

NRG Energy, Inc.
211 Carnegie Center
Princeton, NJ 08540

March 23, 2015

Joint Committee on Energy and Technology

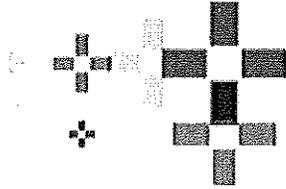
Senate Bill 1050

Testimony of NRG Energy, Inc.

Chairmen and members of the Energy and Technology Committee, thank you for the opportunity to present this testimony on SB 1050. In 1999, NRG Energy, Inc. ("NRG") invested \$460 million in eight power plant facilities in Connecticut. Our 114 Connecticut-based employees presently operate power plant facilities totaling almost 2,000 MW of natural gas and oil fueled generation - Our Norwalk Harbor facility was retired in 2013. Over the past 15 years, NRG has continued its investment in Connecticut's energy infrastructure by expanding the Cos Cob facility and developing new peaking generation in Milford and Middletown. Additionally, NRG is one of the largest installers of home solar systems in Connecticut - the NRG residential solar office was opened in Middletown last year. NRG also owns a fuel cell project in Bridgeport at the University of Bridgeport. Finally, NRG has over 45,000 residential, commercial and industrial customers in the state who are served by our NRG Home, NRG Business and Energy Plus brands.

NRG opposes SB 1050 as currently written. The legislation would impose unnecessary discriminatory requirements on electricity manufacturers, to which no other manufacturers or businesses in Connecticut or elsewhere are subject. There are already extensive significant and comprehensive state and federal rules and regulations that govern the closure of power plants providing protections for the environment and electric reliability (there were 22 separate approvals/requirements/actions that NRG took in order to retire the Norwalk Harbor facility). The legislation's land-taking provisions violate both the Connecticut and United States Constitutions, which require a "public purpose" for such land-takings and require just compensation be paid the property owner. Moreover, the legislation creates inconsistencies with existing environmental laws including the Connecticut Transfer Act and conflicts with definitions and protocols within ISO-New England and the Federal Energy Regulatory Commission's jurisdiction. All of these issues would have the unintended purpose of making the sale and redevelopment of closed power plant sites more difficult and time consuming to the detriment of both owners of the sites and the communities in which they reside.

The goals of both the owners of closed power plants and their host communities are similar - safety for the community and workers on the site; protections for the environment; and redevelopment of the site for a useful purpose. There are significant state and federal



NRG Energy, Inc.
211 Carnegie Center
Princeton, NJ 08540

regulations governing safety and environmental issues. When a facility is closed and retired, it must coordinate with both state and federal agencies to relinquish permits. To the extent there is ongoing environmental testing or remediation, those obligations continue and action plans are established if needed. It is the repurposing of the site that is often the most challenging and most time consuming part of this process.

Local cities and towns that host retired power plants have significant authority over their repurposing. Redevelopment of these sites typically involves local zoning boards, building departments, health and safety offices, fire departments and property tax assessors.

When NRG closed the Norwalk Harbor facility in 2013, the company considered three potential options for the site: 1) redevelopment as a new power project (conventional or renewable), 2) developing the site into a non-power project, or 3) selling the property. This was communicated to elected officials and the community via update letters, in the media and at a community meeting. While progress has been made in narrowing down these options and advancing remedial plans with state regulators, there is also a sense of urgency from the community to "do something" faster. At this time, NRG has focused its plans to either market the site for sale or non-power plant development. Unfortunately, this legislation would have the perverse impact of discouraging investors, distracting resources from transforming the site, and deferring commercially and societally beneficial outcomes. Potential buyers would be required to submit a plan for redevelopment, which they must execute on (or risk penalties) within a fixed period of time. This is an unnecessary layer of risk and uncertainty that will complicate and elongate the process, if not chill any and all efforts.

As an alternative to the current legislation, we suggest establishing a "community communication protocol" that is being utilized in other jurisdictions. Given that host communities have a strong interest in the redevelopment or repurposing of closed manufacturing facilities, a series of recommendations for the owners of such facilities may go a long way towards meeting both the need of the owner to conduct due diligence streams on their options for redevelopment, and the needs of the community to be informed. NRG would be very interested in working with the Committee and bill sponsor to establish such a protocol.

Thank you for your time and consideration of these comments.

Raymond G. Long
Vice President, External Affairs
NRG Energy, Inc.

Ray.Long@nrg.com