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**TESTIMONY OF ENE (ENVIRONMENT NORTHEAST)
TO THE ENERGY AND TECHNOLOGY COMMITTEE
*H.B. 5508 An Act Establishing the Division of Electricity Policy and Procurement***

March 16, 2010

Good afternoon Senator Fonfara, Representative Nardello, Senator Witkos, Representative Williams and members of the Committee. My name is Jessie Stratton, Director of Government Relations for ENE. ENE is a non-profit research and advocacy organization that focuses on energy, air quality and climate change solutions for New England and Eastern Canada. ENE appreciates the opportunity to provide testimony to the Energy and Technology Committee on H.B.5508 *An Act Establishing the Division of Electricity Policy and Procurement*.

Creation of the Division of Electricity Policy and Procurement, as a discreet division within the DPUC, charged with oversight and responsibility for implementing the Integrated Resource Plan (developed in accordance with Sec 16a-3a) offers numerous potential benefits to Connecticut electric consumers. While the policy mandates and planning process already established in PA07-242 were designed to promote many of the goals delineated in Sec 1 (b) of the bill, ENE believes that the implementation framework set forth in HB 5008 could improve current practice – and more importantly, results. For example, despite sound planning and review and a mandate in PA 07-242 to invest in the lowest cost cleanest energy choices, Connecticut is still under-investing in low cost energy efficiency resources that would provide substantial job boosts and improve the state economic productivity.

Concerns about overlapping authority and responsibilities for meeting the state's energy needs in a manner that assures reliability, least cost, greatest in-state economic benefit and conformance with environmental standards has spawned much discussion about how we might better and more efficiently meet those goals. By refining and reforming assignment of responsibilities for planning and procuring electricity in a manner that is fully consistent with mandates of PA 07-242, ENE believes that H.B. 5508 could further achievement of the good policy mandates set forth in that act.

For the same reasons that many have been concerned about overlapping jurisdictions in electric energy policy, ENE would suggest that the State's interest would be well served by further integration of policy implementation and oversight by the Division for efficiency measures for all fuels and we would be happy to work with sponsors of this bill to that end.

In that vein there are elements in the bill that could be modified to better achieve the sponsors' intent such as the qualification language for members of the Division and the new PUC Commissioners and applying the language in Sec 2 (3) of the proposed bill to Sec 2 (a) in order to assure full implementation of the all cost-effective procurement provisions in Sec 16a-3 (b) and (c) of the General Statutes.

Finally we are somewhat confused by the apparent dual modes for negotiating generation contracts in Sections 5 and 6 of the bill. While Sec. 5 directs the LDCs to negotiate contracts with the bidders selected by the Division, Sec. 6 says that the Division may negotiate the contracts on behalf of the LDC – perhaps the intent is to allow the Division to act in that capacity if some conditions, or triggers, result from the first process - or at the request of the utilities. Again, assuming the involvement of individuals with a high level of expertise, we could see some benefit from the Division being involved in negotiating contracts, but clarity is needed as to if and when that would occur.

In sum, ENE believes the structure outlined in HB 5508 merits serious consideration by the committee and we would be pleased to work with its sponsors and others on refining its provisions.

Thank you for the opportunity to comment on H.B. 5508.

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