



KEVIN M. DELGOBBO  
COMMISSIONER

# STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

## THE ENERGY & TECHNOLOGY COMMITTEE

### Senate Bill 1129: AAC ENERGY AND THE STATE'S ECONOMY

March 17, 2009

#### TESTIMONY OF COMMISSIONER KEVIN M. DELGOBBO

The Department of Public Utility Control (Department) supports Senate Bill No. 1129 and makes the following recommendations. Senate Bill No. 1129 would amend the Electric Efficiency Partners Program which was established pursuant to P.A. 07-242, An Act Concerning Electricity and Energy Efficiency. This bill contains several provisions amending the original program, most notably, it would authorize the electric distribution companies (EDC's) to own and operate Class I renewable generation in the State and to also participate in the Electric Efficiency Partners Program. The Department recognizes that this bill would unleash advantages that new technologies can provide to both ratepayers and the market. The Department also notes that the concepts expressed here parallel much of what the Washington is proposing in the federal stimulus package.

This version of the Electric Efficiency Partners program would also be expanded to include natural gas and oil and those technologies which lower consumption or is a more efficient use of these resources. Also, commencing, June of this year, the evaluation and approval process of new partners and technologies would no longer be performed by the Energy Conservation Board (ECMB). This responsibility would reside with a new board, the Energy Innovation Council, a four member council made up by the Department, the executive director of the Connecticut Center for Advanced Technologies, the chairman of the Renewable Energy Investments Fund, and the chairman of the Institute for Sustainable Energy.

The Council would evaluate each project to establish whether the proposed project meets one of the following system cost-benefit analyses: generates a system benefit-to-cost ratio of at least one and one-half to one, or an electric benefit of at least one-to one and integrates Class I sources, or produces natural gas or oil savings. Projects approved under the above-specified analysis are then sent to the Department for its review. EDC's are allowed to recover their full costs based on a formula approved by the Department pursuant to a hearing process.

The Department agrees that this bill contains several compelling concepts and would appreciate the opportunity for consultation as the terms of this bill develop. The Department does have questions regarding whether electric ratepayers would be funding

projects intended to result in natural gas and oil savings. We should all be mindful not to approve any such cross-subsidizations of electric ratepayers money.