

Energy & Technology Committee
Room 3900
Legislative Office Building
Hartford, CT 06106

March 20, 2012

In re: Connecticut RPS Program / CHP

Committee Members,

Nexant respectfully submits its views on the benefits of assisting the growth of CHP development in the RPS mandate.

Nexant believes all CHP installations (not just state/municipal cited) should be able to participate in the proposed Class I RPS mandate for the following reasons. First, CHP can provide significant grid support to prevent blackouts during high peak demand periods when the capacity is large and geographically diverse. Second, large quantities of geographically dispersed CHP reduce transmission constraints and improve system operation during periods of both high and average demand.

Below are just a few of the benefits afforded Connecticut and its rate-payers through expansion of its CHP Program.

- CHP incentives serve to leverage private investment and provide a beneficial impact for rate payers by reducing the costs of new generation.
- CHP is located in Connecticut, thereby creating local jobs.
- CHP lowers energy costs freeing up money for economic expansion.
- CHP significantly reduces greenhouse gases.
- CHP reduces Connecticut's dependence on fossil fuels and keeps more money in Connecticut.

Nexant believes it is in the best interest of Connecticut and its rate-payers to further incentivize CHP development through unqualified inclusion of CHP in the Class I REC mandate in the RPS.

Best Regards,

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