

**BEFORE THE
STATE OF CONNECTICUT
JOINT COMMITTEE ON ENERGY AND TECHNOLOGY**

March 5, 2013

Testimony of Daniel Allegretti

For

Exelon Corporation

On

Proposed Bill No. 203 (LCO 1224)

And

Raised Bill No. 949 (LCO 3440)

Members of the committee, thank you for the opportunity to present this testimony today. My name is Daniel Allegretti and I am a Vice President for State Government Affairs with Exelon Corporation (“Exelon”). Exelon supports Proposed Bill 203 and Raised Bill 949 and urges their passage.

Exelon

By way of introduction, Exelon is a Fortune One Hundred company, headquartered in Chicago, Illinois, with operations and business activities in 47 states, the District of Columbia and Canada. Exelon owns Commonwealth Edison Company, the Baltimore Gas and Electric Company and PECO Energy Company, which combined own electric transmission and distribution systems that deliver electricity to approximately 6.6 million customers. Here in Connecticut, we are best known through our retail brand, Constellation New Energy, which provides electricity directly to thousands of Connecticut businesses and residents and to over a million customers nationwide. Exelon is also the largest competitive power generator in the U.S., with approximately 35,000 megawatts of owned capacity comprising one of the nation’s cleanest and lowest-cost power generation fleets, that includes over 3000 megawatts here in New England region. Exelon is a developer of distributed solar generation projects in conjunction with our Constellation New Energy retail electric business and is actively pursuing projects here in Connecticut and across the U.S.

Property Taxes

The effect of local property tax on the solar projects we develop for our commercial electricity customers here in Connecticut is very significant. The annual property tax is among the largest budget items in the operations of a 20-year solar project being undertaken by Constellation and one of its customers. When the project costs are rolled up into a contract for electricity, the property tax component alone makes up roughly fifteen percent of the electricity sales price.

Our goal is to provide our business customers with clean and affordable electricity over time. We help them manage their power needs so that they can continue to focus on what they do best, maintaining and growing their business and deploying their time, effort and financial resources to do so. Unfortunately, we can not help as many customers in Connecticut as we would like. Because tax rates vary widely from one community to another and because they have such a large effect on project economics, our development efforts are limited to those communities with the lowest tax burdens. These bills, however, would remove that barrier and open the entire State to the same solar development opportunities for all Connecticut electric customers. For the foregoing reasons, I urge the Committee to adopt these bills.

Thank you.