



**Northeast
Utilities System**

**TESTIMONY OF STEPHEN GIBELLI
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ON BEHALF OF
THE CONNECTICUT LIGHT AND POWER COMPANY**

**Energy and Technology Committee
March 4, 2014**

RE: RAISED BILL 5412, AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES

This bill provides for the development of another new virtual net metering program to reduce or eliminate generation, transmission, and distribution charges for customers participating in the program. Under this program, the developer of a Class I resource would in essence be wheeling power to another customer enabling the participating customer to receive the benefit of such power without having to pay for the use of the electric system.

Under this proposed legislation, participating customers would receive a credit predicated on cost-based, regulated generation, transmission, and distribution service, and potentially receive additional credits determined on a value basis. Electric distribution companies are regulated utilities who recover their costs to serve customers. Under this proposal the costs to serve customers participating in this program are still there, since electricity must still be delivered to the customer's physical location. Since the participating customer would receive credits and thereby pay less than the actual cost to serve the customer, the revenue shortfall from this customer is thereby shifted to all other customers.

Section 35 of Public Act 13-298 expanded existing law, thereby allowing a customer to designate state, municipal, and agricultural customers of the electric distribution company to receive a credit on their bill for the virtual electricity delivered from the host customer's net metering facility. In response to this law, the Public Utilities Regulatory Authority ("PURA") opened a docket in August 2013 to develop the program specifications and a working group formed through that process submitted its report to PURA on February 18, 2014. Raised Bill 5412 would substantially expand virtual net metering participation to all customers without due consideration of the issues raised and discussed by the virtual net metering working group. While there are limits placed on the yet

untested virtual net metering program, there appear to be no bounds on the amount generation or on the amount of subsidization by electric customers that could result from this program. It is premature to propose a new program on top of the existing virtual net metering program at this time.

Given the potential for large subsidization by existing non-participating customers, that legislation establishing the virtual net metering program was passed less than a year ago, and that that program has not even commenced yet, CL&P suggests that the program approved last August should be allowed to commence, followed by an adequate period of time to study that program, before a new legislation is passed and a program developed.

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