



CLEAN WATER ACTION

CONNECTICUT

Testimony of Roger Smith, Campaign Director, Clean Water Action Energy and Technology Committee March 16, 2010

Testimony on House Bill 5505: AN ACT CONCERNING ELECTRIC RATE RELIEF.

Clean Water Action is a national environmental non-profit dedicated to protecting human health with 25,000 Connecticut members.

Section 1: We support a discount rate for low income customers. While investments in our energy infrastructure are necessary to update our energy systems, reduce the impact of rising fossil fuel prices and meet our air quality and global warming pollution standards, the cost of the upgrades cannot be permitted to fall on those who are least able to afford it.

Section 31: Municipalities- we support language to clarify that municipalities can enter into energy saving performance contracts, as some towns are unclear as to whether they already have this ability under their general procurement power.

In addition to this provision, the state should follow the example of New York and other states and set standards for what can and can't be in a performance contract at the state level and pre-qualify contractors. Both of these are necessary to protect municipalities. There is model legislation at: <http://www.energyservicescoalition.org/espcc/tools/practice02/index.html>

Section 32: An advantage of performance contracting is that it is not necessary to use ratepayer dollars for this purpose; towns can use municipal leases, bonding and other sources of finance. It is also all-fuel. If the utilities are allowed to do a pilot these aspects need to be studied.

Section 33: Electricity rates doubled in the last decade due to the combination of market rules which set the price based on the most expensive resource, rapidly rising fossil fuel prices, and periods of peak energy constraints. If done properly, renewables can displace the most expensive generators, reduce peaks and serve as a hedge against rising fossil fuel prices. This section should be amended to ask CEAB to develop scenarios for maximizing the benefit of renewable energy to ratepayers and recommending any changes to the legislature and DPUC. As drafted we do not support this section as it is overly broad and sets no standards by which the DPUC would determine what an "appropriate level" of renewable energy is. The broader IRP framework is preferable to having the DPUC only look at renewable energy. What is the "appropriate level" of fossil fuels or nuclear power? Where is the study to determine that?

Section 3: We **oppose this section to** require the CT Energy Advisory Board to study nuclear power as the CEAB already has authority to study this. This study makes no sense as the question of costs and benefits of nuclear power are unknowable until new reactors are built in other states. There is still no national radioactive waste repository. No reactor has gone through the complete order to construction process since the 1970s.

We suggest limited CEAB resources should be spent on energy technologies that can be implemented within the foreseeable future. While nuclear reactors are enormously capital-intensive and therefore attractive to a regulated utility, nuclear power is still handicapped by fundamental problems, including: