



**Connecticut
Light & Power**

The Northeast Utilities System



The Northeast Utilities System

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

**Energy and Technology Committee
March 20, 2012**

**RE: SB 23 AN ACT CONCERNING ENERGY CONSERVATION AND RENEWABLE
ENERGY**

Good afternoon. My name is Dana Louth, Vice President of Infrastructure Hardening at CL&P, and with me is Richard Soderman, Director of Legislative Policy and Strategy for Northeast Utilities Service Company. We are appearing on behalf of the Connecticut Light and Power Company.

This bill as proposed by Gov. Malloy and legislative leaders includes provisions that are reasonable and sound, and we support them. The bill provides a direct, comprehensive and unambiguous course of action that the state expects of its utilities, state agencies and municipalities during emergencies. That path is forward looking and focused on providing the proper environment for improvement and measurement of success or failure.

We regret that many of our customers suffered the unfortunate outages that occurred as a result of last fall's unprecedented storms, and we have welcomed the results of various studies and reviews by independent parties and valuable input from municipalities. We are pursuing those recommendations with enthusiasm and determination to improve service. We are already working with municipalities, DEMHS, and others to improve our communication and coordination during catastrophes.

We strongly support sections 1 and 2 to include public service companies in the list of government entities that are responsible to carry out the duties described in a comprehensive plan and actions for the civil preparedness that is developed by the Department of Emergency Management and Homeland Security and approved by the governor. This process has already begun with the

efforts of DEMHS, and we are participating in statewide exercises to improve the communication and coordination among various parties during emergencies.

The proposed bill (section 3) requires the Public Utilities Regulatory Authority to establish minimum standards of performance for utilities in emergency preparation and restoration of service to customers in an emergency. It addresses many areas of performance, including staffing levels, targets for restoration, communications, safety and resource deployment. It also includes penalties for failure to meet the standards. As the reports of the Witt Group and Two Storm panel indicated, these are the essential elements of a sound policy, and we are implementing those recommendations.

Section 4 includes a proposal to determine how and when microgrids may be an appropriate option for improving the resiliency of electric service to critical centers. We support this examination, and we look forward to working with the DEEP to implement this effort. We note that we are also seeking various technical and other reviews so that we can all better understand the inner workings of microgrids and the beneficial role they can play as part of the integrated electrical system. We suggest that current legislation be revised slightly to facilitate our ability to begin initial microgrid installations this year.

Finally, we commend the Department of Transportation and various municipalities in their efforts to adequately protect the public ways from potential interference from dangerous neighboring trees. We support the administration's incremental funding of this activity. We suggest that current tree trimming legislation be revised to address improved processes for permission to cut trees as well as the creation of a process to address the distressed and danger trees on private property that are likely to fall into our lines in future storms.

With these two additions, we would consider this bill to be a comprehensive initiative to address storm and emergency preparation and action.

Thank you for the opportunity to provide testimony on this bill.

Tree Trimming on Private Land

Purpose: To provide the ability of a utility to trim or cut trees on private land that could fall into transmission or distribution lines. Such trees were a major contributor to the electrical outages that occurred in the two 2012 storms. This provision provides the tree owner with the ability to seek compensation for the value of the tree from PURA if agreement cannot be reached between the owner and the utility.

Sec. 52-560. Damages for cutting trees, timber or shrubbery. (a) Any person who cuts, destroys or carries away any trees, timber or shrubbery, standing or lying on the land of another or on public land, without license of the owner, and any person who aids therein, shall pay to the party injured five times the reasonable value of any tree intended for sale or use as a Christmas tree and three times the reasonable value of any other tree, timber or shrubbery; but, when the court is satisfied that the defendant was guilty through mistake and believed that the tree, timber or shrubbery was growing on his land, or on the land of the person for whom he cut the tree, timber or shrubbery, it shall render judgment for no more than its reasonable value.

[NEW] (b) Notwithstanding the provisions of subsection (a), any public service company, its agents, servants, employees, contractors or other persons working on its behalf, may enter upon land of another and cut trees, timber, or limbs thereof that the public service company determines could, as a result of natural causes such as wind, snow, ice or disease, fall into the wires or conductors of electric transmission or distribution lines maintained within an easement area, or on land owned by such public service company, not less than thirty days after providing notice of the intent to perform such work to the chief municipal officer and in a newspaper of general circulation in the area where such trimming, cutting or removal is scheduled to occur, and provided that such company shall attempt to reach an agreement with an owner on any trees or timber that are to be removed. If the public service company and the tree owner fail to reach an agreement, the owner may commence an action before the Public Utilities Regulatory Authority. This provision shall not apply to any trees, timber, or other vegetation cut, destroyed or carried away pursuant to an authorization in an easement, license, or contract.

Utility owned Renewable Generation

Purpose: to clarify section 127 and to facilitate deployment of microgrids.

Sec. 127. (NEW) (Effective July 1, 2011) (a) Notwithstanding subsection (a) of section 16-244e and other provisions of the general statutes, an electric distribution company, ~~or owner or developer of generation projects that emit no pollutants,~~ may submit a proposal to the Public Utilities Regulatory Authority-Department of Energy and Environmental Protection to build, own or operate one or more generation facilities up to an aggregate of thirty ten megawatts using Class I renewable energy sources as defined in section 16-1 of the general statutes from July 1, 2011, to July 1, 2013~~4~~, provided that, if such proposal is designed to improve the electrical resiliency of a municipal or government critical load center, such proposal may include other generation technology that uses natural gas fuel. Each facility shall be greater than ~~one megawatt~~ 400 kilowatts but not more than five megawatts, but the authority can waive this requirement for good cause shown. Each electric distribution company may enter into joint ownership agreements, partnerships or other agreements with private developers to carry out the provisions of this section. ~~The aggregate ownership for an electric distribution company pursuant to this section shall not exceed ten megawatts.~~ The department authority shall evaluate such proposals pursuant to sections 16-19 and 16-19e of the general statutes and may approve one or more of such proposals if it finds that the proposal serves the long-term interest of ratepayers. The ~~department authority~~ (1) shall not approve any proposal supported in any form of cross subsidization by entities affiliated with the electric distribution company, and (2) shall give preference to proposals that make efficient use of existing sites and supply infrastructure or are designed to improve the electrical resiliency of a municipal or government critical load center. No such company may, under any circumstances, recover more than the full costs identified in a proposal, as approved by the authority. Nothing in this section shall preclude the resale or other disposition of energy or associated renewable energy credits purchased by the electric distribution company, provided the distribution company shall net the cost of payments made to projects under the long-term contracts against the proceeds of the sale of energy or renewable energy credits and the difference shall be credited or charged to distribution customers through a reconciling component of electric rates as determined by the ~~department authority~~ that is nonbypassable when switching electric suppliers.

(b) An owner or developer of generation projects that emit no pollutants may submit a proposal to the Department of Energy and Environmental Protection to build, own or operate one or more generation facilities up to an aggregate of ten megawatts using Class I renewable energy sources as defined in section 16-1 of the general statutes from July 1, 2011, to July 1, 2013. Each facility shall be greater than one megawatt but not more than five megawatts. The department shall evaluate such proposals pursuant to sections 16-19 and 16-19e of the general statutes and may approve one or more of such proposals if it finds that the proposal serves the long-term interest of ratepayers. The department (1) shall not approve any proposal supported in any form of cross subsidization by entities affiliated with the electric distribution company, and (2) shall give preference to proposals that make efficient use of existing sites and supply infrastructure. No such company may, under any circumstances, recover more than the full costs identified in a proposal, as approved by the department. Nothing in this section shall preclude the resale or other disposition of energy or associated renewable energy credits purchased by the electric distribution company, provided the

distribution company shall net the cost of payments made to projects under the long-term contracts against the proceeds of the sale of energy or renewable energy credits and the difference shall be credited or charged to distribution customers through a reconciling component of electric rates as determined by the authority that is nonbypassable when switching electric suppliers.

(c) Concurrent with the authority's review of each electric distribution company's proposal, the authority shall establish a rate recovery mechanism under which the net cost of each such facility, including each facility's interconnection costs and costs resulting from a facility's provision of infrastructure hardening or electric system reliability benefits, shall be recovered from customers through the non-bypassable federally mandated congestion charge as defined in section 16-1 of the general statutes. As part of its proposal to the authority, the company shall also propose whether use the power, capacity and related products produced by such facility should be used to meet the needs of customers served pursuant to section 16-244c of the general statutes.

~~(e) Notwithstanding the provisions of subdivision (1) of subsection (j) of section 16-244e of the general statutes, the amount of renewable energy produced from such facilities shall be applied to reduce the electric distribution company's Class I renewable energy source portfolio standard obligations.~~

(d) The department shall evaluate the proposals approved pursuant to this section and report in accordance with the provisions of section 11-4a of the general statutes to the joint standing committee of the General Assembly having cognizance of matters relating to energy whether proposals shall be accepted beyond July 1, 2013 the dates authorized in subsections (a) and (b).

