



March 19, 2013

Senator Bob Duff, Senate Chairman  
Representative Lonnie Reed, House Chairman  
Joint Committee on Energy and Technology  
Room 3900, Legislative Office Building  
Hartford, CT 06106

**RE: Testimony in Support of Senate Bill No. 1138, “An Act Concerning Connecticut’s Clean Energy Goals”**

Chairman Duff, Chairman Reed and members of the Energy and Technology Committee:

My name is Stephen Molodetz. I am Vice President of Business Development for HQUS. HQUS is the U.S. subsidiary of Hydro-Québec<sup>1</sup>. As you likely know, Hydro-Québec is the utility that serves the electric needs of the Province of Quebec.

Hydro-Québec’s power system consists of approximately 40,000 Megawatts of generating capacity<sup>2</sup>, 175 Terawatt hours of energy storage and over 2000 miles of high voltage transmission lines. This includes numerous interconnections with four neighboring power systems.

Hydro-Québec has a major new power station under construction in the eastern portion of the province on the Romaine River. Called LaRomaine, the project is comprised of four hydro generating facilities totaling 1550 Megawatts. La Romaine will be brought on line from 2014 through 2020. Hydro-Québec is also involved in two transmission proposals in the Northeast to increase access to its primary markets in New England and New York. The project in New England, called Northern Pass Transmission, would provide 1200 Megawatts of new transmission capacity into Southern New Hampshire from Quebec.

The primary responsibility of HQUS, which is located here in Hartford just across the street in the Goodwin Building, is to sell HQ power on wholesale power markets in the U.S. HQUS has a long history of providing significant quantities of energy and

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<sup>1</sup> [www.hydroquebec.com](http://www.hydroquebec.com) , [www.hydroforthefuture.com](http://www.hydroforthefuture.com)

<sup>2</sup> This refers to installed capacity of approximately 38,000 Megawatts plus additional capacity Hydro-Québec has access to from other regions.

capacity to New England. We hope to be a larger contributor to the region and see ourselves as an energy partner and solution provider for existing and emerging energy challenges.

This morning I have two main points that I would like to make.

The first relates directly to the draft bill. HQUS is pleased that the proposed legislation recognizes all new hydropower facilities as valued renewable resources.

In our view, by creating a separate contracted tier in which a broader set of resources compete to help meet the state's RPS requirement, the bill establishes a more balanced RPS program. There are two reasons for this. First, the combination of including all new hydropower and offering long-term contracts for renewables will serve to bring more cost-effective resources into the program. Second, because the contracted tier is limited, the integrity of the more traditional RPS system of REC credits as the incentive mechanism for renewable development is maintained.

Greater balance within the RPS also enables the proposed expansion of the program into 2025. Overall, the bill will improve Connecticut's ability to maintain a strong commitment to renewables at a lower cost to ratepayers.

HQUS is also pleased to see that the bill clarifies Connecticut's ability to participate in a regional renewable procurement process. As one of the larger states in the region, Connecticut's involvement will benefit the buyers and suppliers involved in process by helping to ensure that economies of scale are achieved. Additionally, at certain quantities, a regional procurement could help to mitigate the adverse reliability impacts of current levels of natural gas reliance for electricity generation.

My second point relates to Hydro-Québec's resources. Hydro-Québec hydropower can provide significant value to the state of Connecticut -- beyond its renewability.

Hydro-Québec's hydropower is cost competitive because Quebec has an abundance of natural water resources suitable for large quantities of highly efficient energy production over a long-term horizon. Hydro-Québec hydropower produces low levels of GHG emissions per KWh of energy produced<sup>3</sup>, so it can also contribute to the state's CO2 reduction goals. Hydro-Québec hydropower is highly reliable because its system is comprised of geographically diverse generating facilities and storage reservoirs. Hydro-Québec hydropower is flexible so it can respond to peak needs instantaneously and serve as a balancing resource for greater integration of intermittent renewable resources.

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<sup>3</sup> Hydro-Québec's reservoir hydro facilities have emissions levels equivalent to that of wind facilities on a net, life-cycle basis.

HQUS believes the proposal will have a positive impact on the effectiveness and cost of the RPS program and position the state of Connecticut as a leader in policies to advance a truly renewable future.

Thank you for the opportunity to provide the perspective of HQUS. Please do not hesitate to contact me directly at 860-241-4021, or the Director of External Affairs and Communications, Carolyn O'Connor at 413-531-4353, if you have any follow-up questions or would like additional information regarding HQUS or Hydro-Québec.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Molodetz', written over a light blue horizontal line.

Stephen Molodetz  
Vice President, Business Development