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Mr. Chairman, Madam co-chair, Honourable members. Thank you for the opportunity to express my concerns with Section 7 of the Governor's Bill 843 extending the tax on electricity generation. Capital Power invested substantially in Bridgeport, at a time when the community was struggling to grow the local economy. In April of 2011 we invested more than $350 million dollars in the 500 MW natural gas combined cycle plant on Long Island Sound in Bridgeport. We are one of the largest, if not THE largest municipal taxpayer in Bridgeport ($2 million per year) and we employ roughly 100 full time employees and contractors. We pay our municipal property tax, payroll tax, corporate tax, along with sales tax on all of the products we purchase. And for the last two years, we have paid a tax on the electricity we produce.

We are a publicly traded company funded by our shareholders and we did not ask for a state handout to locate our business in Connecticut. While other companies who have invested in Connecticut jobs have been rewarded with tax break and other incentives, our reward came in the form of a $7 million penalty for locating our business in the state. The imposition of the electricity production tax in 2011 came just a few days after we purchased the Bridgeport Energy Center. It has been a game changer for our business. Because we are forced to pay a tax of $2.50 for every MW we produce, it automatically makes us less competitive than other generators who all feed into the same New England Pool. It gives a direct advantage to generators across the state line, who are not required to pay the tax, yet benefit from the higher peak pricing throughout the pool region.

These are costs we pass on to consumers. We have no other choice. Because we are not a Contracted Asset, we must bid into the market on a daily basis. That means consumers pay more for power rates that are artificially inflated by a punitive tax that is targeted at one industry. Ultimately, consumers across New England are paying $70 million more for electricity every year, than they should be. The Attorneys General in Massachusetts and Rhode Island have both written to the leadership of the Connecticut General Assembly to express their concerns with the unfair tax, urging the House and Senate here in Connecticut to end the tax on the sunset date.

Ending the tax on the sunset date is the only right thing to do. Lawmakers in this state imposed this tax as a temporary measure. There was a written commitment that this punitive measure would have a finite end. Extending this tax can only undermine business confidence in Connecticut as a place in which to do business. Capital Power is a growth oriented power generating company that invests hundreds of millions of dollars each year in new and existing assets. We have made New England the hub of our operations in the United States. Unfortunately, given the current uncertainty around taxes and legislation, it is unlikely our shareholders would support further investment in the state. It simply does not make good business sense . The extension of this tax means we will look to make investments elsewhere.

We are a company that wants to be a long term member of the communities we serve. In Bridgeport, Capital Power supports several community initiatives and we are working with Mayor Finch to try and bring new energy sustainability initiatives to Bridgeport. We want to be good corporate citizens here in Connecticut. At a time when this state is working to bring jobs back into Connecticut, it's difficult to understand why our state legislature would want to penalize companies who have invested in jobs and infrastructure here.

I urge the members of this committee to live up to Connecticut's written commitment, and let this tax end on the sunset date.

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