

The Energy And Technology Committee

March 1, 2011

**H.B. 6459: An Act Concerning
Renewable Resource Generation**

Testimony of

The Office of Consumer Counsel

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Presented by Joseph A. Rosenthal

The OCC has reviewed and has some concerns about H.B. 6459, which would give each electric distribution company the right to construct up to five megawatts of renewable energy sources.

OCC does not have a deep philosophical concern with the electric distribution companies owning that small amount of renewable power plant capacity, but notes that renewable project development efforts have tended to come through competitive procurements. With the re-introduction of integrated resource planning, the State has shown a preference for competitive procurements for power generation facilities. It is not clear whether the proposed bill would require the electric distribution companies to demonstrate to the Department of Public Utility Control or its successor ("DPUC") that their proposed renewable energy plant is cost-effective in comparison to another party's proposal.

Similarly, the bill as written would authorize a pass through of the costs of such a renewable energy plant, but it is not clear that the DPUC would first be permitted to review and possibly reject a project in advance if it is deemed excessively costly.

If it were clear that the electric distribution companies were required to propose a project as part of a competitive procurement process or similar DPUC

process and that DPUC could vet the project in advance and limit cost overruns, then the bill might be acceptable. The approach of passing through costs in a nonbypassable charge, as stated in the bill, would indeed be the correct mechanism if those other safeguards are in place.