

**Prepared Testimony filed with the  
Energy and Technology Committee of the State of Connecticut's General Assembly**

**Connecticut Municipal Electric Energy Cooperative (CMEEC)  
Comments on Raised Bill 5817  
March 7, 2008**

The Connecticut Municipal Electric Energy Cooperative ("CMEEC) presents the following comments to the Energy and Technology Committee on Raised Bill 5817, AN ACT CONCERNING RESOURCE RECOVERY FACILITIES currently before this Committee.

*CMEEC Background Information*

CMEEC is the wholesale power supply entity for the State's six municipal electric utilities. CMEEC is owned by its member municipal electric utilities. CMEEC follows closely the changing requirements of the regional electric power market and of ISO NE for the procurement of wholesale electric power. CMEEC seeks to keep the supply of electricity both reliable and cost effective for its members and participants and their ultimate customers and strives to help customers, to the fullest extent possible, to be as energy efficient as possible. We provide these comments solely from the perspective of a power supply entity within Connecticut.

*Purposes of the Proposed Legislation*

We believe the emphasis in the Raised Bill is to identify an approach to help solve some very specific issues which the State is now facing or will be facing in the near future. CMEEC comments on Raised Bill 5817 are limited to those issues related to the electric power portion of the bill and we specifically take no position as to other portions of the bill.

CMEEC is engaged in power procurement, and the construction and installation of electric generating facilities and actively participates in virtually all the programs and markets of ISO – NE.

Based on CMEEC's review of the Raised Bill, we believe it has laudable intent. Specifically, it seeks to establish possible mechanisms to extract unutilized value in existing electric generating resource recovery facilities through a working knowledge of the power markets and the ISO-NE markets by developing an electric purchase contract resource which balances cost effective electric supply while providing revenues to help make charges for solid waste disposal affordable, all in the public interest.

A key question -- in determining whether this purpose can be realized -- is whether an electric generating resource such as a resource recovery facility or an electric purchase agreement covering the sale of output from such a facility, in fact, has the characteristics or attributes that could anchor a portfolio of power purchases and capacity resources to secure lower cost power supply options for a limited state designated group of low income and senior citizen customers throughout the state.

We believe that the answer to this critical question is not clear at this time because of the importance of the details which are to be developed. However, we also believe that the Raised Bill appears to have elements which could potentially provide an opportunity for achieving the desired result

It is CMEEC's understanding that Section 8 of the Raised Bill is intended to encourage or require any electric customers that might qualify for participating in the low income, senior citizen grouping under a pilot program to take maximum advantage of the Energy Conservation Management Board energy conservation and energy efficiency sponsored programs offered by the electric distribution companies in order to cost effectively reduce the energy requirements of the pilot program and satisfy the residual energy requirements at a cost that might represent a measurable discount in electric rates for that customer group.

CMEEC involvement in the proposed legislation could be to lend its expertise in the ISO-NE markets and the power markets generally, which CMEEC has developed and employs in achieving CMEEC's central mandate -- to secure least cost power supply options for its member and participant municipal utilities and ultimately their retail customers. CMEEC must also be concerned about and avoid, however, undercutting or impairing accomplishment of CMEEC's central mandate through such involvement as approved by its board of directors.

The Raised Bill offers a framework for possible ways to approach the problems the State will face in both solid waste management and provision of lower cost power supply for certain specific electric customer classes. The proverbial "details" or specifics, however, of this framework -- not fully defined in the Raised Bill -- are critical in determining whether the Raised Bill will be effective in accomplishing its purpose.

This, in turn, will require a clear policy direction and mandate from this committee and the legislature, which cuts across critical electric power market and environmental issues, as there will be likely be highly varying views as to how to best address the issues raised.