

**Testimony of GDF SUEZ Energy North America (GDF SUEZ NA) in Favor of
SB 1103 An Act Redefining Class I Renewable Energy Sources**

GDF SUEZ Energy North America (GDF SUEZ NA), the new owner of FirstLight Power Resources, Inc. (FirstLight), a Hartford based company, owns or operates approximately 1,768 MWs of generating capacity in New England. Its New England generation fleet consists mostly of hydro-electric facilities and it is the largest owner of hydro-electric generation in Connecticut, the majority of which is located on the Housatonic River.

GDF SUEZ NA appreciates the opportunity to express its support for Senate Bill (SB) 1103, which would expand the definition of Class I renewable resources in Connecticut to include incremental energy resulting from increased capacity of up to ten megawatts of efficiency improvements at hydroelectric facilities that meet the standards of the Low Impact Hydropower Institute (LIHI). This legislation would not only incentivize companies like ours to invest in efficiency improvements at its facilities, but would increase the supply of Class I resources thereby lowering the prices for those who purchase these renewable energy credits (RECs) to meet Connecticut law.

This past summer Massachusetts passed into law nearly identical legislation that qualifies incremental upgrades at hydro facilities as Class I renewable resources in their state. It would be beneficial for Connecticut's electric ratepayers if our state followed suit. For instance, with just the MA law in place, GDF SUEZ NA could invest in efficiency improvements at our Connecticut plants and simply sell the renewable energy credits in Massachusetts. However, if Connecticut were to pass a similar law, the supply of such RECs would increase in the region, thereby lowering the prices of the RECs and benefiting ratepayers.

Furthermore, Connecticut is going to need additional Class I Renewable energy over the next decade or so. Current law dictates that electric suppliers and distribution companies providing standard service or supplier of last resort service in Connecticut must progressively increase the total output generated from Class I renewable sources each year. In fact, by 2020, one fifth of all the energy in Connecticut must be generated from Class I renewable resources. Expanding the number of resources that qualify to generate these RECs will therefore be necessary to help the state meet these requirements without having to look out of state to purchase them at higher prices.

Such a law would also provide a critical economic incentive for companies to invest in clean energy. The efficiency improvements necessary to incrementally increase capacity at hydro facilities are quite capital intensive. Companies like GDF SUEZ Energy NA would certainly be more apt to make that investment in Connecticut-based plants if the resulting energy would qualify as Class I.

Finally, it is important to note that hydroelectric energy is among the cleanest of energy generation sources as it does not result in the emission of any greenhouse gases. Moreover, requiring facilities be certified by the non-profit organization LIHI would ensure only those facilities that meet the strictest environmental standards would be allowed to sell Class I RECs. LIHI certification means that a qualifying facility has met or exceeded eight pre-determined

environmental criteria including healthy river flow, high quality water, as well as the protection of fish, endangered species, and the surrounding watershed.

Once again, GDF SUEZ NA would urge the members of the committee to support SB 1103 as it would not only provide an incentive for Connecticut hydro-electric companies to improve their facilities but would expand in-state supply of these environmentally friendly energy resources, while helping to keep prices of these resources down.

Submitted by:

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