



**Connecticut
Light & Power**

The Northeast Utilities System



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**TESTIMONY OF RICHARD A. SODERMAN
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY**

**Energy and Technology Committee
February 10, 2011**

P.S.B. No. 634 - AN ACT CONCERNING FARM METHANE RESOURCES

Good afternoon. My name is Richard Soderman, and I am Director of Legislative Policy and Strategy for Northeast Utilities Service Company, appearing on behalf of the Connecticut Light and Power Company and Yankee Gas Services Company.

I would like to start with some good news. CL&P's residential electric rates went down by about 7.8% as of January 1, 2011, providing relief to our customers, and especially those with limited incomes. Second, our current residential rates are more than 13% less than what they were in January 2009. Third, based on our expectations on costs in the future, we anticipate further reductions in our rates in 2012, in all, totaling about 15 % from their peak. Thus, electric bills have become less of a burden on all customers, including those on limited incomes. I implore the legislature to avoid taking actions that, in effect, spend those savings through new programs or diversions, and instead let those reductions flow on to residential and business consumers.

Turning to S.B. 634, this bill proposes that the general statutes be amended to establish a feed-in tariff for farm methane resources that would require electric distribution companies to purchase any excess power produced at a price that, at a minimum, equals the cost of production plus a reasonable rate of return.

As drafted, this program is too open ended and it provides insufficient data to evaluate the impact on electric consumers who would be responsible for subsidizing the projects. There is no cost limitation, and therefore, no limit on how much could be spent, whether it made economic sense



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or not. We would be pleased to have our renewable experts discuss this proposed bill in greater detail with the bill's proponents.

We believe that a responsible renewable policy needs to balance several factors, including jobs, economic activity and impacts on consumers. We find it confusing that, to date, Connecticut has focused on the more expensive means of clean energy. At the same time, the debate continues regarding CT's high energy costs, and the state has cut its most cost effective clean energy resource, energy efficiency.

While there is no specific language in the existing bill to determine the impacts on customers, including state and municipal governments, we offer to work with your non-partisan Office of Fiscal Analysis to determine any such impacts as you further develop potential language for this proposal.

Thank you for the opportunity to comment on this proposed legislation.