GDF SUEZ Energy North America Testimony is Opposition to:
Raised Bill 5365 An Act Concerning Electric Distribution Companies
Raised Bill 5362 An Act Concerning Renewable Energy

GDF SUEZ Energy North America owns and operates approximately 1,500 MW of generating capacity in New England, including 245 MW in Connecticut. It is also the parent of SUEZ Energy Resources NA, a competitive retail electricity supplier in Connecticut serving approximately 100 commercial and industrial customers including municipalities and state entities. Through both our generation and retail businesses we directly employ around 100 people in the State and are proud to offer big-box stores, hotels, manufacturers, and wide-ranging businesses risk-managed retail electricity products that are tailored to their needs allowing them to efficiently and sustainably grow their businesses in CT and in turn play a major role in job creation.

GDF SUEZ NA appreciates the opportunity to testify in opposition to both House Bills 5365 and 5362. Both bills would once again allow the electric distribution companies in Connecticut to construct, own and operate generation assets and recover their costs, including a reasonable return on investment, through rates. As a significant owner of hydro-electric and wind generation, our company certainly appreciates the value of renewable energy sources. However, we feel that there exists more efficient approaches to develop renewable energy in Connecticut.

Owning and operating power plants is very capital intensive and carries substantial financial risk. GDF SUEZ Energy NA believes that ownership of generation should be incentivized by market forces. However, if the State deems that an alternate process is required to develop renewable generation resources, such facilities should be awarded through a competitively bid process, where all bidders are competing under the same rules, rather than arbitrarily assigning it to a certain entity.

In fact, the Connecticut Department of Public Utility Control already successfully conducted two such Requests for Proposal (RFP), the first in 2006 in accordance with Section 12 of Public Act 05-01, An Act Concerning Energy Independence, and the second in 2008 in accordance with Section 52 of Public Act 07-242, An Act Concerning Electricity and Energy Efficiency.

Under both HB 5365 and HB 5362, the State would abandon this proven model and simply provide the electric distribution companies the exclusive ability to construct and operate renewable generation facilities under a cost-of-service regime, opening up ratepayers to significant risk. It would certainly benefit ratepayers if those entities that demonstrate their ability to most cost-effectively construct and operate renewable generation were the ones selected to do so. It is only through fair and open competition that companies are properly incentivized to construct and operate generation facilities at the lowest possible cost.

In addition, we object to Section 6 of House Bill 5365, which unfairly denies customers who want to shop for electricity products and services tailored to their needs from having the ease of one bill which combines both a competitive supplier's generation and related charges with the electric distribution company's distribution charges. For many smaller customers on standard service, it is significant that the electric distribution companies have historically been the billing party and, as they exercise their choice of electricity providers perhaps for the first time, feel more comfortable and are more accustomed to receiving one bill from the utility.

Consolidated billing allows them to shop and benefit from their choice of electricity providers while having one bill. In an economic climate in which customers need every advantage and competitively priced electricity offers are contributing to meaningful savings for CT consumers, why take away a customer's comfort with exercising that choice. If approved, this language would negatively impact our ability to provide to our customers, who are currently enjoying the ability to shop for the lowest rate among competing suppliers.

Once again, GDF SUEZ NA urges the Committee to reject House Bills 5365 and 5362 so that generation resource procurement in the State remains open to all entities on a level playing field and companies can continue to enjoy the ease of receiving one monthly bill for their electricity costs.

I would be happy to answer any questions you may have.

Thank you.

Submitted by:

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GDF SUEZ Energy North America

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