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Written Testimony of Christopher Phelps, Program Director  
Before the Connecticut General Assembly Energy and Technology Committee

Thursday, March 4, 2010

Written testimony concerning Raised House Bill 5365, An Act Concerning Electric Distribution Companies

Senator Fonfara, Representative Nardello, and members of the Committee:

Thank you for the opportunity to offer this testimony concerning Raised House Bill 5365. Environment Connecticut is a member-supported non-profit environmental advocacy organization. We respectfully oppose some provisions of HB 5365 as it is currently drafted.

We oppose the provisions of Section 1 of the bill which appear to allow the electric distribution companies to own and operate Class I generation facilities without any restrictions. We are concerned about potential excessive ratepayer impacts of such steps, particularly relative to private renewable developers who may otherwise be able to provide more cost-effective generation but would be placed at a significant competitive disadvantage to the EDCs under this provision. While we believe that there is an appropriate, and potentially significant role, for EDCs to play in the development of renewable energy resources, we believe such policies should be implemented cautiously to ensure appropriateness, cost-effectiveness and affordability for ratepayers. We testified to this point in our support of a pilot-utility scale and utility-owned solar generation provision in HB 5362.

We oppose the provision in Section 1 that would allow EDCs to own and operate Class II generation resources such as trash incineration. The EDCs are not waste-management companies. Therefore, this provision is inappropriate.

We also are concerned by, and oppose as drafted, the provision of Section 2 for EDCs to own and operate distributed resources located on the customer-side of the meter. This is a market where private developers have proven able to meet demand with less cost to ratepayers. Our concern is that this provision would allow the utilities to dominate such installations, crowding out more affordable private development.

We support measures in Section 5 ensuring that the EDCs invest in all cost-effective energy efficiency measures (pursuant to proper oversight to ensure cost-effectiveness.) Such measures are vital to ensuring that Connecticut reduces its consumption of fossil fuels while also keeping electric bills as low as possible for all ratepayers.

Sincerely,

Christopher Phelps  
Program Director  
Environment Connecticut