



TESTIMONY OF TAFF TSCHAMLER

VICE PRESIDENT

NORTH AMERICAN POWER AND GAS, LLC

SUBMITTED TO THE ENERGY AND TECHNOLOGY COMMITTEE,

CONNECTICUT GENERAL ASSEMBLY

MARCH 15, 2011

Senator Fonfara, Representative Nardello and members of the committee. Thank you for your time. My name is Taff Tschamler. I am Vice President at North American Power and Gas, a retail electricity supplier based in Norwalk. I am also a resident of Connecticut.

North American Power first began selling electricity to Connecticut customers just 12 months ago. The company now serves over 50,000 customers in Connecticut, all of which pay lower rates compared to the utilities, except our 100% renewable energy customers. In less than a year, we have grown from a 3 person business in a one room office to over 30 full time employees and we have plans to hire more.

As you have heard, over 600,000 customers are now served by businesses like North American Power. Electricity competition has led to millions of dollars of savings for Connecticut customers and thousands of new jobs for the state's economy. Rates are declining. And the competition to serve customers is fierce. In short, competition and choice is finally emerging in Connecticut.

North American Power strongly supports the goals and in many cases the policies put forth in Senate Bill 1. However, some of the provisions in the bill, as currently written, will limit competition, limit customer savings and limit job creation.

Specifically, we request the Committee reconsider the language in 3 areas:

- First, utility procurement policies. The bill allows utilities to enter into long term contracts. With the rapid evolution of new technologies, such as solar electricity, and the uncertain nature of energy commodity prices, locking customers into a long term contract generally is not a good idea. However, if the Legislature allows for long term contracts and the utilities decide to proceed down this path, we request that you ensure that the utility procurement policies are competitively neutral. That is, only customers that use the power generated from these long term contracts should have to pay for it. We ask that you add such language to the bill.
- Second, cost allocation policies. We are in support of the general policy to equitably allocate billing, collection and other costs from utilities to retail energy suppliers. Equitable in this case

should be defined as allocations that directly cause costs to the utility. Also, this should be a two way street. The process for determining and allocating costs should also apply to all aspects of the utilities' efforts to procure generation service. This includes Standard Service administration, all costs of the proposed procurement plan and the utilities' renewable energy supply costs.

- Finally, the bill has 4 goals: lower rates, ensure reliability and safety, increase clean energy and create jobs. We strongly support all 4 and are directly contributing to three of them every day. As my final request, we ask that you add a fifth goal to this bill: ensure competition and support innovation in the retail energy market. The current bill has such a provision tied specifically to the solar industry: it states that utility investment in solar will ... and I quote "not restrict competition or restrict growth in the state's solar energy industry." Connecticut residents and businesses would be well served if this is the law of land across all energy policy in the state.

I appreciate your efforts and commitment. Thank you for considering my request.

SUGGESTED LANGUAGE CHANGES TO SENATE BILL 1.

Sec. 1, pg.1, line 7

~~and~~ , (4) creating jobs and developing the state's energy related economy and (5) ensuring competition and supporting innovation in energy markets.

Sec. 32, pg. 63, line 1983

~~and~~ , (20) whenever available energy 1982 alternatives are equivalent, give preference to capacity additions for conservation and load management, and (21) pursue policies that support and protect the development of energy competition and choice.

Sec. 48, pg. 107, line 3378

~~and~~ ,(7) the impact of the procurement plan on the costs of electric customers and (8) the impact upon competitive retail energy markets.