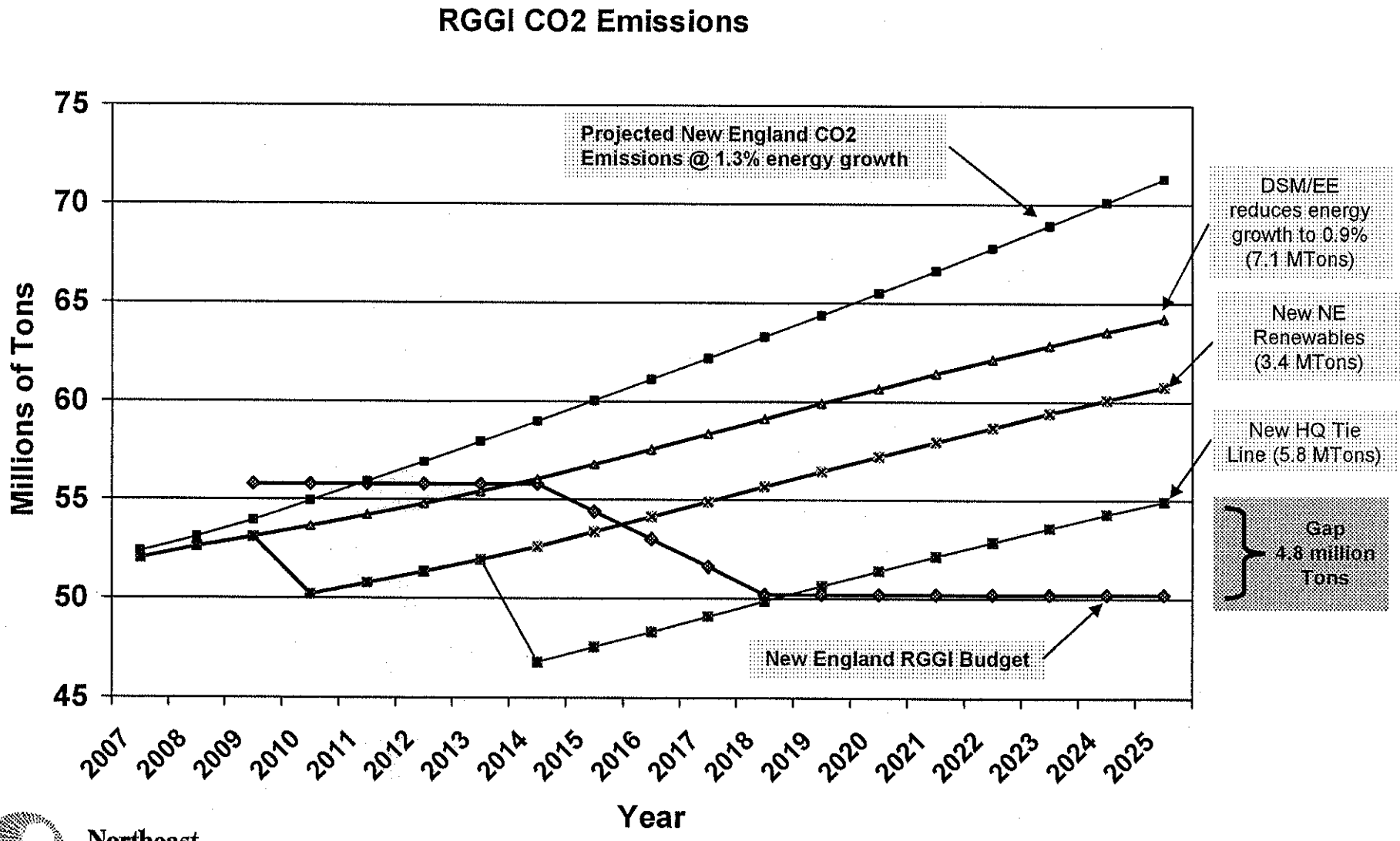

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The Power of a Portfolio Approach

- Less risk – utilizes a mix of resources
- Transmission additions to enable remote resources to reach New England load centers
- Tangible benefits for customers
  - Economic
  - CO_2 Reduction
  - Renewable Resources
  - Fuel Diversity and System Operability

Despite seemingly aggressive targets, a portfolio of solutions pursued aggressively could succeed at addressing reliability issues, economic concerns, and environmental priorities

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