



Testimony of Renewable Energy New England, Inc. before the  
Energy and Technology Committee on  
Senate Bill 1079 - An Act Concerning Operations of Public Service Companies  
March 3, 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 in support of Senate Bill 1079, An Act Concerning Operations of Public Service Companies. My testimony addresses Section 2 of the bill, which allows for Connecticut's Electric Distribution Companies to compete with merchant companies to construct and/or own renewable generation under a competitive cost of service regime.

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, Horizon Wind Energy, Iberdrola Renewables, Union of Concerned Scientists and Vestas Americas.

In the short-term using RFPs or other competitive procurement models can help Connecticut achieve its renewable energy goals. RENEW supports having renewable energy facilities developed by merchant companies under a competitive procurement process and supported by long term contracts with the EDCs.

With a long term contract, generators gain better access to low cost financing. In today's market where investors are more risk averse, long-term contracts can allow a developer to win financing by reducing risk using creditworthy counterparties like the EDCs. Otherwise, merchant generators often are limited in their ability to hedge long-term revenues in a cost effective manner.

The state also benefits by this model. As with energy legislation enacted by the General Assembly in recent years, the state can guide where projects get built and decide how ratepayers gain from the economic benefits.

RENEW would caution that, if members of the legislature are considering calling for a competitive solicitation to build large amounts of renewable resources, they should recognize the initiative by the New England Governors' Conference to explore options for regional renewable energy procurement. The participants in this effort, led by the New England States Committee on Electricity, hopefully will produce the best model for New England to achieve its renewable energy goals in the most cost-effective manner.

On a final note I would urge the Committee to consider the importance of stable and consistent energy policies for providing developers and investors with the confidence to build renewable generation in Connecticut.

Thank you for the opportunity to testify before you today.

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