



State of Connecticut

Office of Consumer Counsel

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The Energy and Technology Committee
March 10, 2009

H.B. 6636, AAC The Connecticut Clean Energy Fund

Testimony of Mary J. Healey, Consumer Counsel Presented by Joseph A. Rosenthal, Principal Attorney

The Office of Consumer Counsel (OCC) has carefully reviewed and enthusiastically supports H.B. No. 6636, AAC The Connecticut Clean Energy Fund.

Section 1 of the Bill would reform the "Project 150" statute. "Project 150" is a program that has been around for several years and is intended to promote the development of renewable energy in this State by providing for long-term contracts (not less than ten years) between the renewable energy project developer and the electric distribution company (CL&P or UI). Unfortunately, several of the projects that have been selected for contracts after Department of Public Utility Control (DPUC) proceedings have gotten bogged down in financing difficulties, and, despite concerted efforts by many, it is still the case that no megawatts have yet been built under Project 150. To ameliorate this logjam in a way that will balance the interests of project developers and ratepayers, OCC and the DPUC worked diligently on the language in this proposed bill and obtained input from various stakeholders. The bill proposes to replace the complicated payment schemes in the present statute with cost-based contracts. All future contracts would include cost based rates that would give the project the opportunity to earn reasonable profits if the project is operated well, but would prevent the possibility of exorbitant profits. In return, the project developer would be getting a more secure, cost-based income stream that should allow financing. Moreover, project developers who hold an existing Project 150 contract but who are unable to build due to financing difficulties would have the opportunity to seek a cost-based contract before the DPUC. These reforms should break the logjam and lead to the successful completion of the Project 150 program while minimizing the total costs of doing so for ratepayers.

Section 2 of the Bill would simply allow the Consumer Counsel's designee to be on the Board of the Clean Energy Fund (a/k/a Renewable Energy Investments Board), which is consistent with other state officeholders in the statute who are allowed to assign a designee.