



**CONNECTICUT GENERAL ASSEMBLY
ENERGY & TECHNOLOGY COMMITTEE
H.B. 5819 – AN ACT CONCERNING ENERGY RELIEF AND ASSISTANCE
PUBLIC HEARINGS – MARCH 7, 2008**

**STATEMENT OF JAY L. KOOPER
ON BEHALF OF HESS CORPORATION**

Good afternoon. My name is Jay Kooper and I am the Director of Regulatory Affairs for the Hess Corporation (“Hess”), a Fortune 100 company and a licensed and active retail supplier of electricity and natural gas to commercial and industrial customers in Connecticut. Hess appears before this Committee today to oppose H.B. 5819.

In opposing this legislation, Hess strongly believes that – contrary to H.B. 5819’s title – this legislation, particularly the provisions instituting a Connecticut Energy Authority and mandating power procurement through long-term contracts, will substantially harm ratepayers in the form of billions of dollars in additional costs imposed on them, the dampening of demand response and energy efficiency programs right at the moment they are beginning to hit their stride, and the elimination of retail competition and with it customer choice right at the moment that they are benefiting a significant majority of Connecticut businesses in a highly competitive New England regional economy.

It should be noted that in states where state energy authorities and/or long-term contracts have been utilized to achieve reliability and price stability goals, neither has been achieved. The reasons for such failure have been and can be attributed to:

- Long-term contracts, in and of themselves, have not guaranteed the successful construction, siting or interconnection of new generation into a regional power grid;
- Ratepayer-backed long-term contracts are inflexible and prevent market adjustments in low-fuel-cost time periods;
- Ratepayer-backed long-term contracts transfer billions of dollars in substantial risk to ratepayers rather than competitive generation, the costs of which are borne by investors;
- Ratepayer-backed long-term contracts dampen demand response and energy efficiency, therefore putting more strain on reliability in periods where demand outpaces supply

Indeed, Committee members need not look past Long Island, New York to witness the ill effects of long-term contracts and energy authorities on ratepayers. Today, Long Island ratepayers pay the highest electricity rates in the continental United States due to \$6 billion in cost overruns for the Shoreham Nuclear Plant that was fully constructed yet never produced a single kilowatt of electricity plus. Long Islanders continue to pay these exorbitant rates under the purview of the Long Island Power Authority.

For the reasons expressed above, Hess opposes H.B. 5819 and I will be happy to answer any questions you may have.