

TESTIMONY OF STEPHEN GIBELLI, ASSISTANT GENERAL COUNSEL

Energy and Technology Committee March 17, 2015

RE: S.B. No. 928, AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES

H.B. No. 6940, AN ACT ESTABLISHING A SHARED CLEAN ENERGY FACILITY PILOT PROGRAM

Eversource Energy thanks the committee for the opportunity to provide testimony on S.B. 928 and H.B. 6940. Eversource is committed to finding ways to support Connecticut's energy goal of providing cheaper, cleaner and more reliable energy resources to the citizens of our state.

As such we applaud the goals of this bill to further the development of renewable resources within our state. However, we do have some concerns about the cost impact that many of these new initiatives will have on our customers. As such, first and foremost, we support a study to be conducted by the Public Utilities Regulatory Authority to determine the benefits and cost impact of any proposed public policy initiative prior to implementation. We believe that this is in the best interest of the state's electric customers. We are concerned that bills such as these will shift costs to non-participating customers, which may particularly impact our low income customers.

With respect to the specific language in the bills themselves, we do have specific concerns with the language in both.

In Bill No. 928, we are concerned that the credit for participation is specified as the retail cost per hour with the credit being allocated to the generation, transmission, and distribution portion of the bill. Customers participating in this program must still take delivery of electricity, and should still be responsible for their share of the cost of the delivery system. Therefore a bill allowing for a full credit for the transmission and distribution portion of unfairly redistributes those costs to all of our remaining customers, thereby driving up their rates.

Secondly, this bill requires the electric distribution company to purchase the electricity from the clean energy facility at the locational marginal price as determined by the Independent System Operator. We believe that the distribution companies should not be required to undertake such a purpose under this bill.

Finally, we have concerns that carrying over bill credits from month to month is essentially a FERC-regulated transaction. We believe that this should be looked at closely by the committee prior to adoption.

With respect to H.B. No. 6940, we do not oppose the concept of a limited pilot. We remain concerned with the development of a program which includes rate credits, absent a study of the benefits and cost shifting impacts.

Thank you.