

**Comments of GDF SUEZ Energy North America in Opposition to Raised Bill 6631-
An Act Concerning Electric Utilities and Utility Terminations**

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 testify in opposition to Raised Bill No. 6631, An Act Concerning Electric Utilities and Utility Terminations. We specifically object to Section 4, which would allow electric distribution companies in the state to own and operate generation assets.

This is a concept that has proven to be a failure for Connecticut and its ratepayers. Regulated utilities in Connecticut owned and operated generation facilities prior to deregulation and their management of the plants resulted in approximately \$3 billion in stranded costs that are still being paid by the State's ratepayers.

Competitive generation companies' ability to build plants at a lower cost than regulated utilities still holds true today and the results of a recent Cost of Service Request for Proposals (RFP) demonstrates this. The RFP, conducted a year ago by the DPUC in accordance with Section 52 of Public Act 07-242, An Act Concerning Electricity and Energy Efficiency, showed that the two bids submitted by Connecticut Light & Power (CL&P) were the most expensive and the fifth most expensive of all of the proposals submitted to the DPUC. United Illuminating, which no longer possessed any expertise in building generation, paired up with NRG, a competitive supplier that had the available sites to build plants and the expertise necessary to operate them, and was awarded several of the winning contracts.

Unlike the utilities, who put ratepayers at risk, competitive generation companies such as GDF SUEZ NA that are developing and operating generation projects and participating in the energy markets bear all of the risk associated with those activities themselves and must carefully manage costs in an environment of rapidly escalating construction and operating costs in addition to managing the market risks. These companies, not ratepayers, are ultimately responsible for any cost overruns and market risks associated with these activities. Furthermore, they have proven they can operate the plants more efficiently. Since deregulation, the time that power plants in New England are unavailable to generate has been cut in half.

GDF SUEZ NA strongly urges the Committee to reject Raised Bill No. 6631, specifically Section 4, so that ratepayers are not once again burdened with the significant risks and costs associated with utility owned and operated generation.

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