



Testimony of Renewable Energy New England, Inc. before the  
Energy and Technology Committee on  
Senate Bill 1 - *An Act Concerning Connecticut's Energy Future*.  
March 15, 2011

Senator Fonfara, Representative Nardello, Senator Witkos, Representative Hoydick and members of the Energy and Technology Committee, my name is Francis Pullaro and I'm here on behalf of Renewable Energy New England, Inc. ("RENEW") as its Executive Director to testify generally in favor of Senate Bill 1, *An Act Concerning Connecticut's Energy Future*, for its support of renewable energy. RENEW, however, strongly opposes the modification of the definition of "Class I renewable energy source" in Section 8 of the bill. This change to our Renewable Portfolio Standard ("RPS") to allow for hydroelectric facilities to become eligible as a Class I resource thwarts the original intent of the law which was to promote new, sustainable renewable energy resources in the state and region.

RENEW is a partnership between the renewable energy industry and environmental public interest groups in New England whose mission involves promoting clean, renewable and environmentally responsible technologies for the region that will increase energy diversity, spur economic development, and improve environmental quality. RENEW's membership is comprised of the American Wind Energy Association, Conservation Law Foundation, First Wind LLC, Horizon Wind Energy LLC, Iberdrola Renewables, Inc., Union of Concerned Scientists and Vestas American Wind Technology, Inc.

The biggest beneficiary of the change to the Class I definition will be the government of Quebec as the single shareholder of Hydro-Quebec. Its hydroelectric projects have been and new projects will be built regardless of whether the RPS Class I definition is modified to include large hydroelectric facilities. Senate Bill 1 simply provides economic benefits to the people of Quebec, at the expense of Connecticut ratepayers, for building hydroelectric dams that need no encouragement or financial support to be built. Even NSTAR and Northeast Utilities, who are looking to facilitate the importation of Canadian hydroelectric power through their Northern Pass transmission project, recently submitted in the Massachusetts proceeding on their merger that the RPS was designed to "support the development of renewable generation that is unable to compete on price with conventional generation. Large-scale hydroelectricity is not viewed as needing these types of subsidies because it may be the lowest cost source of clean power available."

Allowing millions of new Renewable Energy Credits (“RECs”) per year into the market through the entry of large hydro into Class I is likely to hurt the development of environmentally friendly resources like wind and solar by drastically diminishing the value of RECs for Class I obligations. If RECs managed to hold any value after the deluge from large hydro, Hydro-Quebec could become the dominant seller of RECs for years to come which raises potential market power concerns. According to Hydro-Quebec, its 2009 power sales outside of the province, mostly to U.S. customers, accounted for about 10 percent of its revenue and 22 percent of its profit. Virtually all of that power was sourced from its hydroelectric facilities. Will changing the definition of Class I provide Quebec with windfall profits?

Not only does support for large foreign hydro projects undercut our efforts at energy independence but it undermines the primary goal of the RPS: the support of *sustainable* renewable energy development. The redirecting of rivers and flooding of vast amounts of land that comes with building large hydroelectric projects has significant negative environmental impacts. It harms fish, displaces native peoples, releases mercury into the environment, and for years after the flooding even releases carbon dioxide. Today, Hydro-Quebec is developing a \$6.5 billion, 1550 MW project on the Romaine River near the Gulf of St. Lawrence. While this type of project can provide New England with a reliable source of renewable energy it does so at a high cost to the environment. Do we want to encourage the devastation of rivers and habitats in North America that we certainly would not tolerate in our own state or region? Would we dam the Connecticut River for a hydroelectric station and recreate a Glacial Lake Hitchcock?

RENEW is sympathetic to the concerns this Committee has for protecting consumers from unreasonable compliance costs relating to the RPS. While the 2010 Connecticut Integrated Resource Plan stated that New England needs to add approximately 4,800 MW of new renewable generation to meet its collective 2020 Class I renewable energy targets, RENEW believes we can meet the region’s RPS goals in a cost-effective manner without changing the definition of Class I resources.

On-shore wind projects are already economically competitive. Massachusetts utility NSTAR recently entered into long term fixed price contracts to buy electricity from two RENEW members to help it meet the requirements of the Massachusetts RPS. NSTAR will buy power from locations in Massachusetts, Maine, and New Hampshire. The costs for Energy, RECs and capacity under the contracts are lower than the forecasted market price for all years of the contract. Independent sources estimate the cost at less than 10 cents per kWh. And well before the 2020 deadline we are likely to see cost-competitive, off-shore wind power, with the potential for jobs in southeastern Connecticut, come to Connecticut, Rhode Island and Massachusetts from the waters beyond Block Island.

RENEW also supports the robust opportunities for solar in Senate Bill 1, which will help the industry bring emerging technologies to the market, lower costs and achieve commercial success.

New England has ability to fulfill its renewable energy goals from resources within its borders. According to the 2009 New England Governors' Renewable Energy Blueprint, "There is a vast quantity of commercial-scale and advanced untapped renewable resources in the New England region; this includes more than ten thousand 10,000 MW of on-shore and off-shore wind power potential. Even if developed at conservative levels, there are ample renewable resources to enable New England to meet renewable energy goals and to reduce reliance on carbon-emitting generation." We still have nine years to develop these resources to meet our 2020 RPS goals.

In response to a recent Request for Information from the New England States Committee on Electricity, developers provided details on over 4,700 MW of new renewable generation projects in New England and adjacent regions that could be operational by 2016 and meet the renewable energy requirements in all six New England states.

What will it take for Connecticut to meet its 2020 RPS goal without changing the definition of a Class I resource or lowering the target percentage? Stable and consistent state energy policy, including siting laws and RPS targets, are instrumental to achieving compliance by providing developers and investors with the confidence to build renewable generation in Connecticut and throughout New England.

Let us not take the quick, environmentally harmful approach to RPS compliance. I urge the Committee to continue its support for sustainable renewable energy by striking Senate Bill 1's change to the definition of a Class I resource.

Thank you for the opportunity to testify before you today.

Contact: Francis Pullaro  
Executive Director  
Renewable Energy New England, Inc.  
PO Box 383  
Madison, CT 06443  
646-734-8768  
fpullaro@renew-ne.org  
www.renew-ne.org